



Stock code: 1691



2024 INTERIM REPORT

JS 环球生活有限公司
JS GLOBAL LIFESTYLE COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)





TABLE OF CONTENTS

2	Corporate Information	44	Interim Condensed Consolidated Statement of Financial Position
4	Management Discussion and Analysis	46	Interim Condensed Consolidated Statement of Changes in Equity
27	Corporate Governance and Other Information	48	Interim Condensed Consolidated Statement of Cash Flows
40	Independent Review Report	51	Notes to Interim Condensed Consolidated Financial Information
41	Interim Condensed Consolidated Statement of Profit or Loss	91	Definitions
43	Interim Condensed Consolidated Statement of Comprehensive Income		



Corporate Information

BOARD OF DIRECTORS

Executive Directors

WANG Xuning (*Chairman and Chief Executive Officer*)

HAN Run (*Chief Financial Officer*)

HUANG Shuling

Non-executive Director

Stassi Anastas ANASTASSOV

Independent Non-executive Directors

Yuan DING

YANG Xianxiang

SUN Zhe

Maximilian Walter CONZE (*appointed with effect from the conclusion of the extraordinary general meeting on May 22, 2024*)

AUDIT COMMITTEE

Yuan DING (*Chairman*)

YANG Xianxiang

SUN Zhe

NOMINATION COMMITTEE

WANG Xuning (*Chairman*)

Yuan DING

YANG Xianxiang

Maximilian Walter CONZE (*appointed with effect from the conclusion of the extraordinary general meeting on May 22, 2024*)

REMUNERATION COMMITTEE

YANG Xianxiang (*Chairman*)

HAN Run

SUN Zhe

STRATEGY COMMITTEE

WANG Xuning (*Chairman*)

Stassi Anastas ANASTASSOV

SUN Zhe

Yuan DING

YANG Xianxiang

Maximilian Walter CONZE (*appointed with effect from the conclusion of the extraordinary general meeting on May 22, 2024*)

AUTHORISED REPRESENTATIVES

HAN Run

SUEN Ka Yan (*appointed with effect from May 27, 2024*)

KWAN Man Ying (*resigned with effect from May 27, 2024*)

COMPANY SECRETARY

SUEN Ka Yan (*appointed with effect from May 27, 2024*)

KWAN Man Ying (*resigned with effect from May 27, 2024*)

REGISTERED OFFICE

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Grand Cayman KY1-1104

Cayman Islands

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Sheung Wan

Hong Kong

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

21/F

238 Des Voeux Road Central

Sheung Wan

Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Grand Cayman

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LEGAL ADVISERS

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Hong Kong

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AUDITOR

Ernst & Young (*Certified Public Accountants*)
Registered Public Interest Entity Auditor
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Hong Kong

PRINCIPAL BANK

Industrial and Commercial Bank of China (Asia) Limited

STOCK CODE

1691

COMPANY'S WEBSITE

www.jsgloballife.com

DATE OF LISTING

December 18, 2019



Management Discussion and Analysis

The following discussion should be read in conjunction with the consolidated financial information of JS Global Lifestyle Company Limited (the “**Company**” or “**we**”, together with its subsidiaries, the “**Group**”), including the related notes, set forth in the financial information section of this report.

BUSINESS OVERVIEW

Our mission is to positively impact people’s lives around the world every day through transformational, innovative, and design-driven smart home products.

We are the leader in high-quality, innovative small household appliances and our success is centered around our deep understanding of local consumer needs, and is built on our strong product innovation and design capability powered by a global research and development platform, marketing strengths driving high brand engagement, and an omni-channel distribution model with high penetration. Through continuously creating new products, expanding and diversifying our product portfolio to stimulate consumers’ demand and grow the market, we are the leader of the market, reshaping the consumer behavior and their lifestyle. After the spin-off from the Group and separate listing of the shares of SharkNinja, Inc. and its subsidiaries (the “**SharkNinja Group**”) on the New York Stock Exchange (the “**Spin-off**”) in 2023, we continue to deepen our core business and accelerate our presence in the Asia Pacific market with trusted market-leading brands: Joyoung, Shark and Ninja.

We focus on three core competencies: (i) developing transformational innovative products with appealing designs; (ii) effecting multi-form brand and product marketing activities; and (iii) building omni-channel sales network. They are supported by efficient operational infrastructure, including a global research and development platform which utilizes consumer engagement to amass information on consumer preferences and behaviors that informs and influences the product development process, a centralized supply chain with a global reach and a comprehensive information management system across the entire value chain.

We offered our transformational and innovative small household appliances under the brand names of Joyoung, Shark and Ninja within the following two business segments during the Reporting Period:

- The SharkNinja APAC segment focuses on launching and selling innovative cleaning appliances, kitchen appliances and personal care appliances for the APAC markets excluding Chinese Mainland. Through consumer insights in different markets, we have launched new products and categories, enriched our product portfolio and marketing campaigns, and continued to increase our market share in legacy markets. At the same time, we endeavor to enter more markets or regions.
- During the Reporting Period, the Joyoung segment maintained its focus on technological innovation as a means to provide consumers with a continuous supply of healthy home appliances, with a primary focus on kitchen appliances and cleaning appliances. In Chinese Mainland, the Joyoung brand is at the forefront of several innovative product categories. During the Reporting Period, in particular, the success of the third-generation non-coating non-stick rice cooker and the quiet high-performance blender allowed Joyoung to reach an increasing number of middle-class households.



Chinese Mainland

As a leading company in China's small household appliance industry, the Group's Joyoung segment has continued to lead the industry in the first half of 2024 amidst the ongoing fierce market competition and channel changes, and has brought a variety of high-quality small household appliance products inheriting Joyoung "Healthy and Innovative" gene and equipped with the latest technologies to consumers:

- **Zero-coating non-stick rice cooker 40N9U Pro:** For better rice taste, Joyoung has upgraded the air-cooling system with dual cores in the new generation of products, and at the same time, the bottom and the top part of the cooker apply the IH Dual Dynamic System and the Far-Infrared Heating Technology respectively, so that the rice can be better controlled by the precise temperature, and the softness and hardness can be adjusted according to the different varieties of rice. Meanwhile, on the basis of air-cooled water lubrication film technology and dot-matrix micro-pit technology, the new zero-coating non-stick rice cooker introduces the rice activation suspension chamber technology, which achieves better non-stick effect and reaches the national class II non-stick standard.
- **Water Purifier with Instant Heating R5P ("熱小淨R5 Pro"):** In order to ensure the antimicrobial effect of the whole chain of water purification equipment, Joyoung has introduced the pasteurization technology for the new generation of all-in-one water purifier and heater products, which realizes the "3-in-1" antimicrobial system of the whole chain of filter cartridge, pipeline, and pasteurization and effectively solves the risk of bacteria growth in the pipeline of the water purifier. In addition, Joyoung also upgraded the product with instant hot high flow technology, so that consumers can receive a cup of 150 ml of boiled water in about 6 seconds. In terms of filters, the new product is equipped with a 6-year long-lasting filter stacked with artificial intelligence filter life monitoring system, which further enhance the water quality in the long term.
- **Light Sound Blender and Soymilk Maker Y8:** Joyoung independently developed the "BlenderX" crushing system. This system is equipped with a strong "heart" – inverter brushless powerful motor, and with space sound-proof cabin technology to achieve a better sound effect. The Company also pioneered the fully automatic "washing and drying" function for Y8, realising the "three washing and one drying" of high-pressure spraying – high-temperature steaming – high-speed stirring – high-temperature circling drying, so that it can be dried immediately after washing. On the premise that the sterilization rate is as high as 99.99%, it can slow down bacterial growth for 72 hours.

Y8 can not only turn the rough taste of cereal milk into silky smooth like milk, but also achieve stepless adjustable grinding direction and speed, so that the food retains granularity and high fibre to meet the needs of different people in the family. The Company's self-developed "new pupil remote sensing technology" allows the machine to continue to boil without overflowing at the same time as it heats up quickly, so that the food continues to boil at the optimal extraction temperature.

In terms of channels, China's retail channels are changing day by day, and the online and offline channels are ever-changing. The Company continues to actively deploy and expand emerging channels, coordinate the development of shelf e-commerce and content e-commerce, shopping centre new retail and sinking market, grasp the development opportunities of content e-commerce, focus on the development of content e-commerce platforms such as Xiaohongshu and Douyin, and set up professional teams and departments such as user research, data analysis, content creation, live video broadcasting, editing, directing, and filming. It has gradually completed a more complete live streaming matrix and the sales loop of "marketing – purchase – sharing". At the same time as enhancing the brand's net promoter score ("NPS") value, it has also accumulated more new users and new customer groups for the brand.

Management Discussion and Analysis

At the same time, the Company has also strengthened the construction of retail terminals and shopping guide teams, guiding experienced terminal shops and shopping guides to carry out scenic demonstrations and live broadcasting of goods, and relying on its own digital centre network to build a more comprehensive, efficient and accurate online to offline (“O2O”) digital marketing operation system, explore various emerging market channel opportunities, and comprehensively enhance its retail marketing capabilities.

In order to better reach users, serve consumers and respond to market trends, during the Reporting Period, the Company focused on the development of its direct sales team and the construction of self-operated shops, which will not only bring the Company closer to consumers, users and fans, but also help the Company’s long-term sustainable and high-quality development.

SharkNinja – APAC Regions (Excluding Chinese Mainland)

SharkNinja APAC segment recorded strong growth of revenue from APAC regions excluding Chinese Mainland in the first half of 2024 with revenue from third party customers of US\$123.1 million compared to the prior period of US\$48.6 million. The year-on-year growth of 153.3% was mainly attributable to the strong growth in both Shark vacuum products and Ninja kitchen appliances across APAC markets. Such growth was obvious in new markets, particularly Australia and South Korea, while the existing market of Japan continued to have robust growth with revenue of US\$43.7 million (2023: US\$37.4 million), which grew by 16.8% and would have increased by 31.3% under constant currency.

Japan

Shark brand in Japan market accelerates its momentum in the cordless stick vacuum category, with retail point-of-sales growth of 37.4% in the first half of 2024 compared to the same period of 2023, while the overall category only grew by 8.5%. This resulted in an increased value share in the cordless stick vacuum category to 16.9%, up 360 basis points comparing with the first half of 2023.

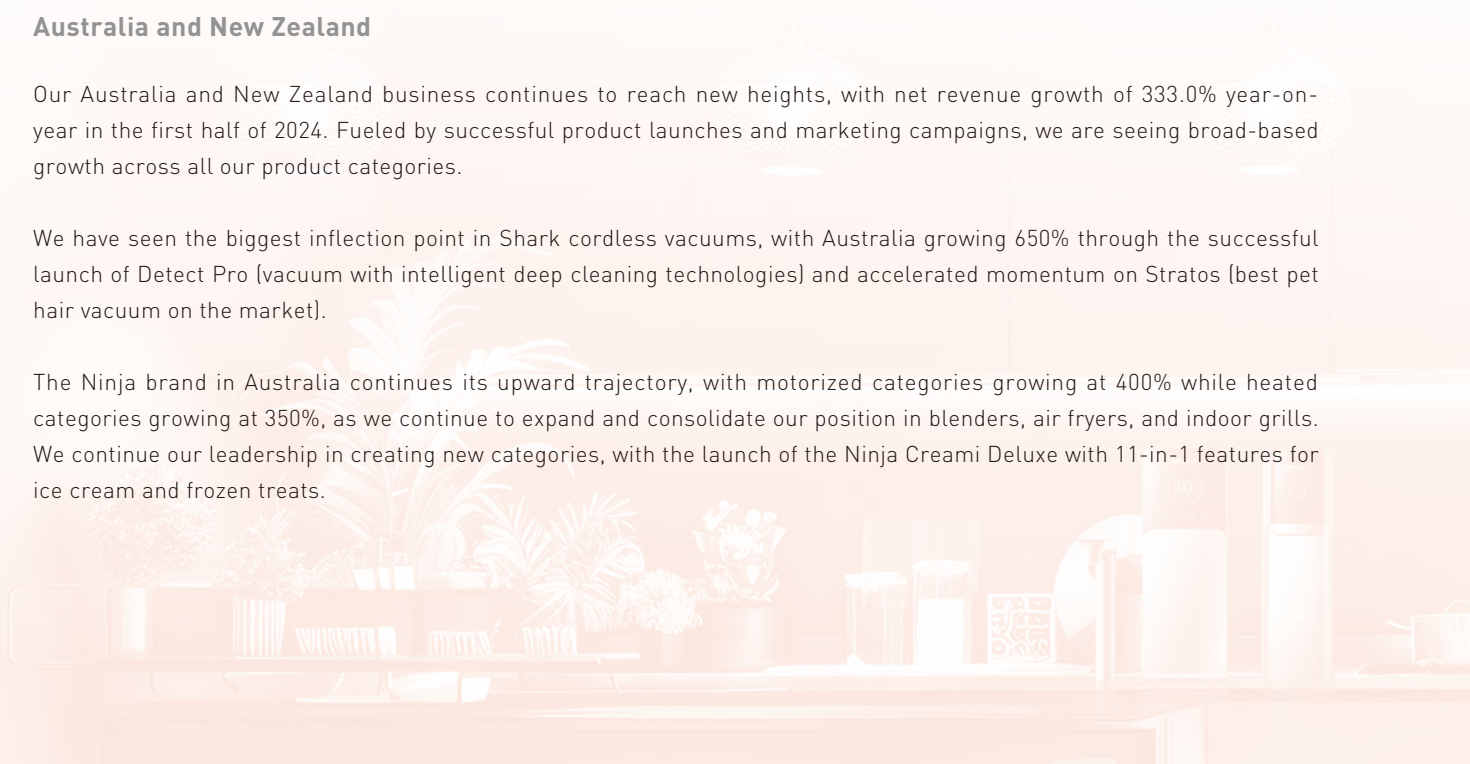
In addition, the cordless portable blender (“Blast”), the first Ninja product launched in Japan where it brought Ninja to the top position in the blender category within 6 weeks after the launch. Blast is attracting first time blender users to the category with its unique positioning of delivering a powerful blender in a compact and portable form.

Australia and New Zealand

Our Australia and New Zealand business continues to reach new heights, with net revenue growth of 333.0% year-on-year in the first half of 2024. Fueled by successful product launches and marketing campaigns, we are seeing broad-based growth across all our product categories.

We have seen the biggest inflection point in Shark cordless vacuums, with Australia growing 650% through the successful launch of Detect Pro (vacuum with intelligent deep cleaning technologies) and accelerated momentum on Stratos (best pet hair vacuum on the market).

The Ninja brand in Australia continues its upward trajectory, with motorized categories growing at 400% while heated categories growing at 350%, as we continue to expand and consolidate our position in blenders, air fryers, and indoor grills. We continue our leadership in creating new categories, with the launch of the Ninja Creami Deluxe with 11-in-1 features for ice cream and frozen treats.



Management Discussion and Analysis

Other Markets (South Korea)

In 2024, we have achieved rapid expansion into South Korea market through local distributors and recorded net revenue of US\$30.4 million in the first half of 2024 (2023: nil) which accounted for approximately 24.7% of the total revenue of SharkNinja APAC segment. This was mainly attributable to strong sales from our successful product launch, particularly cordless vacuum and blender, through increasing consumer awareness and trial across multiple touch points.

Other Markets (Excluding South Korea)

In 2024, our strategic focus was on expanding our product line to build up a winning portfolio, and accelerating marketing activations to create brand awareness, supported by continuously improved retail presence.

In the first half of 2024, total revenue in other markets (excluding South Korea) under SharkNinja APAC segment reached US\$4.4 million while only US\$1.1 million noted in prior period. This growth was primarily driven by sales growth of floor care products and cooking appliances in Singapore. New cordless vacuum innovations, including "CleanSense iQ" and "EVOPOWER System Neo", brought new technologies to our consumers and to cater their needs.

FINANCIAL REVIEW

Overall performance

Following the completion of the Spin-off of the SharkNinja Group on July 31, 2023, the SharkNinja business units which distributes its products in North America, Europe and other non-Asia Pacific markets ("**SharkNinja Non-APAC business**") was classified as a discontinued operation while the existing business of the Group including Joyoung segment and the business of SharkNinja products selling in Asia Pacific Region ("**SharkNinja APAC segment**") would be the continuing operations.

During the Reporting Period, the total revenue of the Group from continuing operations was US\$743.0 million, representing a year-on-year increase of 29.5%. Gross profit was US\$245.8 million, representing a year-on-year increase of 15.2%. Gross profit margin was 33.1%, decreased by 4.1 percentage points as compared to 37.2% year-on-year. Profit from continuing operations for the Reporting Period decreased by 35.9% year-on-year to approximately US\$29.6 million. Profit attributable to owners of the parent decreased by approximately 37.0% year-on-year to approximately US\$21.8 million. EBITDA¹ for the Reporting Period dropped by 43.0% year-on-year to approximately US\$41.7 million, and adjusted EBITDA² for the Reporting Period decreased by 64.4% year-on-year to approximately US\$28.1 million. Adjusted net profit³ for the Reporting Period decreased by 69.2% year-on-year to approximately US\$16.0 million.

¹ EBITDA is defined as profit before taxation plus finance costs, depreciation and amortization, less interest income. For a reconciliation of profit before tax for the periods to EBITDA as defined, see "- Non-IFRS measures" below.

² For a reconciliation of EBITDA for the Reporting Period to adjusted EBITDA as defined, see "- Non-IFRS measures" below.

³ Adjusted net profit is defined as profit for the period adjusted for certain items that do not affect the Company's ongoing operating performance, including items arising from acquisition and relating to the reorganization in preparation for the Global Offering (as defined below and non-recurring items and items not related to the Company's ordinary course of business (each without considering tax effect)). For a reconciliation of profit for the periods to adjusted profit, see "- Non-IFRS measures" below.

Management Discussion and Analysis

Revenue

For the Reporting Period, the Group from continuing operations recorded a total revenue of US\$743.0 million (2023: US\$573.6 million), representing a year-on-year increase of 29.5%.

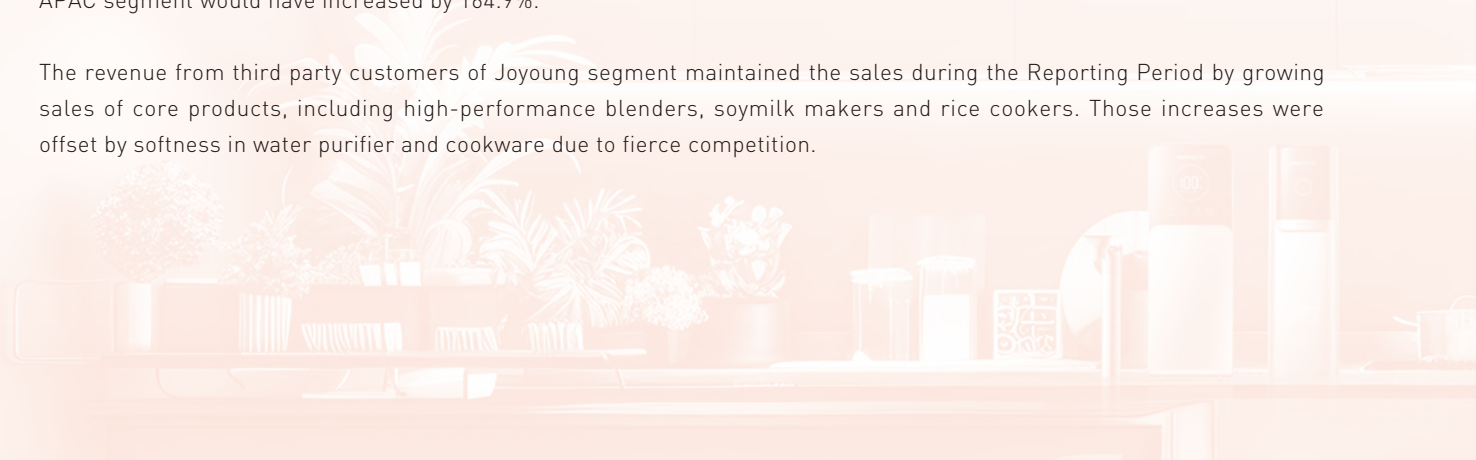
The following table sets forth the breakdown of the Group's revenue from continuing operations by business segment:

	For the six months ended June 30,			
	2024		2023	
	Amount (unaudited)	%	Amount (unaudited)	%
(in US\$ million, except percentages)				
Joyoung segment	487.2	65.6	490.9	85.6
SharkNinja APAC segment	123.1	16.6	48.6	8.5
Total sales to third party customers	610.3	82.2	539.5	94.1
Joyoung segment	107.7	14.5	–	–
SharkNinja APAC segment	25.0	3.3	34.1	5.9
Total revenue with related parties	132.7	17.8	34.1	5.9
Total revenue	743.0	100.0	573.6	100.0

The Joyoung segment represents the Group's Joyoung business unit, which focuses on kitchen and cleaning appliances. The SharkNinja APAC segment represents the Group's SharkNinja business unit, which distributes its products in Japan, Australia and New Zealand, and other Asia Pacific markets and is primarily focused on cleaning appliances and kitchen appliances.

For the six months ended June 30, 2024, revenue from third party customers of the Joyoung segment amounted to US\$487.2 million (2023: US\$490.9 million), dropping by approximately 0.8% year-on-year and accounting for approximately 65.6% of the total revenue of the Group. On a constant currency basis, the revenue of the Joyoung segment would have increased by 3.3%. During the Reporting Period, revenue from third party customers of the SharkNinja APAC segment was US\$123.1 million (2023: US\$48.6 million), growing by approximately 153.3% year-on-year and accounting for approximately 16.6% of the total revenue of the Group. On a constant currency basis, the revenue from third party customers of the SharkNinja APAC segment would have increased by 164.9%.

The revenue from third party customers of Joyoung segment maintained the sales during the Reporting Period by growing sales of core products, including high-performance blenders, soymilk makers and rice cookers. Those increases were offset by softness in water purifier and cookware due to fierce competition.



Management Discussion and Analysis

The SharkNinja APAC segment's ability to accelerate revenue growth from third party customers was attributable to continued market value gains in the cordless vacuum category in Japan and the rapid expansion of our geographic and category footprint.

The revenue with related parties under Joyoung segment represents the Joyoung Group being engaged by SharkNinja Non-APAC business after the Spin-off for the manufacturing or procuring original equipment manufacturer ("OEM") suppliers to manufacture certain SharkNinja products of cooking appliances, food preparation appliances and floorcare appliances starting from July 31, 2023. For more details, please refer to the announcements of the Company dated July 31, 2023 and April 5, 2024 and the circular of the Company dated September 18, 2023.

The revenue with related parties under SharkNinja APAC segment represents one of the sourcing offices within the Group, which provided sourcing services to SharkNinja Non-APAC business for production and manufacturing of SharkNinja products. The revenue from such sourcing arrangement was made up of the mark-up fee on the procurement amounts charged by OEM suppliers, less direct expenses by providing such sourcing service. Upon completion of the Spin-off, the Group has continued to provide value-added sourcing services to the SharkNinja non-APAC business over a transitional period and charge certain service fee rate on the procurement amount. For more details, please refer to the announcements of the Company dated July 31, 2023 and April 5, 2024 and the circular of the Company dated September 18, 2023.

The following table sets forth the breakdown of the Group's sales to third party customers from continuing operations by brand:

	For the six months ended June 30,			
	2024		2023	
	Amount	%	Amount	%
[in US\$ million, except percentages]				
Joyoung	478.2	78.4	485.3	90.0
Shark	92.8	15.2	47.7	8.8
Ninja	39.3	6.4	6.5	1.2
Total sales to third party customers	610.3	100.0	539.5	100.0

During the Reporting Period, total revenue generated by the Joyoung brand was approximately US\$478.2 million (2023: US\$485.3 million), representing a year-on-year decrease of approximately 1.5%. The Joyoung brand maintained sales in the first half of 2024 mainly by growing sales of core products in food preparation appliances (high-performance blenders and soymilk makers) and cooking appliances (rice cookers) respectively. However, the competition of water purifier and cookware persists in Chinese Mainland market, such softness in sales offset the above growth.

Management Discussion and Analysis

During the Reporting Period, total revenue generated by the Shark brand was approximately US\$92.8 million (2023: US\$47.7 million), representing a year-on-year increase of approximately 94.5%. Such growth was attributable to continued market share growth in cordless vacuum and hair care appliance category in both existing and new markets.

During the Reporting Period, total revenue generated by the Ninja brand was approximately US\$39.3 million (2023: US\$6.5 million), representing a year-on-year increase of approximately 504.6%. This was driven by strong growth of kitchen appliances across APAC markets, particularly air fryers, blenders and ice-cream makers.

The following table sets forth the breakdown of the Group's sales to third party customers from continuing operations by geography:

	For the six months ended June 30,			
	2024		2023	
	Amount	%	Amount	%
	(in US\$ million, except percentages)			
Chinese Mainland	478.4	78.4	482.3	89.4
Japan	43.7	7.2	37.4	6.9
Australia and New Zealand	44.6	7.3	10.3	1.9
Other markets	43.6	7.1	9.5	1.8
Total sales to third party customers	610.3	100.0	539.5	100.0

During the Reporting Period, total revenue generated from Chinese Mainland was approximately US\$478.4 million (2023: US\$482.3 million), representing year-on-year drop of 0.8%. The ability to maintain the revenue level was mainly resulted from sales improvement of both food preparation and cleaning appliances, while this was offset by softer consumer demand for water purifier and cookware.

During the Reporting Period, total revenue generated from Japan was approximately US\$43.7 million (2023: US\$37.4 million), representing a year-on-year growth of approximately 16.8%. The increase in revenue was driven by continued market value growth of cordless vacuum and entry into kitchen appliance market from successful launch of Ninja blender in Japan. On a constant currency basis, revenue would have increased by 31.5%.

During the Reporting Period, total revenue generated from Australia and New Zealand was approximately US\$44.6 million (2023: US\$10.3 million), representing a year-on-year increase of approximately 333.0%. The significant increase in revenue was attributable to broad-based growth across all product categories by accelerating our brand's awareness through strong marketing campaigns.

During the Reporting Period, total revenue generated from other markets including South Korea was approximately US\$43.6 million (2023: US\$9.5 million), representing a year-on-year increase of 358.9%, primarily resulted from robust sales in cleaning and food preparation appliances from successful entry into South Korea market through distributors during the Reporting Period.



Management Discussion and Analysis

The following table sets forth the breakdown of the Group's sales to third party customers from continuing operations by product category:

	For the six months ended June 30,			
	2024		2023	
	Amount	%	Amount	%
	(in US\$ million, except percentages)			
Cooking appliances	275.8	45.2	268.7	49.8
Food preparation appliances	183.6	30.1	155.6	28.8
Cleaning appliances	86.5	14.2	46.1	8.6
Others	64.4	10.5	69.1	12.8
Total sales to third party customers	610.3	100.0	539.5	100.0

Cooking appliances include rice cookers, pressure cookers, induction cookers, air fryers, and other appliances and utensils for cooking. Food preparation appliances include high-performance multifunctional blenders, soymilk makers, food processors and other small household appliances that facilitate the food preparation process.

Cleaning appliances include upright vacuums, cordless and corded stick vacuums and other floor care products. Others product category includes small household appliances, such as water purifiers, water heaters, thermos and hair-dryer.

During the Reporting Period, cooking appliances was the Group's largest product category, with revenue contribution of 45.2% for the Reporting Period. The cooking category grew by 2.6% year-on-year to US\$275.8 million. Such increase in cooking appliance revenue was mainly resulted from growth of Ninja air fryers and Joyoung rice cookers, while it was partially offset by softness in Joyoung air fryers in Chinese Mainland market.

During the Reporting Period, food preparation appliances recorded revenue increase of 18.0%, with the revenue of US\$183.6 million. The increase was primarily attributable to successful launch of Ninja blenders and ice-cream makers across APAC markets and sales rebound of both high-performance blenders and soymilk makers in Chinese Mainland market.

The cleaning category grew by 87.6% year-on-year to US\$86.5 million during the Reporting Period which was mainly driven by continued market share gains in Japan and strong growth of cordless vacuums in new markets, particularly Australia and South Korea.

During the Reporting Period, others product category recorded a year-on-year decrease of 6.8% to approximately US\$64.4 million, as a result of softness in demand for water purifier and cookware in Chinese Mainland market, partially offset by growth of the hair styler in APAC markets.



Management Discussion and Analysis

OTHER FINANCIAL INFORMATION

Cost of sales

For the six months ended June 30, 2024, the cost of sales of the Group from continuing operations was approximately US\$497.1 million (2023: US\$360.2 million), representing a year-on-year increase of approximately 38.0%. The total cost of sales included the cost of sales on revenue with related parties with approximate amount of US\$101.5 million (2023: nil). By excluding such amount, the cost of sales on sales to third party customers of the Group from continuing operations for the Reporting Period was approximately US\$395.6 million (2023: US\$360.2 million), representing a year-on-year increase of approximately 9.8%. Such increase was primarily attributable to increase in sales to third party customers from the SharkNinja APAC segment.

The following table sets forth the breakdown of the cost of sales on sales to third party customers of the Group from continuing operations by business segment:

	For the six months ended June 30,			
	2024		2023	
	Amount (unaudited)	%	Amount (unaudited)	%
	(in US\$ million, except percentages)			
Joyoung segment	330.7	83.6	333.3	92.5
SharkNinja APAC segment	64.9	16.4	26.9	7.5
Total cost of sales on sales to third party customers	395.6	100.0	360.2	100.0

For the six months ended June 30, 2024, the Joyoung segment recorded a total cost of sales on sales to third party customers of approximately US\$330.7 million (2023: US\$333.3 million), representing a year-on-year decrease of approximately 0.8%. The decrease was primarily in line with the decrease in sales of products.

For the six months ended June 30, 2024, the SharkNinja APAC segment recorded a total cost of sales on sales to third party customers of approximately US\$64.9 million (2023: US\$26.9 million), representing a year-on-year increase of approximately 141.3%. The increase was primarily attributable to higher sales across markets.

Gross profit

For the six months ended June 30, 2024, the gross profit of the Group from continuing operations was approximately US\$245.8 million (2023: approximately US\$213.4 million), representing a year-on-year increase of approximately 15.2%. The gross profit margin from continuing operations for the Reporting Period was 33.1%, representing a decrease of 4.1 percentage points from 37.2% for the six months ended June 30, 2023.

Management Discussion and Analysis

By excluding the gross profit with related parties, the gross profit of the Group on sales to third party customers for the Reporting Period was approximately US\$214.7 million (2023: approximately US\$179.3 million), representing a year-on-year increase of approximately 19.7%. The gross profit margin on sales to third party customers for the Reporting Period was 35.2%, representing an increase of 2.0 percentage points from 33.2% for the six months ended June 30, 2023, primarily attributable to improvement in the gross margin from SharkNinja APAC segment as a result of portfolio premiumization and structurally higher margin from business model change and improved cost productivity.

	For the six months ended June 30,			
	2024		2023	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin
		%		%
	(in US\$ million, except percentages)			
Joyoung segment	156.5	32.1	157.6	32.1
SharkNinja APAC segment	58.2	47.3	21.7	44.7
Total gross profit on sales to third party customers	214.7	35.2	179.3	33.2

The gross profit margin from sales to third party customers of Joyoung segment maintained at 32.1% for the Reporting Period, mainly due to higher margins from increase in proportion of direct sales to customers while offset by the unfavorable product mix which proportion of products with relatively higher gross margin decreased comparing with the same period of prior year.

The gross profit from sales to third party customers of SharkNinja APAC segment for the Reporting Period increased by 168.2%, and its gross profit margin increased from 44.7% for the six months ended June 30, 2023 to 47.3% for the Reporting Period. The increase in gross profit margin was driven by strategic initiatives by launching premium products with higher margins, partially offset by foreign currency headwinds in Japan. In addition, the change in business model and improved cost productivity led to structurally higher margins.

Other income and gains

Other income and gains of the Group from continuing operations primarily include (i) gain or loss on financial assets at their fair value; (ii) government grants (mainly relating to research and promotion activities, innovation and patents); (iii) bank interest income; (iv) net rental income from investment property operating leases; (v) foreign exchange differences, net; (vi) gain on disposal of items of property, plant and equipment; (vii) gain on disposal of associates; and (viii) trademark royalty income.

Management Discussion and Analysis

The following table sets forth the breakdown of the Group's other income and gains from continuing operations:

	For the six months ended June 30,	
	2024	2023
	(in US\$ million)	
Other income		
Bank interest income	6.6	3.3
Net rental income from investment property operating leases	0.1	1.1
Government grants	3.7	2.7
Trademark royalty income	4.7	-
Others	4.7	-
Subtotal	19.8	7.1
Gains		
Foreign exchange differences, net	-	9.7
Gain on financial assets at fair value through profit or loss, net	35.3	1.9
- Shares of SharkNinja Group related to stock-based compensation	45.1	-
- Others	(9.8)	1.9
Gain on disposal of items of property, plant and equipment	0.1	0.2
Gain on disposal of an associate	1.0	-
Others	0.5	3.4
Subtotal	36.9	15.2

For the six months ended June 30, 2024, other income and gains of the Group from continuing operations was approximately US\$56.7 million (2023: US\$22.3 million), representing a year-on-year increase of approximately 154.3%. The increase was primarily due to significant increase in net gain on financial assets at fair value through profit or loss comparing with the prior period.

Selling and distribution expenses

Selling and distribution expenses of the Group from continuing operations primarily consist of (i) trade marketing expenses in relation to marketing and branding expenses primarily at sales channel; (ii) advertising expenses; (iii) staff cost in relation to sales and distribution staff; (iv) warehousing and transportation expenses for sales of products; (v) business development expenses; and (vi) office expenses and others.

Management Discussion and Analysis

The following table sets forth the breakdown of the Group's selling and distribution expenses from continuing operations:

	For the six months ended June 30,	
	2024	2023
	(in US\$ million)	
Trade marketing expenses	52.5	49.4
Advertising expenses	40.4	14.9
Staff cost	23.5	21.6
Warehousing and transportation expenses	17.3	9.4
Business development expenses	4.5	4.3
Office expenses and others	8.4	6.9
Total	146.6	106.5

The Group's selling and distribution expenses from continuing operations increased by approximately 37.7% year-on-year from approximately US\$106.5 million for the six months ended June 30, 2023 to approximately US\$146.6 million for the Reporting Period, which was mainly due to significant investment in advertising and marketing campaigns by SharkNinja APAC segment to support new product launch and to promote brand awareness across Asia Pacific markets. In addition, warehousing and transportation expenses increased in line with the rapid growth of Asia Pacific business.

Administrative expenses

Administrative expenses of the Group from continuing operations primarily consist of (i) staff cost in relation to product development and administrative staff; (ii) office expenses; (iii) professional service fees primarily consisting of (a) legal fees, (b) tax, audit and advisory fees, and (c) engineering consulting fees; (iv) depreciation and amortization; and (v) other expenses.

The following table sets forth the breakdown of the Group's administrative expenses from continuing operations:

	For the six months ended June 30,	
	2024	2023
	(in US\$ million)	
Staff cost	83.6	35.7
Office expenses	8.5	9.0
Professional service fees	7.1	3.7
Depreciation and amortization	4.5	4.0
Others	13.0	11.1
Total	116.7	63.5

Management Discussion and Analysis

The Group's administrative expenses from continuing operations increased by approximately 83.8% year-on-year from approximately US\$63.5 million for the six months ended June 30, 2023 to approximately US\$116.7 million for the Reporting Period. The increase was primarily attributable to significant increase in stock-based compensation, and also increase in the overall administrative expenses, particularly staff cost and professional fee, to support the rapid expansion of Asia Pacific operations.

Other expenses

Other expenses of the Group from continuing operations primarily consist of (i) foreign exchanges differences, net; (ii) impairment/(reversal of impairment) of prepayments and other assets; and (iii) other expenses.

The following table sets forth the breakdown of the Group's other expenses from continuing operations:

	For the six months ended June 30,	
	2024	2023
	(in US\$ million)	
Foreign exchange differences, net	2.4	-
(Reversal of impairment)/impairment of prepayments and other assets	(0.2)	0.1
Others	0.5	0.7
Total	2.7	0.8

The Group's other expenses from continuing operations increased by approximately 237.5% year-on-year from approximately US\$0.8 million for the six months ended June 30, 2023 to approximately US\$2.7 million for the Reporting Period. The increase was primarily due to net exchange loss noted during the Reporting Period, while the foreign exchange differences, net for the prior period was net exchange gain which was included in "other income and gains".

Finance costs

Finance costs of the Group from continuing operations primarily represent (i) interest expenses on bank loans; (ii) amortization of deferred finance costs, representing amortization of various fees associated with the bank loans; (iii) interest expenses on lease liabilities; and (iv) other finance costs.

Management Discussion and Analysis

The following table sets forth the breakdown of the Group's finance costs from continuing operations:

	For the six months ended June 30,	
	2024	2023
	(in US\$ million)	
Interest on bank loans	-	12.4
Amortization of deferred finance costs	-	1.5
Interest on lease liabilities	0.3	0.2
Other finance costs ⁴	1.5	-
Total	1.8	14.1

Finance costs of the Group from continuing operations decreased by approximately 87.2% year-on-year from approximately US\$14.1 million for the six months ended June 30, 2023 to approximately US\$1.8 million for the Reporting Period. The decrease was primarily due to savings in bank loan interest after repayment of bank loans in the second half of prior year.

Income tax

The Group is subject to income tax on an entity basis on the profit arising in or derived from the tax jurisdictions in which its entities are domiciled and operate. Under the relevant PRC income tax law, except for certain preferential treatments available to the Group, the PRC subsidiaries of the Group are subject to income tax at a rate of 25% (2023: 25%) on their respective taxable income. During the period, three (2023: five) of the Group's entities obtained approval from the relevant PRC tax authorities and were entitled to preferential corporate income tax rates or corporate income tax exemptions.

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime.

Income tax expense of the Group from continuing operations increased by approximately 1.4% year-on-year from approximately US\$7.1 million for the six months ended June 30, 2023 to approximately US\$7.2 million for the Reporting Period.

⁴ Other finance costs primarily include transaction fees for bill discounting.

Management Discussion and Analysis

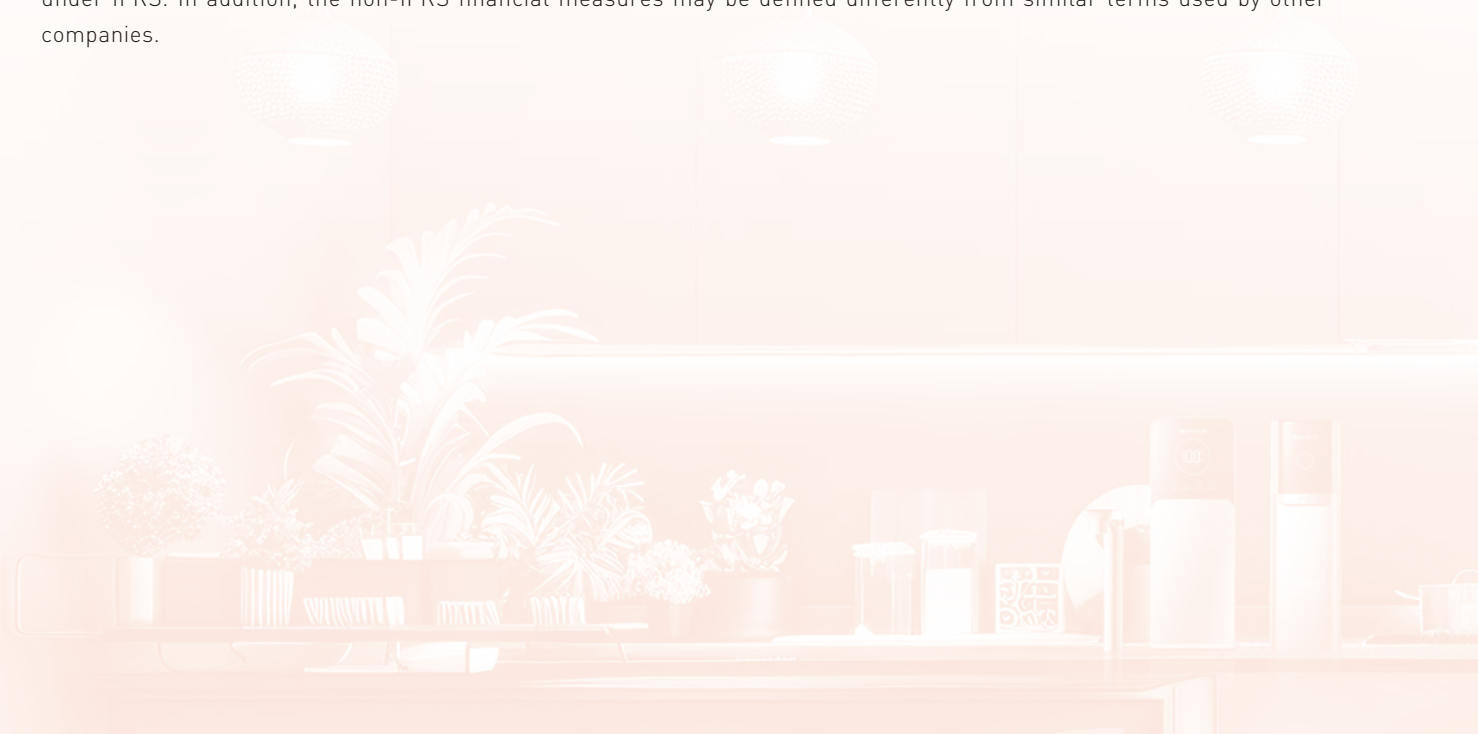
The Group has applied the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The legislation has been effective for certain jurisdictions since January 1, 2024. The Group is in the process of assessing the potential exposure arising from Pillar Two legislation based on the information available for the six-month period ended June 30, 2024. Based on the assessment carried out so far, the Group has identified certain jurisdictions where the Pillar Two effective tax rates are likely to be lower than 15%. Quantitative information to indicate potential exposure to Pillar Two income taxes is still under assessment. However, there was no Pillar Two income tax exposure during the six-month period ended June 30, 2024 because the Pillar Two tax legislations have not been applied to the potential top up tax arising from the jurisdictions where the Pillar Two effective tax rates are likely to be lower than 15%.

Net profit

As a result of the foregoing reasons, net profit from continuing operations decreased by approximately 35.9% from approximately US\$46.2 million for the six months ended June 30, 2023 to approximately US\$29.6 million for the Reporting Period.

Non-IFRS measures

To supplement the Group's consolidated statements of profit or loss which are presented in accordance with IFRS, the Group also uses adjusted net profit, EBITDA and adjusted EBITDA as non-IFRS measures, which are not required by, or presented in accordance with, IFRS. The Group believes that the presentation of non-IFRS measures when shown in conjunction with the corresponding IFRS measures provides useful information to potential investors and management in facilitating a comparison of the Group's operating performance from period to period by eliminating potential impacts of certain items that do not affect the Group's ongoing operating performance, including expenses arising from the acquisition of SharkNinja and the reorganization (the "**Reorganization**") in preparation for the global offering of the Company in 2019 (the "**Global Offering**"), and non-operational or one-off expenses and gains (each without considering tax effect). Such non-IFRS measures allow investors to consider matrices used by the Group's management in evaluating the Group's performance. From time to time in the future, there may be other items that the Group may exclude in reviewing the Group's financial results. The use of the non-IFRS measures has limitations as an analytical tool, and it should not be considered in isolation from, or as a substitute for or superior to analysis of, the Group's results of operations or financial condition as reported under IFRS. In addition, the non-IFRS financial measures may be defined differently from similar terms used by other companies.



Management Discussion and Analysis

The following table shows the Group's adjusted net profit, EBITDA and adjusted EBITDA from continuing operations:

	For the six months ended June 30,	
	2024	2023
	(in US\$ million)	
	(unaudited)	(unaudited)
Profit for the period	29.6	46.2
<i>Add:</i>		
Non-recurring items and items not related to the Company's ordinary course of business	(13.6)	5.8
Stock-based compensation	45.3	5.3
Special professional service fee and bonus related to Spin-off project	-	2.6
Gain on disposal of property, plant and equipment, investment property, associates and subsidiaries	(1.1)	(0.2)
Gain on financial assets at fair value through profit or loss, net	(35.3)	(1.9)
- Shares of SharkNinja Group related to stock-based compensation	(45.1)	-
- Others	9.8	(1.9)
Sourcing service income ⁵	(25.0)	-
Product development and transitional service expenses ⁶	2.5	-
Adjusted net profit	16.0	52.0
Attributable to:		
Owners of the parent	5.1	40.5
Non-controlling interests	10.9	11.5
	16.0	52.0

⁵ The sourcing service income represented the fee charged by the continuing operations on value-added sourcing services provided to SharkNinja non-APAC business over a transitional period after the Spin-off (from July 31, 2023 to June 30, 2025). For more details, please refer to the announcements of the Company dated July 31, 2023 and April 5, 2024 and the circular of the Company dated September 18, 2023.

⁶ Such expenses represented the transition service provided by SharkNinja non-APAC business to the continuing operations after the Spin-off, including developing market tailored products for Asia Pacific regions for a term of three years (from July 31, 2023 to July 31, 2026) and providing certain transition services, including various information technology and back-office services as well as limited and shorter-term front-office services, for a term of two years (from July 31, 2023 to July 31, 2025). For more details, please refer to the announcements of the Company dated July 31, 2023 and April 5, 2024.

Management Discussion and Analysis

	For the six months ended June 30,	
	2024	2023
	(in US\$ million)	
	(unaudited)	(unaudited)
Profit before tax	36.8	53.3
<i>Add:</i>		
Finance cost	1.8	14.1
Depreciation and amortization	9.7	9.0
Bank interest income	(6.6)	(3.3)
EBITDA	41.7	73.1
<i>Add:</i>		
Non-recurring items and items not related to the Company's ordinary course of business	(13.6)	5.8
Stock-based compensation	45.3	5.3
Special professional service fee and bonus related to Spin-off project	-	2.6
Gain on disposal of property, plant and equipment, investment property, associates and subsidiaries	(1.1)	(0.2)
Gain on financial assets at fair value through profit or loss, net	(35.3)	(1.9)
- Shares of SharkNinja Group related to stock-based compensation	(45.1)	-
- Others	9.8	(1.9)
Sourcing service income ⁷	(25.0)	-
Product development and transitional service expenses ⁸	2.5	-
Adjusted EBITDA	28.1	78.9

⁷ The sourcing service income represented the fee charged by the continuing operations on value-added sourcing services provided to SharkNinja non-APAC business over a transitional period after the Spin-off (from July 31, 2023 to June 30, 2025). For more details, please refer to the announcements of the Company dated July 31, 2023 and April 5, 2024 and the circular of the Company dated September 18, 2023.

⁸ Such expenses represented the transition service provided by SharkNinja non-APAC business to the continuing operations after the Spin-off, including developing market tailored products for Asia Pacific regions for a term of three years (from July 31, 2023 to July 31, 2026) and providing certain transition services, including various information technology and back-office services as well as limited and shorter-term front-office services, a term of two years (from July 31, 2023 to July 31, 2025). For more details, please refer to the announcements of the Company dated July 31, 2023 and April 5, 2024.

Management Discussion and Analysis

The non-IFRS measures used by the Group adjusted for, among other things, (i) stock-based compensation, (ii) special professional service fee and bonus related to spin-off project, (iii) gain or loss on disposal of property, plant and equipment, investment property, associates and subsidiaries, (iv) gain or loss on financial assets at fair value through profit or loss, net, (v) sourcing service income and (vi) product development and transitional service expenses which may be considered recurring in nature but are neither considered by the Group as related to the Group's ordinary course of business nor indicative of the Group's ongoing core operating performance. Therefore, the Group believes that these items should be adjusted for when calculating adjusted EBITDA and adjusted net profit, as applicable, in order to provide potential investors with a complete and fair understanding of the Group's core operating results and financial performance, so that potential investors can assess the Group's underlying core performance undistorted by items unrelated to the Group's ordinary course of business operations, especially in (i) making period-to-period comparisons of, and assessing the profile of, our operating and financial performance, and (ii) making comparisons with other comparable companies with similar business operations but without any material acquisition.

Liquidity and financial resources

Treasury management

Our treasury function undertakes the responsibility of cash management, liquidity planning and control, procurement of financing which is cost-efficient to the Group, management of credit profile as well as mitigation of financial risks such as interest rate and foreign exchange fluctuations. The design of our treasury function aims at aligning with the long-term and short-term needs of the Group and conforming with good governance standard.

During the Reporting Period, the Group funded its operations, working capital, capital expenditure and other capital requirements primarily from cash generated from operations.

As of June 30, 2024, the Group had cash and cash equivalents of approximately US\$362.3 million as compared to US\$319.8 million as of December 31, 2023. The cash and cash equivalents of the Group are mainly denominated in HK\$, RMB and US\$.

As of June 30, 2024 and December 31, 2023, the Group did not have any borrowings.



Management Discussion and Analysis

Inventory

The Group's inventory increased by 5.6% from approximately US\$120.1 million as of December 31, 2023 to approximately US\$126.8 million as of June 30, 2024. Such increase was mainly due to higher inventory balance kept by Joyoung segment at the end of June 2024 to cope with the incremental sales from shopping festivals. Inventory turnover days⁹ decreased from 51 days in 2023 to 45 days in the first half of 2024.

Trade and bills receivables

The Group's trade receivables decreased by 10.7% from approximately US\$395.8 million as of December 31, 2023 to approximately US\$353.4 million as of June 30, 2024. The decrease was mainly due to lower sales from Joyoung segment during the second quarter of 2024 comparing with the last quarter of 2023. Trade receivables turnover days¹⁰ in the first half of 2024 was 92 days, compared to 93 days in 2023.

Trade and bills payables

The Group's trade payables increased by 2.7% from approximately US\$472.4 million as of December 31, 2023 to approximately US\$485.0 million as of June 30, 2024. Trade payables turnover days¹¹ decreased from 202 days in 2023 to 176 days in the first half of 2024.

Gearing ratio

As of June 30, 2024, the Group's gearing ratio (calculated as the total debt (including interest-bearing bank borrowings and lease liabilities) divided by total equity) was 2.1%, representing an increase of 1.3 percentage points as compared with 0.8% as of December 31, 2023. The increase was primarily attributable to increase in lease liabilities during the Reporting Period.

Foreign exchange risk

The Group's currency exposures arise from sales or purchases by business units in currencies other than their respective functional currencies.

The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency exchange rates and will consider hedging significant foreign currency exposure should the need arise.

⁹ Average inventories equal inventories at the beginning of the period plus inventories at the end of the period, divided by two. Turnover of average inventories equals average inventories divided by cost of sales and multiplied by the number of days in the period.

¹⁰ Average trade and bills receivables equal trade and bills receivables at the beginning of the period plus trade and bills receivables at the end of the period, divided by two. Turnover of average trade and bills receivables equals average trade and bills receivables divided by revenue and then multiplied by the number of days in the period.

¹¹ Average trade and bills payables equal trade and bills payables at the beginning of the period plus trade and bills payables at the end of the period, divided by two. Turnover of average trade and bills payables equals average trade and bills payables divided by cost of sales and then multiplied by the number of days in the period.

Management Discussion and Analysis

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates. As of June 30, 2024, the Group did not have any borrowings.

The Group manages its interest rate risk by closely monitoring and regulating the debt portfolio of the Group and will consider entering into interest rate swap contracts should the need arise.

Charge on assets

As at June 30, 2024, bank deposits of US\$59,526,000 and bills receivables of US\$19,416,000 of the Group were pledged to secure bills payable.

Capital expenditures

The capital expenditure of the Group consists of additions to property, plant and equipment, investment properties, prepaid land lease payments, right-of-use assets and other intangible assets, including assets from the acquisition of a subsidiary. For the Reporting Period, capital expenditures of the Group from continuing operations amounted to approximately US\$22.3 million (2023: US\$2.4 million).

Contingent liabilities

As of June 30, 2024, the Group did not have any significant contingent liabilities.

Capital commitments

The Group had the following capital commitments at the end of the Reporting Period:

	June 30, 2024 US\$'000	December 31, 2023 US\$'000
Contracted, but not provided for:		
Business combination	-	17,783
Total	-	17,783

Management Discussion and Analysis

Future plans for material investments or capital assets

Save as disclosed herein, as of June 30, 2024, the Group did not have any future plans for material investments or capital assets.

PROSPECT AND STRATEGY

Growth strategies

The Group is committed to achieving sustainable growth in continuing operations through the following strategies:

- Develop and commercialize innovative small home appliance products, combining powerful technology with appealing designs;
- Develop localized innovative products for consumers in different regions through in-depth consumer insights;
- Expand sales network and product categories;
- Increase consumer interaction through creative marketing campaigns to enhance brand awareness and brand influence;
- Enter new markets with flexibility through direct operations or regional distributor partnerships;
- Maximize synergies between the Joyoung and SharkNinja APAC segment; and
- Pursue potential strategic partnerships and acquisitions.

As far as Joyoung is concerned, as a leading brand in the domestic small household appliance industry, the Company will continue to focus on its principal business of small household appliances to:

- focus on users' needs to deeply explore the development opportunities of just-needed products;
- driven by technological innovation, improve the success rate of product innovation through deeper consumer insights; and
- provide users with high-quality, long-term and high-viscosity services with better product quality.

Joyoung segment will adhere to the brand concept of "health" and "innovation", and through continuous technology and product innovation, efficient digital user communication and product implementation, and fast and precise marketing strategies, it will timely capture new market needs and be able to respond quickly to meet user needs for high-quality small home appliances. In terms of channels, the Company continues to actively deploy and expand emerging channels, and continues to strengthen the construction of professional teams and departments such as user research, data analysis, content creation, video live broadcast, editing, directing and filming.

Management Discussion and Analysis

The Joyoung segment will continue to expand and strengthen the brand asset value of “Home Kitchen”, “Charity Kitchen” and “Space Kitchen”, with a firm determination to further develop the small household appliances of small kitchen appliances, water appliances, cleaning appliances, personal care appliances and cookware. The Company will continue to uphold health, innovation, actively embrace the changing market environment, continue to give full play to the advantages of insight into consumer needs and rapid demand satisfaction, adhere to the retail sales driven, comprehensive development of emerging pipelines, and with the craftsmanship of dedicated industry, we are committed to building the Company as a full range of high-quality small household appliances leading enterprises.

As far as the SharkNinja APAC segment is concerned, we will focus on the development and expansion of business in the region of Asia Pacific (except Chinese Mainland), with a strategic focus on the top 25 cities in Asia Pacific, and selling high-quality innovative small household appliances to more than 75 million households. We will actively carry out multi-level consumer insight research to understand consumer habits and product functionality needs in various markets, and focus on providing localized high-quality small household appliances to consumers in the regions where we operate. We will launch new products and new categories through localized and comprehensive marketing initiatives to expand sales in Japan, Australia & New Zealand and South Korea. In addition, we will actively enter new markets through dealer models or direct sales models to provide momentum for further growth.

The growth strategy for the SharkNinja APAC segment focuses on three dimensions, namely the growth of existing categories, the launch of new categories and the expansion to new markets:

- Growth of existing categories: we will focus on winning in core categories and continuously launch new products in existing categories targeted at local markets, such as cordless vacuums;
- Launch of new categories: we will continue to launch new categories in the Asia Pacific market that have proven successful in other markets around the world, such as kitchen appliances, home appliances and personal care appliances; and
- Expansion to new markets: we will launch Shark and Ninja-branded products in other major cities in the Asia Pacific region, including Southeast Asia.

The mission of SharkNinja APAC segment is to positively impact people’s lives in every home in APAC. Our strategy is rooted in deep consumer understanding to enable us to provide the tailored product offerings at optimal value.

Within existing categories, we strive to deliver innovative products that directly address the distinct needs and preferences of APAC customers further driving market share in existing markets. In Japan, for instance, we have specifically designed light-weight cordless vacuums products for Japanese customers, and we are the market leader in key areas that matter most to our consumers, including product performance, weight, appearance design and noise levels. In addition, we launch new products with new features or designs more frequently than most of our competitors in the market.

In terms of new category launches, we have a number of potential categories in reserve for the Asia Pacific market. During the Reporting Period, we built on the success of the Shark brand in Japan by launching the Ninja brand for the first time, bringing the Ninja Blast portable blender cup to users in Japan, which has achieved good word-of-mouth and a leading market share. In addition to Japan, we have also launched Blast in most of the Asia Pacific region, bringing an excellent product to a wide range of consumers who are looking for health and convenience. We look forward to bringing more of Shark’s and Ninja’s global products to the Asia Pacific markets in the future, enriching the product portfolio in each market.

Management Discussion and Analysis

Expanding our geographic presence is another integral aspect of our long-term sustainable growth strategy. As such, we are actively evaluating uncharted markets in the Asia Pacific region and developing targeted marketing strategies for successful product launches in these countries. In the first half of this year, we entered Philippines and Indonesia through an exclusive distribution model with the leading distributors in these countries. Going forward, we remain committed to gradually exploring untapped markets with long-term potential.

Our growth strategy is focusing on meeting the needs of our consumers, winning in core categories, and identifying opportunities for expansion, in both product categories and geographical markets. We believe this three-pronged approach will drive sustainable growth of SharkNinja APAC segment.

We will continue to focus on and tap into consumer needs. Relying on the research and development capabilities of the Joyoung segment and the SharkNinja Group, and our advantage supply chain, we will satisfy the customised solutions developed by Asia Pacific and continue to launch innovative products suitable for local areas, as well as build winning products and diversified product matrix by leveraging on our strong marketing and media communication capabilities, and our omni-channel sales network.

Global macro review and outlook

During the first half of 2024, energy prices were volatile due to geopolitical and seasonal influences, and overall prices remained high. The overall prices of raw materials, such as plastics, copper and other key raw materials for small household appliances production, remained high in the first half of 2024, and copper prices were driven up by continued growth in demand for copper due to the development of electric vehicles and the construction of renewable energy infrastructure.

During the first half of 2024, there are persistent fears of a recession in some of the markets in which we operate. As a result, retailers in these regions have continued to maintain low inventories, while consumers have become more focused on buying products during promotional periods rather than when products are sold at full price or less discounted, and have become more price sensitive to the homogenized products. Nonetheless, the Asia Pacific region has emerged from the pandemic as a vibrant region, with overall economic and consumer performance among the highest in the world, and we remain positively optimistic about the long-term growth of the economies in the regions in which we operate.

Overall, the first half of 2024 was characterised by a complex and volatile global macro-economy, with industries facing challenges and seeking new opportunities for growth, while the popularity of e-commerce and digital payments has further boosted consumption growth in the Asia-Pacific region. Looking ahead, we expect to see solid economic growth and continued dynamism in the consumer markets in the Asia Pacific region. We will continue to invest in product innovation and marketing to maintain and increase strong consumer demand for our products.



Corporate Governance and Other Information

CHANGE IN COMPOSITION OF BOARD AND BOARD COMMITTEES

With effect from the conclusion of the extraordinary general meeting on May 22, 2024, Mr. Maximilian Walter CONZE was appointed as an independent non-executive Director and a member of the Nomination Committee and the Strategy Committee.

CHANGE OF DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes of Director's information since the publication of the Company's annual report for the year ended December 31, 2023 and up to the date of this report are as follows:

On March 7, 2024, Mr. YANG Xianxiang has been redesignated as the chairman of the board of directors and ceased to be the chief executive officer of SITC International Holdings Company Limited, a company listed on the Stock Exchange (Stock Code: 1308).

Save as disclosed above, there are no other changes to the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

On January 31, 2024, the Company, as a borrower, entered into a facility agreement (the "**Facility Agreement**") with banks as arrangers and agents, for a loan facility of US\$100,000,000 (the "**Facility**"). The final maturity date of the Facility shall initially be the date falling 364 days after the date of the Facility Agreement and shall, subject to the terms and conditions therein, be extended to the date falling 36 months after the date of the Facility Agreement. The proceeds from the Facility will be primarily used as general working capital of the Group.

As at the date of this report, Mr. WANG Xuning, an executive Director and the Chairman of the Board, directly and indirectly holds or controls 1,992,986,204 shares in the Company, representing approximately 57.36% of the issued share capital of the Company, and is a controlling shareholder of the Company within the meaning of the Listing Rules. Pursuant to the Facility Agreement, the total commitment under the Facility may be cancelled and all amounts outstanding under the Facility may become immediately due and payable, if, amongst other things, Mr. WANG does not or ceases directly or indirectly to control more than 50.1% of the voting rights at a general meeting of the Company or serve as the Chairman of the Board.

For more details of the Facilities Agreement, please refer to the announcement of the Company dated February 1, 2024.

Save as disclosed above, the Directors are not aware of any circumstances which would be required to disclose herein pursuant to the requirements under Rule 13.21 of the Listing Rules.

Corporate Governance and Other Information

CORPORATE GOVERNANCE PRACTICES

The Company and management of the Group are committed to the maintenance of good corporate governance practices and procedures. During the Reporting Period, the Company has complied with all the applicable code provisions set out in Part 2 of the CG Code in Appendix C1 to the Listing Rules, except for the following deviation:

Code Provision C.2.1 in Part 2 of the CG Code – Chairman and Chief Executive Officer

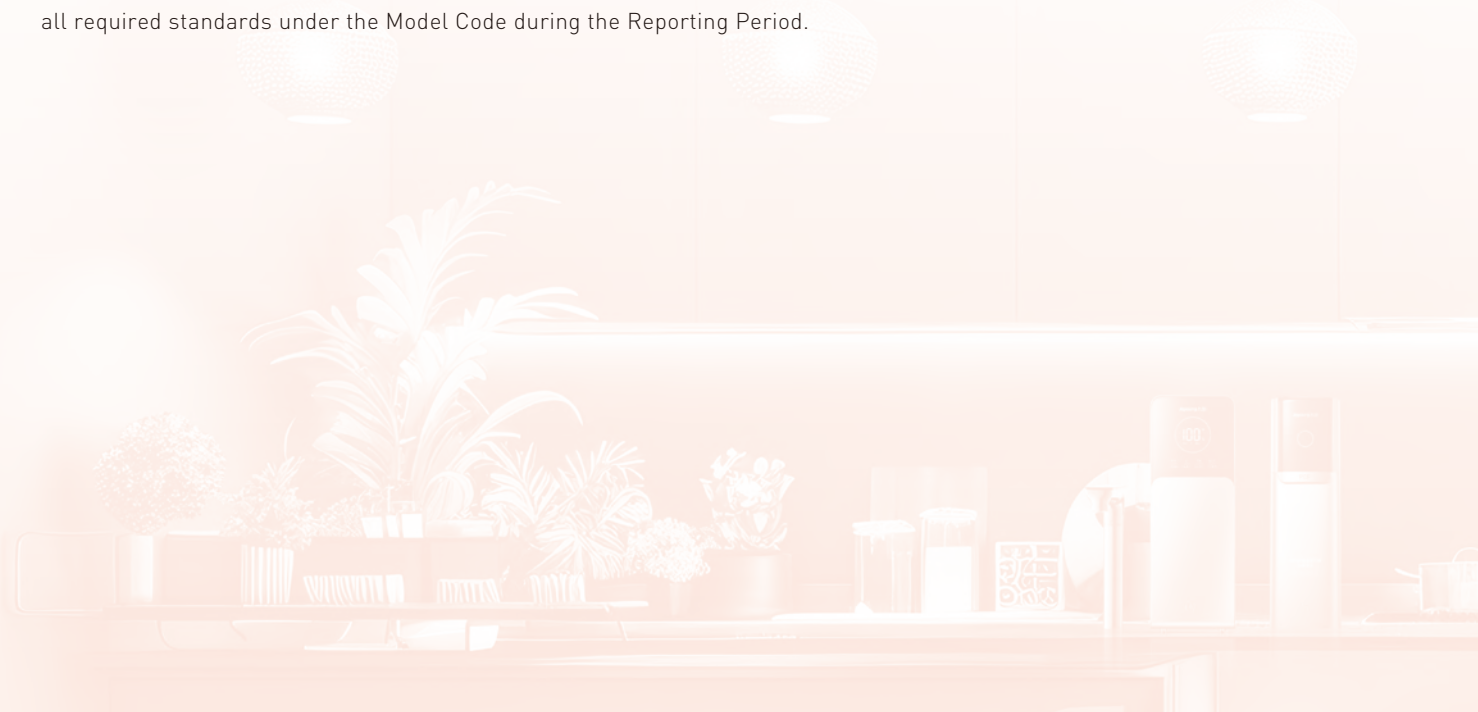
Under the code provision C.2.1 in Part 2 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. WANG Xuning currently holds both positions of Chairman and Chief Executive Officer.

After taking into consideration the factors below, the Board considers that vesting the roles of the Chairman and Chief Executive Officer in the same person, being Mr. WANG Xuning, is beneficial to the Group's business development and operational coordination between Joyoung, SharkNinja APAC and SharkNinja, Inc.: Mr. WANG Xuning is responsible for formulating the overall business strategies and conducting general management of the Group. He has been the key person contributive to the development and business expansion of Joyoung since the invention of the soymilk maker in 1990s. Mr. WANG Xuning is currently acting as chairperson of the board of directors of SharkNinja, Inc. He has always acted as the main point of communication between the corporate operation of Joyoung and SharkNinja. After completion of the distribution of SharkNinja Group by the Company on July 31, 2023 and the Spin-off, the coordination among the Group, Joyoung, SharkNinja APAC and SharkNinja, Inc. will still create an excellent exterior synergy effect. Regarding the rapidly evolving small household appliance industry in which the Group operates, the Chairman and Chief Executive Officer need to have a profound understanding and be equipped with extensive industry knowledge to stay abreast of market changes, to facilitate the Group's business development.

COMPLIANCE WITH MODEL CODE REGARDING SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules, which applies to all Directors and relevant employees of the Company who are likely to possess inside information in relation to the Company or its securities due to his/her office or employment.

The Company has made specific enquiries with all the Directors, and each of them confirmed that he/she had complied with all required standards under the Model Code during the Reporting Period.



Corporate Governance and Other Information

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of June 30, 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO, or (iii) notified to the Company and the Stock Exchange under the Model Code, were as follows:

(i) Interest in Shares of the Company

Name of Director or chief executive	Nature of interest	Long position/ short position	Number of Shares	Approximate percentage of shareholding in the Company ⁽¹⁾
Mr. Wang Xuning ⁽²⁾⁽³⁾	Founder of a discretionary trust who can influence how the trustee exercises his discretion, interest in controlled corporations, interest held jointly with other persons	Long position	1,934,882,576	55.69%
	Beneficial interest	Long position	81,170,295	2.34%
Ms. Han Run ⁽²⁾⁽⁴⁾	Founder of a discretionary trust who can influence how the trustee exercises his discretion	Long position	1,603,578,331	46.15%
	Beneficial interest	Long position	28,132,073	0.81%
Ms. Huang Shuling ⁽²⁾⁽⁵⁾	Founder of a discretionary trust who can influence how the trustee exercises his discretion	Long position	1,603,578,331	46.15%
Mr. Yang Xianxiang	Beneficial interest	Long position	300,000	0.01%

Corporate Governance and Other Information

Notes:

- (1) The approximate percentage of shareholding in the Company was calculated based on the total number of issued Shares, which was 3,474,571,777 as of June 30, 2024.
- (2) JS&W Global Holding Limited Partnership ("**JS&W**", formerly known as JS Holding Limited Partnership) directly held 1,603,578,331 Shares. Hezhou Company Limited ("**Hezhou**") was the general partner exercising operational control over JS&W. Tong Zhou Company Limited ("**Tong Zhou**") was its limited partner with close to 100% of the limited partnership interest. Hezhou was wholly owned by Mr. Wang Xuning through the holding companies wholly owned by the trustee of the discretionary trust founded by Mr. Wang Xuning (the "**Wang's Family Trust**"). Tong Zhou was owned by the holding companies respectively wholly owned by relevant trustee of several discretionary trusts (where their respective founders may respectively influence how the relevant trustee exercises its discretion), including the Wang's Family Trust, the trust founded by Ms. Han Run (the "**Han's Family Trust**") and the trust founded by Ms. Huang Shuling (the "**Huang's Family Trust**"). Therefore, each of Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling was deemed to be interested in the Shares held by JS&W for the purpose of Part XV of the SFO.
- (3) Sol Target Limited ("**STL**"), held 100 management shares (representing 100% voting rights) in JS&W Capital SPC ("**JS&W SPC**", formerly known as Sol Omnibus SPC). STL was wholly owned by Xuning Holdings Limited ("**XHL**"). XHL was wholly owned by Wang Family Holdings Limited ("**WFHL**"), which was in turn wholly owned by Wang Family Global Limited ("**WFGL**", together with XHL and WFHL, the "**Wang's Holding Companies**"). The entire issued share capital of WFGL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the Wang's Family Trust. Mr. Wang Xuning established the Wang's Family Trust for the benefit of himself and his family members. Therefore, Mr. Wang Xuning was deemed to be interested in 331,304,245 Shares held by JS&W SPC for the purpose of part XV of the SFO. Together with Mr. Wang Xuning's interest in the Company held through JS&W as described in note (2) above, Mr. Wang Xuning was deemed to be interested in an aggregate of 1,934,882,576 Shares held by JS&W and JS&W SPC. In addition, Mr. Wang Xuning was deemed to be interested in 81,170,295 Shares comprising 58,103,628 Shares and 23,066,667 restricted stock units granted to him under the RSU Plan entitling him to receive up to 23,066,667 Shares, subject to vesting.
- (4) Run Holdings Limited ("**RHL**") was wholly owned by Hannah Han Family Global Limited ("**HHFGL**"), which was in turn wholly owned by Hannah Han Family Holdings Limited ("**HHFHL**", together with RHL and HHFGL, the "**Han's Holding Companies**"). The entire issued share capital of HHFHL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the Han's Family Trust. Ms. Han Run established the Han's Family Trust, where she can influence how the trustee exercises its discretion, for the benefit of herself and her family members. Ms. Han Run was deemed to be interested in the Shares held by JS&W as described in note (2) above, and therefore Ms. Han Run was deemed to be interested in 1,603,578,331 Shares. In addition, Ms. Han Run was deemed to be interested in 28,132,073 Shares comprising of 16,798,740 Shares and 11,333,333 restricted stock units granted to her under the RSU Plan entitling her to receive up to 11,333,333 Shares, subject to vesting.
- (5) Y&W Holdings Limited ("**YWHL**") was wholly owned by L&W Everlasting Holdings Limited ("**LEHL**"), which was in turn wholly owned by Huang Family Global Limited ("**HFGL**", together with YWHL and LEHL, the "**Huang's Holding Companies**"). The entire issued share capital of HFGL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the Huang's Family Trust. Ms. Huang Shuling established the Huang's Family Trust, where she can influence how the trustee exercises its discretion, for the benefit of herself and her family members. Ms. Huang Shuling was deemed to be interested in Shares held by JS&W as described in note (2) above, and therefore Ms. Huang Shuling was deemed to be interested in 1,603,578,331 Shares.



Corporate Governance and Other Information

(ii) Interest in associated corporations

Name of Director or chief executive	Nature of interest	Long position/ short position	Associated corporations	Number of Shares	Approximate percentage of shareholding in the associated corporation ⁽¹⁾
Ms. Han Run ⁽²⁾⁽³⁾	Beneficial interest	Long position	Joyoung	1,500,000	0.20%
Ms. Huang Shuling ⁽²⁾⁽⁴⁾	Beneficial interest	Long position	Joyoung	92,700	0.01%

Notes:

- (1) The approximate percentage of shareholding in the associated corporation was calculated based on the total number of issued shares of Joyoung, which was 767,017,000 as of June 30, 2024.
- (2) On June 1, 2021, Ms. Han Run and Ms. Huang Shuling were granted 900,000 and 300,000 options, respectively, which entitled them to subscribe for the equivalent number of shares in Joyoung in accordance with certain conditions under the Subsidiary Option Scheme. On March 30, 2022, Ms. Han Run and Ms. Huang Shuling were cancelled 360,000 and 120,000 options due to triggering the conditions under the Subsidiary Option Scheme. On March 30, 2023, Ms. Han Run and Ms. Huang Shuling were cancelled 270,000 and 90,000 options due to triggering the conditions under the Subsidiary Option Scheme. On March 27, 2024, Ms. Han Run and Ms. Huang Shuling were cancelled 270,000 and 90,000 options due to triggering the conditions under the Subsidiary Option Scheme. On October 27, 2023, Ms. Han Run joined as an eligible participant of JY ESOP I and was awarded 1,000,000 shares of Joyoung held through the designated share repurchase account of Joyoung for her ultimate benefit and the cash proceeds of which will be eventually distributed to her subject to fulfilment of certain performance targets. For more details, please refer to "Subsidiary Share Option Scheme" in this interim report.
- (3) Ms. Han Run held 500,000 shares of Joyoung as of June 30, 2024.
- (4) Ms. Huang Shuling held 92,700 shares of Joyoung as of June 30, 2024.

Save as disclosed above, so far as the Directors are aware, as of June 30, 2024, none of the Directors or chief executive of the Company had any interest or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO, or (iii) notified to the Company and the Stock Exchange under the Model Code.

Corporate Governance and Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of June 30, 2024, the following persons (other than the Directors and chief executive of the Company) had an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company, pursuant to Section 336 of the SFO:

Name of Shareholder	Nature of interest	Long position/ short position	Number of Shares held	Approximate percentage of shareholding in the Company ⁽¹⁾
JS&W ⁽²⁾	Beneficial interest	Long position	1,603,578,331	46.15%
Hezhou ⁽²⁾	Interest in controlled corporation	Long position	1,603,578,331	46.15%
Tong Zhou ⁽²⁾	Interest in controlled corporation	Long position	1,603,578,331	46.15%
HONGTAO Holding Company Limited ("HJHCL") ⁽³⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
HONGJIN Family Company Limited ("HJFCL") ⁽³⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
HONGJIN Global Company Limited ("HJGCL") ⁽³⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
Trident Trust Company (Singapore) Pte. Limited ⁽³⁾⁽¹⁰⁾	Trustee	Long position	1,603,578,331	46.15%
Mr. Zhu Hongtao ⁽³⁾⁽¹⁰⁾	Founder of a discretionary trust who can influence how the trustee exercises his discretion	Long position	1,603,578,331	46.15%
Guo De Er Limited ("GDEL") ⁽⁴⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
Wo Er Na Limited ("WENL") ⁽⁴⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%

Corporate Governance and Other Information

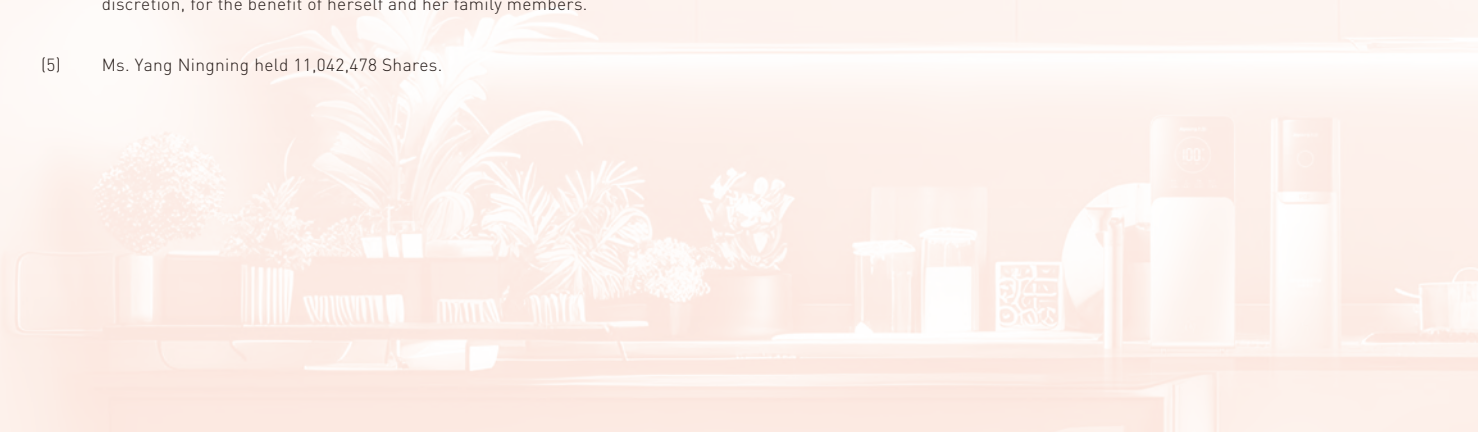
Name of Shareholder	Nature of interest	Long position/ short position	Number of Shares held	Approximate percentage of shareholding in the Company ⁽¹⁾
He Guang Limited ("HGL") ⁽⁴⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
Ms. Yang Ningning ⁽⁴⁾⁽⁵⁾⁽¹⁰⁾	Founder of a discretionary trust who can influence how the trustee exercises his discretion	Long position	1,603,578,331	46.15%
	Beneficial Interest	Long position	11,042,478	0.32%
YONG JUN Limited ("YJL") ⁽⁶⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
J&Z Family Global Limited ("JZFGL") ⁽⁶⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
Jiang Family Global Limited ("JFGL") ⁽⁶⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
Mr. Jiang Guangyong ⁽⁶⁾⁽¹⁰⁾	Founder of a discretionary trust who can influence how the trustee exercises his discretion	Long position	1,603,578,331	46.15%
XHL ⁽⁷⁾⁽¹⁰⁾	Interest in controlled corporations, interest held jointly with other persons	Long position	1,934,882,576	55.69%
WFHL ⁽⁷⁾⁽¹⁰⁾	Interest in controlled corporations, interest held jointly with other persons	Long position	1,934,882,576	55.69%
WFGL ⁽⁷⁾⁽¹⁰⁾	Interest in controlled corporations, interest held jointly with other persons	Long position	1,934,882,576	55.69%
RHL ⁽⁸⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
HHFGL ⁽⁸⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%

Corporate Governance and Other Information

Name of Shareholder	Nature of interest	Long position/ short position	Number of Shares held	Approximate percentage of shareholding in the Company ⁽¹⁾
HHFHL ⁽⁸⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
YWHL ⁽⁹⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
LEHL ⁽⁹⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
HFGL ⁽⁹⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
Trident Trust Company (HK) Limited ⁽¹⁰⁾⁽¹¹⁾	Trustee	Long position	1,934,882,576	55.69%
JS&W SPC ⁽¹¹⁾	Beneficial Interest	Long position	331,304,245	9.54%
STL ⁽¹¹⁾	Interest in controlled corporation	Long position	331,304,245	9.54%

Notes:

- (1) The percentage of shareholding in the Company was calculated based on the total number of issued Shares, which was 3,474,571,777 as of June 30, 2024.
- (2) JS&W directly held 1,603,578,331 Shares. Hezhou was the general partner exercising operational control over JS&W. Tong Zhou was the limited partner of JS&W with close to 100% of its limited partnership interest. Therefore, each of Hezhou and Tong Zhou was deemed to be interested in 1,603,578,331 Shares held by JS&W for the purpose of Part XV of the SFO.
- (3) HJHCL was wholly owned by HJGCL, which was in turn wholly owned by HJFCL (together with HJHCL and HJGCL, the **"Zhu HT's Holding Companies"**). The entire issued share capital of HJFCL was directly owned by Trident Trust Company (Singapore) Pte. Limited, being the trustee of the family trust established by Mr. Zhu Hongtao (the **"Zhu HT's Family Trust"**). Mr. Zhu Hongtao established the Zhu HT's Family Trust, where he can influence how the trustee exercises his discretion, for the benefit of himself and his family members.
- (4) GDEL was wholly owned by WENL, which was in turn wholly owned by HGL (together with GDEL and WENL, the **"Yang's Holding Companies"**). The entire issued share capital of HGL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the family trust established by Ms. Yang Ningning (the **"Yang's Family Trust"**). Ms. Yang Ningning established the Yang's Family Trust, where she can influence how the trustee exercises its discretion, for the benefit of herself and her family members.
- (5) Ms. Yang Ningning held 11,042,478 Shares.



Corporate Governance and Other Information

- [6] YJL was wholly owned by JZFGL, which was in turn wholly owned by JFGL (together with YJL and JZFGL, the “**Jiang’s Holding Companies**”, together with the Wang’s Holding Companies, the Han’s Holding Companies, the Huang’s Holding Companies, the Zhu HT’s Holding Companies and the Yang’s Holding Companies, the “**Holding Companies**”). The entire issued share capital of JFGL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the family trust established by Mr. Jiang Guangyong (the “**Jiang’s Family Trust**”). Mr. Jiang Guangyong established the Jiang’s Family Trust, where he can influence how the trustee exercises its discretion, for the benefit of himself and his family members.
- [7] XHL was wholly owned by WFHL, the entire issued share capital of which was in turn wholly owned by WFGL. XHL directly wholly owned Hezhou, the general partner of JS&W, and STL, which in turn held 100% voting rights of JS&W SPC. Therefore, each of XHL, WFHL and WFGL was deemed to be interested in 1,934,882,576 Shares comprising of 1,603,578,331 Shares held by JS&W and 331,304,245 Shares held by JS&W SPC for the purpose of part XV of the SFO.
- [8] RHL was wholly owned by HHFGL, the entire issued share capital of which was in turn wholly owned by HHFHL. The entire issued share capital of HHFHL was directly wholly owned by Trident Trust Company (HK) Limited, being the trustee of the Han’s Family Trust, where Ms. Han Run can influence how the trustee exercises its discretion, for the benefit of herself and her family members.
- [9] YWHL was wholly owned by LEHL, which was in turn wholly owned by HFGL. The entire issued share capital of HFGL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the Huang’s Family Trust, where Ms. Huang Shuling can influence how the trustee exercises its discretion, for the benefit of herself and her family members.
- [10] The Wang’s Family Trust, the Han’s Family Trust, the Huang’s Family Trust, the Zhu HT’s Family Trust, the Yang’s Family Trust and the Jiang’s Family Trust, through Trident Trust Company (HK) Limited or Trident Trust Company (Singapore) Pte. Limited (in the case of the Zhu HT’s Family Trust) as their respective trustee (the “**Trustees**”) and the Holding Companies, held their interest in the Company through a common investment entity, namely JS&W. As such, each of the Trustees, the Holding Companies, and the founders of relevant discretionary trusts where he/she can influence how the trustee exercises its respective discretion, was deemed to be interested in the 1,603,578,331 Shares held by JS&W for the purpose of Part XV of the SFO.
- [11] STL had 100% control in JS&W SPC. STL was wholly owned by the Wang’s Family Trust through the Wang’s Holding Companies, which were wholly owned by its trustee Trident Trust Company (HK) Limited. Therefore, Trident Trust Company (HK) Limited was deemed to be interested in 331,304,245 Shares held by JS&W SPC for the purpose of part XV of the SFO.

Save as disclosed herein, as of June 30, 2024, the Company had not been notified by any person (other than the Directors or the chief executive of the Company) who had an interest or short position in the Shares or the underlying Shares which were recorded in the register required to be kept by the Company under Section 336 of the SFO.



Corporate Governance and Other Information

RSU PLAN

In order to recognize and reward the management and employees of the Group for their contribution, to attract the best available talents, and to provide additional incentives to them to remain with and further promote the success of business, the Company adopted the restricted stock unit plan (the “**RSU Plan**”) on October 9, 2019 (amended on December 14, 2020, June 4, 2021, December 30, 2021 and March 29, 2022 respectively), and (i) issued and allotted 141,618,409 ordinary shares with a par value of US\$0.00001 pursuant to the RSU Plan on October 25, 2019, which represent approximately 4.08% of the issued share capital of the Company as at the date of this report; (ii) issued and allotted 5,500,000 ordinary shares with a par value of US\$0.00001 pursuant to the RSU Plan on January 18, 2021, which represent approximately 0.16% of the issued share capital of the Company as at the date of this report.

As of June 30, 2024, the Company had granted an aggregate of 197,544,148 restricted stock units, and of which 17,700,000 restricted stock units were vested on April 25, 2024, in accordance with the terms and conditions of the RSU Plan.

The number of RSUs available for grant under the RSU Plan on January 1, 2024 and June 30, 2024 were 115,287,138. The number of Shares that may be issued in respect of RSUs granted under the RSU Plan during the Reporting Period divided by the weighted average number of Shares (excluding treasury shares) for the Reporting Period is 1.04%.

Details of the RSUs granted pursuant to the RSU Plan to the Directors and senior management and other employees of the Company during the Reporting Period are set out below:

Grantee	Date of Grant	Vesting Period ⁽¹⁾	Price of Shares		As at January 1, 2024	Granted during the Reporting Period	Number of RSUs			As at June 30, 2024
			Closing Price ⁽²⁾ HK\$	Weighted Average Closing Price ⁽³⁾ HK\$			Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	
Director or Senior Management of the Company										
WANG Xuning	June 6, 2023	May 31, 2024 to May 31, 2026	7.701	1.45	34,600,000	-	11,533,333	-	-	23,066,667
HAN Run	June 6, 2023	May 31, 2024 to May 31, 2026	7.701	1.45	17,000,000	-	5,666,667	-	-	11,333,333
Subtotal					51,600,000	-	17,200,000	-	-	34,400,000
1 Other Employee										
	June 6, 2023	May 31, 2024 to May 31, 2026	7.701	1.45	1,500,000	-	500,000	-	-	1,000,000
Subtotal					1,500,000	-	500,000	-	-	1,000,000
Total					53,100,000	-	17,700,000	-	-	35,400,000

Notes:

- (1) The vesting of the RSUs are subject to performance-based conditions. For further details, please refer to Note 18 to the financial statements.
- (2) It is the closing price of Shares on the date immediately before the date on which the RSUs were granted (i.e. June 5, 2023).
- (3) It is the weighted average closing price of Shares immediately before the date on which the RSUs were vested in the period ended June 30, 2024.
- (4) Details of the fair value of RSUs at the date of grant and the accounting standard and policy adopted are set out in Note 18 to the financial statements.
- (5) Exercise/purchase price is not applicable to the RSU Plan.

Corporate Governance and Other Information

SUBSIDIARY SHARE OPTION SCHEME

On May 28, 2021, the Company approved and adopted the share option incentive scheme of Joyoung whose shares are listed on the Shenzhen Stock Exchange and being a subsidiary of the Company (the "Subsidiary Option Scheme") and followed by the registration on Shenzhen Stock Exchange on June 1, 2021.

Details of the movements of the options granted under the Subsidiary Option Scheme during the Reporting Period are as follows:

Category/Name of Grantee	Date of Conditional Grant	Completion Date of Grant	Exercise Period	Exercise Price per Share	Outstanding as at January 1, 2024	Granted during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Exercised during the Reporting Period	Outstanding as at June 30, 2024 ⁽ⁱⁱⁱ⁾
<i>Executive Director or substantial shareholder of the Company</i>										
Ms. Han Run	April 29, 2021	June 1, 2021	June 2, 2021– June 1, 2025	21.99	270,000	-	-	270,000	-	-
Ms. Yang Ningning	April 29, 2021	June 1, 2021	June 2, 2021– June 1, 2025	21.99	450,000	-	-	450,000	-	-
Ms. Huang Shuling	April 29, 2021	June 1, 2021	June 2, 2021– June 1, 2025	21.99	90,000	-	-	90,000	-	-
Mr. Jiang Guangyong	April 29, 2021	June 1, 2021	June 2, 2021– June 1, 2025	21.99	90,000	-	-	90,000	-	-
Subtotal					900,000	-	-	900,000	-	-
<i>Other Employees</i>										
91 eligible employees	April 29, 2021	June 1, 2021	June 2, 2021– June 1, 2025	21.99	3,159,000	-	-	3,159,000	-	-
Total					4,059,000	-	-	4,059,000⁽ⁱⁱⁱ⁾	-	-

Notes:

- (i) The closing price of A shares of Joyoung immediately before the date of conditional grant and the completion date of grant, was RMB33.45 and RMB32.75, respectively.
- (ii) The options granted to the grantees are subject to different vesting periods, and each of such periods begins on the date on which the registration of the granted options is completed. The interval between the date of grant and the first exercise date of the options shall not be less than 12 months.
- (iii) 4,059,000 share options lapsed during the Reporting Period was determined to be cancelled by the board of Joyoung, which will be deducted from total number of outstanding share options under Subsidiary Option Scheme upon completion of relevant procedures for canceling the share options according to applicable rules, laws and regulations. For further details, please refer to the announcement of Joyoung dated May 30, 2024.

For more details, please refer to the circular of the Company dated May 12, 2021 and the announcements of the Company dated May 28, 2021 and June 2, 2021.

The number of options available for grant under the scheme mandate at the beginning and the end of the six months ended June 30, 2024 is 4,059,000 and 0 respectively.

The number of A shares of Joyoung that may be issued in respect of options granted under the Subsidiary Share Option Scheme during the six months ended June 30, 2024 divided by the weighted average number of A shares of Joyoung in issue (excluding treasury shares) for the six months ended June 30, 2024 is 0%.

Corporate Governance and Other Information

JY ESOP I

On March 28, 2022, Joyoung adopted the JY ESOP I, which was amended on April 1, 2022 and approved by the shareholders of Joyoung on April 22, 2022.

The JY ESOP I will include a maximum of 30 eligible employees, including directors, senior management and core management team of Joyoung and its subsidiaries.

The term of the JY ESOP I is 72 months. The Target Shares (as defined below) granted to the relevant eligible employee will vest on the 12th, 24th, 36th, 48th, and 60th month from the date of transfer of the relevant Target Shares to such eligible employee and 20% of the total number of the Target Shares granted to such eligible employee will vest at each time of vesting.

Pursuant to the JY ESOP I, the funding of the JY ESOP I comes from the remuneration of the employees, the self-raised funding of the employees and other sources of funding allowed by applicable laws and regulations. The maximum amount of funding that may be raised by the JY ESOP I is RMB208,000,000 and Joyoung will not provide any means of financial assistance to the eligible employees. The sources of shares (the “**Target Shares**”) of JY ESOP I include A shares of Joyoung repurchased through the designated share repurchase account of Joyoung, A shares of Joyoung purchased from secondary market and other means allowed by the applicable laws and regulations. The JY ESOP I plans to use (i) a maximum of 8,000,000 shares repurchased through the designated share repurchase account of Joyoung; and (ii) such number of shares purchased from secondary market at market price with a maximum amount of RMB200,000,000 for the JY ESOP I.

As of the date of this report, JY ESOP I held 9,150,000 shares of Joyoung in total, representing 1.22% of the total issued share capital of Joyoung.

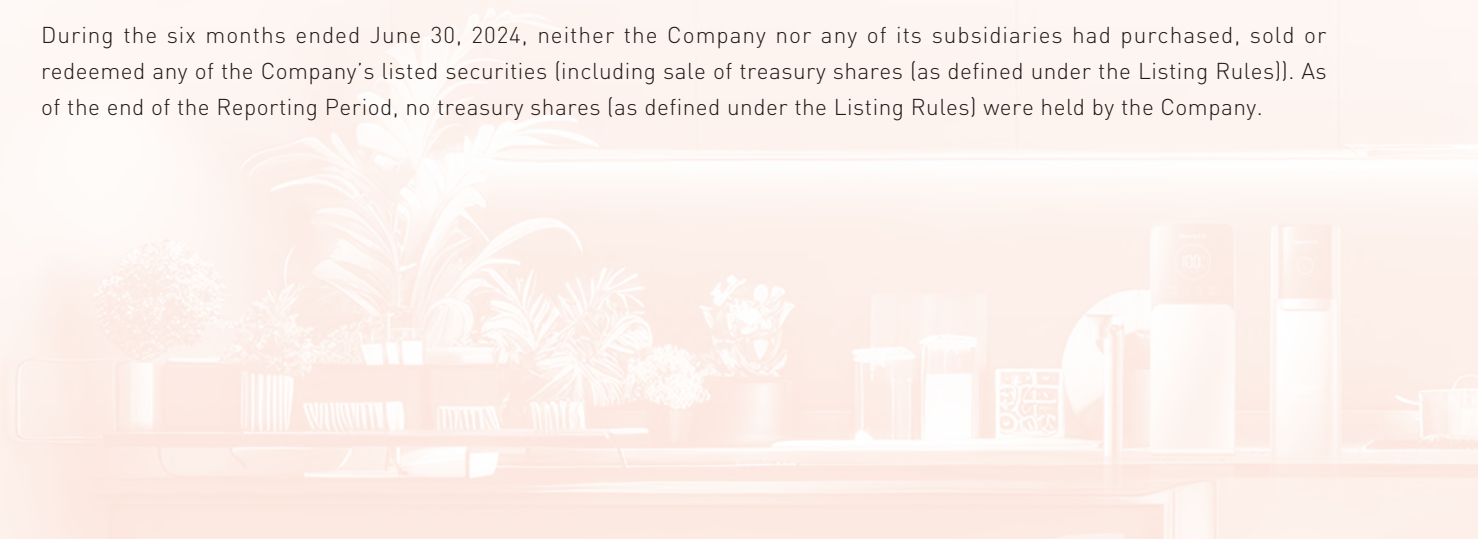
The number of shares to be issued to each eligible employee under Joyoung ESOP I will not exceed 1% of the total issued share capital of Joyoung.

SUFFICIENCY OF PUBLIC FLOAT

The Stock Exchange has granted the Company a waiver from the minimum public float requirement under Rule 8.08(1) of the Listing Rules such that the Company is subject to a minimum public float of 17.16%. Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the Latest Practicable Date, the public float of the Company complied with such requirement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended June 30, 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)). As of the end of the Reporting Period, no treasury shares (as defined under the Listing Rules) were held by the Company.



Corporate Governance and Other Information

EMPLOYEES AND REMUNERATION POLICY

As of June 30, 2024, the Group had approximately 2,735 employees in total (as of December 31, 2023: 2,745), in which approximately 2,538 employees were with its operations in China, approximately 197 employees were with other countries or Asian regions operations. For the Reporting Period, the Group recognized staff costs of US\$103.3 million (for the first six months in 2023: US\$221.0 million, of which US\$49.5 million was from the continuing operations of the Group).

The Group implements training programs for all of its employees, from entry-level employees to management on subjects such as corporate culture, research and development, strategies, policy and internal control, internal systems and business skills. Some of the Group's subsidiaries have labor unions that protect employees' rights, help fulfill the subsidiaries' economic objectives, encourage employee participation in management decisions and assist in mediating disputes between the subsidiaries and union members. The remuneration package for employees generally includes salary and bonuses. Employees typically receive welfare benefits, including medical care, pension, occupational injury insurance and other miscellaneous benefits.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any significant investments during the Reporting Period. During the Reporting Period, the Group also did not carry out any material acquisitions and disposals of subsidiaries, associates and joint ventures.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Group did not have any significant events subsequent to June 30, 2024.

INTERIM DIVIDEND

The Board did not recommend any interim dividend for the six months ended June 30, 2024 (for the six months ended June 30, 2023: HK\$0.0392 per share).

AUDIT COMMITTEE

The Audit Committee, consisting of three independent non-executive Directors, namely Mr. Yuan DING (Chairman), Mr. YANG Xianxiang and Mr. SUN Zhe, has discussed with the external auditor of the Company, Ernst & Young, and reviewed the Group's unaudited interim condensed consolidated financial information for the Reporting Period, including the accounting principles and practices adopted by the Group.

Ernst & Young, the external auditor of the Company, has reviewed the unaudited consolidated financial information of the Group for the Reporting Period in accordance with the Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants.

Independent Review Report



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To the board of directors of JS Global Lifestyle Company Limited (Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 41 to 90, which comprises the condensed consolidated statement of financial position of JS Global Lifestyle Company Limited (the “**Company**”) and its subsidiaries (the “**Group**”) as at June 30, 2024 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* (“**IAS 34**”) issued by the International Accounting Standards Board (the “**IASB**”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young

Certified Public Accountants

Hong Kong

August 29, 2024

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended June 30, 2024

	Notes	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
CONTINUING OPERATIONS			
REVENUE	4	742,970	573,618
Cost of sales		(497,131)	(360,243)
Gross profit		245,839	213,375
Other income and gains	5	56,703	22,346
Selling and distribution expenses		(146,594)	(106,529)
Administrative expenses		(116,722)	(63,462)
Impairment losses on financial assets		919	(1,613)
Other expenses		(2,663)	(844)
Finance costs	6	(1,768)	(14,147)
Share of profits and losses of associates		1,070	4,180
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	7	36,784	53,306
Income tax expense	8	(7,221)	(7,149)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		29,563	46,157
DISCONTINUED OPERATION			
Profit for the period from a discontinued operation	9	-	93,300
PROFIT FOR THE PERIOD		29,563	139,457
Attributable to:			
Owners of the parent		21,797	127,809
Non-controlling interests		7,766	11,648
		29,563	139,457

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended June 30, 2024

	Notes	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
	11		
Basic			
– For profit for the period		US0.6 cent	US3.7 cents
– For profit from continuing operations		US0.6 cent	US1.0 cent
Diluted			
– For profit for the period		US0.6 cent	US3.7 cents
– For profit from continuing operations		US0.6 cent	US1.0 cent

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended June 30, 2024

	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
PROFIT FOR THE PERIOD	29,563	139,457
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(9,418)	(28,314)
Cash flow hedges, net of tax	-	(7,847)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	(9,418)	(36,161)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Financial assets designated at fair value through other comprehensive income:		
Changes in fair value	-	48
Income tax effect	-	(7)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	-	41
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	(9,418)	(36,120)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	20,145	103,337
Attributable to:		
Owners of the parent	13,865	100,665
Non-controlling interests	6,280	2,672
	20,145	103,337

Interim Condensed Consolidated Statement of Financial Position

As of June 30, 2024

	Notes	June 30, 2024 US\$'000 (Unaudited)	December 31, 2023 US\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	12	88,684	91,008
Investment properties		13,502	14,607
Prepaid land lease payments		13,276	13,732
Right-of-use assets		14,182	5,516
Goodwill		22,441	5,848
Other intangible assets		6,997	4,400
Investments in associates		20,671	20,082
Financial assets at fair value through profit or loss		172,156	152,140
Financial assets designated at fair value through other comprehensive income		40,352	40,927
Deferred tax assets		20,093	18,800
Other non-current assets		11,108	14,322
Total non-current assets		423,462	381,382
CURRENT ASSETS			
Inventories		126,752	120,092
Trade and bills receivables	13	353,375	395,804
Prepayments, other receivables and other assets	14	54,423	79,381
Financial assets at fair value through profit or loss		20,358	50,539
Pledged deposits	15	59,526	56,292
Cash and cash equivalents	15	362,308	319,801
Total current assets		976,742	1,021,909
CURRENT LIABILITIES			
Trade and bills payables	16	485,029	472,410
Other payables and accruals	17	173,005	214,186
Lease liabilities		5,197	2,532
Tax payable		3,944	5,630
Other current financial liability		444	-
Total current liabilities		667,619	694,758

Interim Condensed Consolidated Statement of Financial Position

As of June 30, 2024

	June 30, 2024 US\$'000 (Unaudited)	December 31, 2023 US\$'000 (Audited)
Notes		
NET CURRENT ASSETS	309,123	327,151
TOTAL ASSETS LESS CURRENT LIABILITIES	732,585	708,533
NON-CURRENT LIABILITIES		
Lease liabilities	9,514	3,177
Deferred tax liabilities	4,506	5,637
Other non-current liabilities	983	1,554
Total non-current liabilities	15,003	10,368
Net assets	717,582	698,165
EQUITY		
Equity attributable to owners of the parent		
Issued capital	34	34
Treasury shares	(30,102)	(47,495)
Share premium	433,388	433,388
Capital reserve	(59,625)	(60,719)
Reserves	209,884	210,257
Non-controlling interests	553,579	535,465
	164,003	162,700
Total equity	717,582	698,165

Wang Xuning

Director

Han Run

Director

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2024

	Attributable to owners of the parent											
	Issued capital	Treasury shares	Share premium	Capital reserve	Statutory reserve	Share award reserve	Fair value reserve	Foreign currency		Retained profits	Non-controlling interests	Total equity
								translation	reserve			
								US\$'000	US\$'000			
At January 1, 2024	34	(47,495)	433,388	(60,719)	54,475*	12,093*	1,071*	(25,212)*	167,830*	535,465	162,700	698,165
Profit for the period	-	-	-	-	-	-	-	-	21,797	21,797	7,766	29,563
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(7,932)	-	(7,932)	(1,486)	(9,418)
Total comprehensive income for the period	-	-	-	-	-	-	-	(7,932)	21,797	13,865	6,280	20,145
Equity-settled share award scheme	-	-	-	-	-	3,155	-	-	-	3,155	473	3,628
Settlement of share award scheme (a)	-	17,393	-	-	-	(5,106)	-	-	(12,287)	-	-	-
Dividends declared by subsidiaries	-	-	-	-	-	-	-	-	-	-	(5,987)	(5,987)
Contribution from shareholders of a subsidiary (b)	-	-	-	1,094	-	-	-	-	-	1,094	537	1,631
At June 30, 2024 (unaudited)	34	(30,102)	433,388	(59,625)	54,475*	10,142*	1,071*	(33,144)*	177,340*	553,579	164,003	717,582

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2024

	Attributable to owners of the parent											
	Issued capital US\$'000	Treasury shares US\$'000	Share premium US\$'000	Capital reserve US\$'000	Statutory reserve US\$'000	Share award reserve US\$'000	Foreign			Non- controlling interests US\$'000	Total equity US\$'000	
							Fair	Retained	Total			
							value reserve US\$'000					currency translation reserve US\$'000
At January 1, 2023	34	(32,614)	1,064,487	(60,719)	54,475	21,324	1,638	(26,443)	877,510	1,899,692	164,957	2,064,649
Profit for the period	-	-	-	-	-	-	-	-	127,809	127,809	11,648	139,457
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(19,325)	-	(19,325)	(8,989)	(28,314)
Cash flow hedges, net of tax	-	-	-	-	-	-	(7,847)	-	-	(7,847)	-	(7,847)
Change in fair value of financial assets designated at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	28	-	-	28	13	41
Total comprehensive income for the period	-	-	-	-	-	-	(7,819)	(19,325)	127,809	100,665	2,672	103,337
Equity-settled share award scheme	-	-	-	-	-	7,970	-	-	-	7,970	530	8,500
Settlement of share award scheme	-	-	-	-	-	(21,324)	-	-	21,324	-	-	-
Dividends declared by subsidiaries	-	-	-	-	-	-	-	-	-	-	(10,858)	(10,858)
Repurchase of shares for share award scheme	-	(36,638)	-	-	-	-	-	-	-	(36,638)	-	(36,638)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	(3,520)	(3,520)
At June 30, 2023 (unaudited)	34	(69,252)	1,064,487	(60,719)	54,475	7,970	(6,181)	(45,768)	1,026,643	1,971,689	153,781	2,125,470

* The reserve accounts comprise the consolidated reserves of US\$209,884,000 (June 30, 2023: US\$1,037,139,000) in the consolidated statement of financial position.

Notes:

- (a) The treasury shares and the share award reserve were transferred to retained profits upon the vesting of shares.
- (b) The contribution from shareholders of a subsidiary was from shareholders of minority interest of a newly acquired subsidiary amounting to US\$1,631,000.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2024

	Notes	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax:		36,784	176,915
From continuing operations		36,784	53,306
From a discontinued operation		-	123,609
Adjustments for:			
Finance costs		1,768	30,786
Share of profits and losses of associates		(1,070)	(4,180)
Interest income		(6,638)	(5,702)
(Gain)/loss on disposal of items of property, plant and equipment		(135)	918
(Gain)/loss on financial assets at fair value through profit or loss, net		(35,333)	31,199
Gain on disposal of investment in an associate		(1,010)	-
Depreciation of property, plant and equipment		5,794	48,916
Depreciation of investment properties		824	851
Depreciation of right-of-use assets		2,722	10,581
Amortization of prepaid land lease payments		190	197
Amortization of other intangible assets		197	15,538
Impairment of inventories		90	18,474
Impairment of trade receivables, net		(1,027)	1,989
Impairment of financial assets included in prepayments, other receivables and other assets, net		108	770
Share award expense		45,282	8,500
Exchange losses/(gains)		2,387	(4,332)
Increase in inventories		(4,673)	(6,515)
Decrease in trade and bills receivables		45,004	47,815
Decrease in prepayments, other receivables and other assets		25,933	53,034
Recognition of right-of-use assets		(11,350)	(8,906)
Recognition of lease liabilities		11,350	8,906
Decrease/(increase) in other non-current assets		2,718	(2,938)
Increase in other non-current liabilities		-	2,420
Increase in trade and bills payables		6,667	33,419
Decrease in other payables and accruals		(43,373)	(63,925)
Increase in other current financial liability		444	-

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2024

	Notes	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Cash generated from operations		83,653	394,730
Interest received		6,638	3,784
Income tax paid		(10,992)	(66,678)
Net cash flows from operating activities		79,299	331,836
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(8,123)	(48,013)
Additions to other intangible assets		(211)	(19,645)
Disposal of investments in associates		-	2,008
Purchases of financial assets at fair value through profit or loss		(3,743)	(153,947)
Dividends/interest received from financial assets at fair value through profit or loss		8	205
Proceeds from disposal of financial assets at fair value through profit or loss		5,363	142,325
Proceeds from disposal of property, plant and equipment, prepaid land lease payments and intangible assets other than goodwill		667	714
Proceeds from disposal of intangible assets		55	-
Increase in pledged deposits		(3,234)	(36,106)
Acquisition of a subsidiary	20	(13,780)	-
Acquisition of non-controlling interests		-	(3,520)
Net cash flows used in investing activities		(22,998)	(115,979)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(2,753)	(9,597)
Repurchase of shares for share award scheme		-	(36,638)
Repayment of bank loans		-	(88,700)
Settlement of advance to related parties		-	(7,491)
Dividends paid		(5,987)	(10,858)
Interest paid		-	(22,994)
Payment of other finance costs		(1,525)	-
Dividends paid to former owners of acquired subsidiaries		-	(5,887)
Net cash flows used in financing activities		(10,265)	(182,165)

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2024

	Notes	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
NET INCREASE IN CASH AND CASH EQUIVALENTS		46,036	33,692
Cash and cash equivalents at the beginning of the period		319,801	504,137
Effect of foreign exchange rate changes, net		(3,529)	(16,070)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		362,308	521,759
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	15	160,340	175,448
Non-pledged time deposits with original maturity of less than three months when acquired		201,968	69,223
Cash attribute to a discontinued operation		-	277,088
		362,308	521,759

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

1. Basis of preparation

The interim condensed consolidated financial information for the six months ended June 30, 2024 has been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2023.

2. Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2023, except for the adoption of the following revised International Financial Reporting Standards (“IFRSs”) for the first time for the current period’s financial information.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IFRS 1	<i>Classification of Liabilities as Current or Non-current (the “2020 Amendments”)</i>
Amendments to IFRS 1	<i>Non-current Liabilities with Covenants (the “2022 Amendments”)</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The nature and impact of the revised IFRSs that are applicable to the Group are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

2. Changes in accounting policies and disclosures (continued)

(b) (continued)

The Group has reassessed the terms and conditions of its liabilities as at January 1, 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. The Group had supplier finance arrangements as at June 30, 2024 and December 31, 2023 and will provide additional disclosures of its supplier financial arrangements in the Group's consolidated financial statements for the year ending December 31, 2024.

Notes to Interim Condensed Consolidated Financial Information

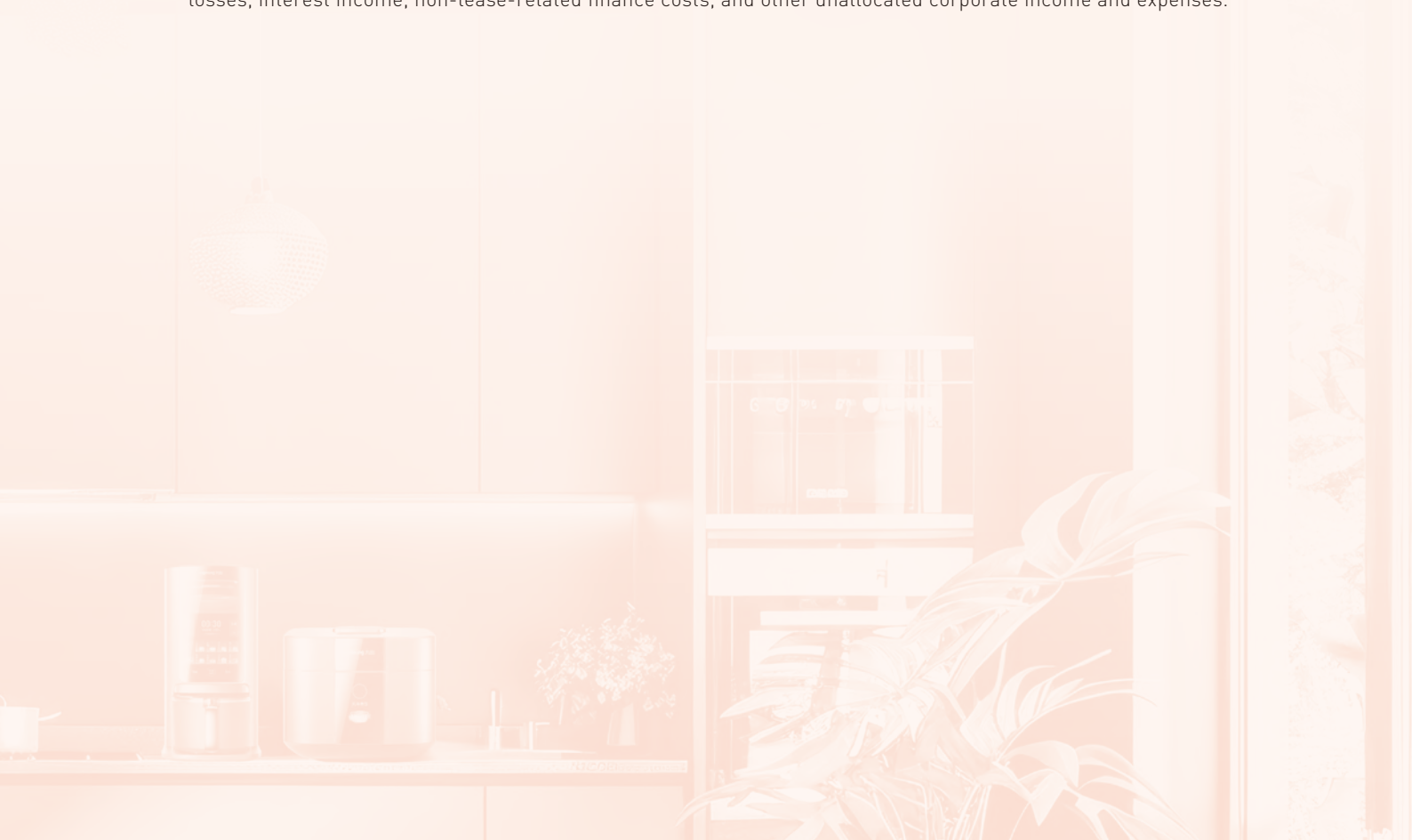
For the six months ended June 30, 2024

3. Operating segment information

Due to the spin-off and separate listing of SharkNinja, Inc. and its subsidiaries ("**SharkNinja Group**"), SharkNinja's operating in Asia Pacific Region is separated from the original SharkNinja segment and becomes a separate segment of the Group. For management purposes, the Group is organized into business units based on its operations and has two reportable operating segments as follows:

- (a) the Joyoung segment was involved in the design, manufacture, marketing, export and distribution of a full range of small kitchen electrical appliances under the brand of "Joyoung"; and
- (b) the SharkNinja APAC segment, which operates in Asia Pacific Region, was involved in the design, marketing, manufacture, provision of sourcing services, export, import and distribution of a full range of floor care products, hard-surface steam cleaning products and small kitchen appliances under the brands of "Shark" and "Ninja".

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except the head office and corporate income and expenses which are excluded from such measurement. The head office and corporate income and expenses include exchange gains or losses, interest income, non-lease-related finance costs, and other unallocated corporate income and expenses.



Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

3. Operating segment information (continued)

Six months ended June 30, 2024

	Joyoung US\$'000	SharkNinja APAC US\$'000	Total US\$'000
Segment revenue			
Sales of goods (a)	594,869	123,091	717,960
Sourcing services	-	25,010	25,010
Intersegment sales	2,674	-	2,674
Total segment revenue	597,543	148,101	745,644
Reconciliation:			
Elimination of intersegment sales			(2,674)
Revenue (note 4)			742,970
Segment results	26,004	23,088	49,092
Reconciliation:			
Interest income			199
Exchange loss			(2,293)
Finance costs			(1,570)
Corporate and other unallocated expenses			(8,644)
Profit before tax			36,784
Other segment information			
Share of profits and losses of associates	1,070	-	1,070
Reversal of impairment of inventories and financial assets recognized in profit or loss	829	-	829
Depreciation and amortization	(7,865)	(1,862)	(9,727)
Interest income	6,361	78	6,439
Finance costs	(146)	(52)	(198)
Investments in associates	20,671	-	20,671
Capital expenditure (b)	14,242	8,094	22,336

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

3. Operating segment information (continued)

Six months ended June 30, 2023

	Joyoung US\$'000	SharkNinja APAC US\$'000	Total US\$'000
Segment revenue			
Sales of goods	490,866	48,608	539,474
Sourcing services	–	34,144	34,144
Intersegment sales (a)	119,622	–	119,622
Total segment revenue	610,488	82,752	693,240
Reconciliation:			
Elimination of intersegment sales			(119,622)
Revenue (note 4)			573,618
Segment results	40,704	29,802	70,506
Reconciliation:			
Interest income			400
Exchange gain			8,060
Finance costs			(13,966)
Corporate and other unallocated expenses			(11,694)
Profit before tax			53,306
Other segment information			
Share of profits and losses of associates	4,180	–	4,180
Impairment of inventories and financial assets recognized in profit or loss	(1,423)	–	(1,423)
Depreciation and amortization	(7,914)	(1,123)	(9,037)
Interest income	2,782	80	2,862
Finance costs	(171)	(10)	(181)
Investments in associates	30,423	–	30,423
Capital expenditure (b)	1,566	804	2,370

Notes:

(a) Included in the amount of sales of goods is transaction between Joyoung and SharkNinja (Hong Kong) Company Limited amounting to US\$106,507,000 during the six months ended June 30, 2024. The revenue was eliminated and presented as intersegment sales during the six months ended June 30, 2023.

(b) Capital expenditure consists of additions to property, plant and equipment, investment properties, prepaid land lease payments, right-of-use assets and other intangible assets, including assets from the acquisition of a subsidiary.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

4. Revenue

An analysis of revenue is as follows:

	For the six months ended June 30,	
	2024	2023
	US\$'000	US\$'000
<i>Revenue from contracts with customers</i>		
Sale of goods	717,960	539,474
<i>Revenue from other sources</i>		
Sourcing services	25,010	34,144
Total	742,970	573,618

Disaggregated revenue information

	For the six months ended June 30,	
	2024	2023
	US\$'000	US\$'000
Geographical markets		
Chinese Mainland	478,423	482,308
Japan	43,664	37,338
Australia and New Zealand	44,638	10,333
South Korea	30,378	-
Other countries/regions	145,867	43,639
Total	742,970	573,618

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

4. Revenue (continued)

Disaggregated revenue information (continued)

	For the six months ended June 30,	
	2024	2023
	US\$'000	US\$'000
Timing of revenue recognition		
Goods transferred at a point in time	717,960	539,474
Services transferred over time	25,010	34,144
Total	742,970	573,618

5. Other income and gains

	For the six months ended June 30,	
	2024	2023
	US\$'000	US\$'000
Other income		
Bank interest income	6,638	3,262
Net rental income from investment property operating leases	133	1,123
Government grants	3,703	2,653
Trademark royalty income	4,691	-
Others	4,632	40
	19,797	7,078
Gains		
Foreign exchange differences, net	-	9,703
Gain on disposal of items of property, plant and equipment	135	154
Gain on financial assets at fair value through profit or loss, net*	35,333	1,903
Gain on disposal of an associate	1,010	-
Others	428	3,508
	36,906	15,268
Total other income and gains	56,703	22,346

* Included in the gain on financial assets at fair value through profit or loss, net was gain on the shares of SharkNinja, Inc. held by the Group amounting to US\$45,132,000 during the six months ended June 30, 2024.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

6. Finance costs

An analysis of finance costs is as follows:

	For the six months ended June 30,	
	2024 US\$'000	2023 US\$'000
Interest on bank loans	-	12,416
Interest on lease liabilities	243	181
Amortization of deferred finance costs	-	1,550
Other finance costs	1,525	-
Total	1,768	14,147

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

7. Profit before tax from continuing operations

The Group's profit before tax from continuing operations is arrived at after charging/(crediting):

	Note	For the six months ended June 30,	
		2024 US\$'000	2023 US\$'000
Cost of inventories sold		497,131	360,243
Depreciation of property, plant and equipment		5,794	5,399
Depreciation of investment properties		824	851
Depreciation of right-of-use assets		2,722	2,382
Amortization of prepaid land lease payments		190	197
Amortization of other intangible assets		197	208
Foreign exchange differences, net		2,387	(9,703)
Impairment/(reversal of impairment) of inventories		90	(190)
Impairment of financial assets, net:			
(Reversal of impairment)/impairment of trade receivables, net		(1,027)	843
Impairment of financial assets included in prepayments, other receivables and other assets, net		108	770
Product warranty provision:			
Accrual/(reversal) of provision		1,761	(198)
Gain on disposal of items of property, plant, and equipment	5	(135)	(154)
Gain on financial assets at fair value through profit or loss, net	5	(35,333)	(1,903)
Gain on disposal of an associate	5	(1,010)	-
Government grants*	5	(3,703)	(2,653)

* Various government grants have been received for setting up research and promotion activities and alleviating unemployment in Chinese Mainland. Government grants received for which related expenditure has not yet been undertaken are recognized as deferred income and included in other payables in the statement of financial position. There are no unfulfilled conditions or contingencies relating to the government grants recognized in the statement of profit or loss for the period.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

8. Income tax expense

	For the six months ended June 30,	
	2024	2023
	US\$'000	US\$'000
Current income tax charge/(credit):		
In Chinese Mainland	2,787	6,961
In Hong Kong	5,379	5,349
Elsewhere	70	429
Deferred income tax:		
In Chinese Mainland	(415)	(5,590)
Elsewhere	(600)	-
Total tax charge for the period from continuing operations	7,221	7,149
Total tax charge for the period from a discontinued operation	-	30,309
Total	7,221	37,458

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. The determination of current and deferred income taxes was based on the enacted tax rates.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands or the British Virgin Islands.

Under the relevant PRC income tax law, except for certain preferential treatments available to the Group, the PRC subsidiaries of the Group are subject to income tax at a rate of 25% (during the six months ended June 30, 2023: 25%) on their respective taxable income. During the period, three of the Group's entities (during the six months ended June 30, 2023: five) obtained approval from the relevant PRC tax authorities and were entitled to preferential corporate income tax rates or corporate income tax exemptions.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

8. Income tax expense (continued)

Hong Kong profits tax has been provided at the rate of 16.5% (during the six months ended June 30, 2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group (during the six months ended June 30, 2023: one) which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (during the six months ended June 30, 2023: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (during the six months ended June 30, 2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (during the six months ended June 30, 2023: 16.5%).

The Group realized tax benefits during the period through applying the preferential corporate income tax rates and the corporate income tax exemptions. These preferential tax treatments were available to the Group pursuant to the enacted PRC tax rules and regulations and are subject to assessment by the relevant PRC tax authorities.

The Group has applied the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The legislation has been effective for certain jurisdictions since January 1, 2024. The Group is in the process of assessing the potential exposure arising from Pillar Two legislation based on the information available for the six-month period ended June 30, 2024. Based on the assessment carried out so far, the Group has identified certain jurisdictions where the Pillar Two effective tax rates are likely to be lower than 15%. Quantitative information to indicate potential exposure to Pillar Two income taxes is still under assessment. However, there was no Pillar Two income tax exposure during the six-month period ended June 30, 2024 because the Pillar Two tax legislations have not been applied to the potential top up tax arising from the jurisdictions where the Pillar Two effective tax rates are likely to be lower than 15%.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

9. Discontinued operation

Pursuant to the resolution of the extraordinary general meeting on June 26, 2023, the Company completed the distribution of SharkNinja Group on July 31, 2023, in which the Company distributed all of the shares of SharkNinja Group it holds to its shareholders. SharkNinja Group was engaged in the manufacture and sale of home appliances in North America, Europe and various other countries throughout the world. Upon the completion of distribution, SharkNinja Group ceased to be the subsidiaries of the Company. The distribution was completed on July 31, 2023 and the SharkNinja Group was classified as a discontinued operation as at June 30, 2023.

The results of the discontinued operation for the six months ended June 30, 2023 are presented below:

	US\$'000 (Unaudited)
Revenue	1,720,276
Cost of sales	(958,296)
Other income and gains	810
Selling and distribution expenses	(302,268)
Administrative expenses	(283,392)
Impairment losses on financial assets	(1,146)
Other expenses	(35,736)
Finance costs	(16,639)
Profit before tax from the discontinued operation	123,609
Income tax expense	(30,309)
Profit for the period from the discontinued operation	93,300

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

9. Discontinued operation (continued)

The net cash flows due to the disposal of SharkNinja Group for the six months ended June 30, 2023 are as follows:

	US\$'000 (Unaudited)
Cash and bank balances disposed of	(277,088)

The net cash flows attributable by SharkNinja Group for the six months ended June 30, 2023 are as follows:

	US\$'000 (Unaudited)
Operating activities	255,339
Investing activities	(118,776)
Financing activities	(120,072)
Net cash inflows	16,491
Earnings per share:	
Basic, from a discontinued operation	US2.7 cents
Diluted, from a discontinued operation	US2.7 cents

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

9. Discontinued operation (continued)

The calculations of basic and diluted earnings per share from the discontinued operation for the six months ended June 30, 2023 are based on:

	(Unaudited)
Profit attributable to ordinary equity holders of the parent from the discontinued operation	US\$93,232,000
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	3,411,816,000
Weighted average number of ordinary shares used in the diluted earnings per share calculation	3,412,477,000

10. Interim dividend

The Board of the directors of the Group did not recommend any interim dividend for the six months ended June 30, 2024 (for the six months ended June 30, 2023: HK\$0.0392 per share).



Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

11. Earnings per share attributable to ordinary equity holders of the parent

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,403,250,116 in issue during the period.

The calculation of the diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the dilutive effect arising from the share award scheme of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended June 30,	
	2024	2023
	US\$'000	US\$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation:		
From continuing operations	21,797	34,577
From a discontinued operation	-	93,232
Total	21,797	127,809
Number of shares		
For the six-month period ended June 30,		
	2024	2023
	'000	'000
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	3,403,250	3,411,816
Effect of dilution – weighted average number of ordinary shares:		
Share award scheme	17,763	661
Total	3,421,013	3,412,477

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

12. Property, plant and equipment

During the six months ended June 30, 2024, the Group acquired assets with a cost of US\$8,123,000 (during the six months ended June 30, 2023: US\$48,013,000, including a cost of US\$45,651,000 attributed to the discontinued operation).

Assets with a net book value of US\$531,000 were disposed of by the Group during the six months ended June 30, 2024 (during the six months ended June 30, 2023: US\$541,000), resulting in a net gain on disposal of US\$135,000 (during the six months ended June 30, 2023: US\$154,000).

13. Trade and bills receivables

An aging analysis of the trade and bills receivables as at the end of the Reporting Period, based on the invoice date and net of impairment, is as follows:

	June 30, 2024 US\$'000	December 31, 2023 US\$'000
Within 6 months	349,725	389,911
6 months to 1 year	2,316	4,748
1 to 2 years	1,334	923
Over 2 years	-	222
Total	353,375	395,804

As at June 30, 2024, included in the Group's trade and bills receivables were amounts due from the Group's associates of US\$16,287,000 (December 31, 2023: US\$21,600,000) and amounts due from related parties of US\$61,165,000 (December 31, 2023: US\$102,781,000), which are repayable on credit terms similar to those offered to the major customers of the Group.



Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

14. Prepayments, other receivables and other assets

	June 30, 2024 US\$'000	December 31, 2023 US\$'000
Prepayments	6,143	4,830
Deposits and other receivables	11,355	6,270
Due from related parties (a)	16,078	33,630
Tax recoverable	22,246	35,867
	55,822	80,597
Less: Impairment	(1,399)	(1,216)
Total	54,423	79,381

Note:

- (a) Included in the amounts due from related parties were amounts US\$9,875,000 due from Solar Blue (HK) Limited as at June 30, 2024 (December 31, 2023: US\$9,875,000) for consideration of disposal of Hangzhou Joyoung Bean Industry Limited (杭州九陽豆業有限公司), which were fully collected on July 31, 2024.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

15. Cash and cash equivalents/pledged deposits

	June 30, 2024 US\$'000	December 31, 2023 US\$'000
Cash and bank balances	160,340	109,018
Time deposits	261,494	267,075
Less: Pledged deposits for bills payable	(59,526)	(56,292)
Cash and cash equivalents	362,308	319,801

At the end of the Reporting Period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to RMB638,390,000 (December 31, 2023: RMB429,560,000). The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

16. Trade and bills payables

The aging analysis of trade and bills payables as at the end of the Reporting Period, based on the invoice date, is as follows:

	June 30, 2024 US\$'000	December 31, 2023 US\$'000
Within 1 year	482,498	471,423
1 to 2 years	2,531	987
Total	485,029	472,410

As at June 30, 2024, included in the trade and bills payables were trade payables of US\$11,069,000 due to associates (December 31, 2023: US\$12,471,000) and trade payable of US\$186,000 due to related parties (December 31, 2023: US\$207,000), which are repayable within 90 days, which represents credit terms similar to those offered by the associates to their major customers.

The Group's bills payable were secured by pledged deposits of the Group of US\$59,526,000 as at June 30, 2024 (December 31, 2023: US\$56,292,000), and secured by bills receivable of the Group of US\$19,416,000 as at June 30, 2024 (December 31, 2023: US\$127,620,000).

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

17. Other payables and accruals

	June 30, 2024 US\$'000	December 31, 2023 US\$'000
Accruals	64,352	76,990
Contract liabilities (a)	5,825	17,418
Refund liabilities	6,192	6,911
Other payables (b)	71,126	88,004
Provisions	17,003	16,835
Due to related parties (c)	8,507	8,028
Total	173,005	214,186

Notes:

- (a) Contract liabilities include short-term advances received from delivering home appliance products. Included in the contract liabilities were short-term advances of US\$17,000 received from related parties as of June 30, 2024 (December 31, 2023: US\$510,000).
- (b) Joyoung Co., Ltd (“**Joyoung**”) entered into tri-party customer finance arrangements (保兑仓) with distributors and endorsing banks. Distributors deposit guarantee money of no less than a certain proportion of the par value of bank acceptance bill to the bank and apply for issuance of bank acceptance bill for the purchase of products from Joyoung according to the amount of credit facility provided by the bank. Joyoung undertakes the security obligation in favour of the distributors for the difference between the amount of bills and the guaranteed money. Joyoung considers the security obligation as financial guarantee. The financial guarantee is recognized initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the financial guarantee contract was measured at the higher of the expected credit losses (“**ECLs**”) allowance and the amount initially recognized less, when appropriate, the cumulative amount of income. The Group recognized ECL allowance of US\$309,000 and recorded liability in other payables. As at June 30, 2024, the Group’s maximum exposure to such guarantee was US\$13,596,000 (December 31, 2023: US\$16,133,000).
- (c) Included in the amounts due to related parties are amounts due to associates of US\$8,507,000 (December 31, 2023: US\$8,028,000).

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

18. Share-based payments

Restricted Stock Units Plan of the Group (“JS RSU Scheme”)

JS RSU Scheme – 2019 tranche

On October 9, 2019, the Company approved the JS RSU Scheme. The purpose of the JS RSU Scheme is to recognize and reward participants for their contribution to the Group, to attract the best available personnel to provide service to the Group, and to provide additional incentives to them to remain with and further promote the success of the Group’s business. Subject to any early termination as may be determined by the board pursuant to the terms of the JS RSU Scheme, the RSU Scheme shall be valid and effective for a period of 10 years commencing on the adoption date of October 9, 2019, after which no further awards will be granted, but the provisions of this RSU Scheme shall in all other respects remain in full force and effect and the awards granted during the term of the JS RSU Scheme may continue to be valid and exercisable in accordance with their respective terms of grant.

The Company has set up two structured entities (“**RSU Holding Entities**”), namely Golden Tide International Limited and Grand Riches Ventures Limited which are solely for the purpose of administering and holding the Company’s shares for the JS RSU Scheme. Pursuant to a resolution passed by the board of directors of the Company on October 9, 2019, the Company issued 141,618,409 ordinary shares to the RSU Holding Entities at a par value of US\$0.00001 each, being the ordinary shares underlying the JS RSU Scheme. In addition, the Company has entered into a trust deed with an independent trustee (the “**RSU Trustee**”) on October 14, 2019, pursuant to which the RSU Trustee shall act as the administrator of the Company’s JS RSU Scheme. The Company has the power to direct the relevant activities of the RSU Holding Entities and it has the ability to use its power over the RSU Holding Entities to affect its exposure to returns. Therefore, the assets and liabilities of the RSU Holding Entities are included in the Group’s consolidated statement of financial position and the ordinary shares held for the JS RSU Scheme were regarded as treasury shares with no consideration.

The initial number of shares underlying the JS RSU Scheme shall not exceed the aggregate of 141,618,409 shares as of the date of adoption of the JS RSU Scheme, representing 4.05% of the issued shares of the Company. A total of 129,265,801 RSUs were granted to directors and employees with no consideration with the vesting schedule as below:

- 30% of the RSUs, namely 38,779,740 RSUs, are subject to any performance-based conditions and vest in four equal annual installments on or before May 31 of 2020 to 2023 (the “**Time RSUs**”). If the grantees are employed or in service with the Group as of January 31 of any year, they will be entitled to the Time RSUs to be vested on or before May 31 of the same year.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

18. Share-based payments (continued)

Restricted Stock Units Plan of the Group ("JS RSU Scheme") (continued)

JS RSU Scheme – 2019 tranche (continued)

- 70% of the RSUs, namely 90,486,061 RSUs, are subject to performance-based conditions and vest (if any, fully or partially) over four years on or before May 31 of 2020 to 2023 (the "**Performance RSUs**"). The performance target is measured by reference to the financial performance of the Group, Joyoung and SharkNinja for each of the four financial years ended December 31 of 2019, 2020, 2021 and 2022 (the "**Plan Year**"). If the grantees are employed or in service with the Group as of January 31 of any year, they will be entitled to the Performance RSUs to be vested on or before May 31 of the same year.

Grantees are not entitled to any rights of a shareholder (including voting and dividend rights) on the unvested portion of the RSUs.

The fair values of the 2019 tranche of the JS RSU Scheme were estimated as at the date of grant using a Monte-Carlo Simulation Model, considering the terms and conditions upon which the RSUs were granted. The following table lists the key inputs to the model used:

Life of the RSU Plan	0.33–3.33 years
Annualized staff turnover rate	0%–10%
Annualized volatility of revenue change*	25.0%
Discount rate (" WACC ")	16.0%

- * The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

18. Share-based payments (continued)

Restricted Stock Units Plan of the Group ("JS RSU Scheme") (continued)

JS RSU Scheme – 2021 tranche

On January 18, 2021, January 27, 2021 and April 1, 2021, a total of 9,924,347 RSUs were granted to 9 participants of the Company pursuant to the JS RSU Scheme, which were partly sourced from the issuance of 5,500,000 new shares.

On September 28, 2021 and November 10, 2021, a total of 1,370,000 RSUs were granted to 23 participants of the Company pursuant to the JS RSU Scheme.

The 2021 tranche of the JS RSU Scheme was granted with no consideration and the vesting schedule is similar to that of 2019 tranche. 30% of the RSUs are Time RSUs, which vest annually from 2021 to 2023. 70% of the RSUs are Performance RSUs, which vest annually from 2021 to 2023 based on the performance target.

The fair value of the 2021 tranche of the JS RSU Scheme was based on the closing price of the Company's share as at the date of grant.

JS RSU Scheme – 2022 tranche

On March 18, 2022 and April 1, 2022, a total of 1,042,000 RSUs were granted to 9 participants of the Company pursuant to the JS RSU Scheme.

The 2022 tranche of the JS RSU Scheme was granted with no consideration and the vesting schedule is similar to that of 2019 tranche. 30% of the RSUs are Time RSUs, which vest annually from 2022 to 2023. 70% of the RSUs are Performance RSUs, which vest in 2022 and 2023 based on performance target.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

18. Share-based payments (continued)

Restricted Stock Units Plan of the Group (“JS RSU Scheme”) (continued)

JS RSU Scheme – 2023 tranche 1

On 3 April, 2023, a total of 2,842,000 RSUs were granted to 22 participants of the Group pursuant to the JS RSU Scheme. 1,200,000 RSUs were granted to 1 participant of Joyoung and 1,642,000 RSUs were granted to 21 participants of SharkNinja, which vest in 2023 based on performance target.

JS RSU Scheme – 2023 tranche 2

On June 6, 2023, a total of 53,100,000 RSUs were granted to directors and employees with no consideration with the vesting schedule as below:

- 50% of the RSUs, namely 26,550,000 RSUs, are not subject to any performance-based conditions and vest in three equal annual installments on or before May 31 of 2024 to 2026 (the “**Time RSUs**”). If the grantees are employed or in service with the Group as of January 31 of any year, they will be entitled to the Time RSUs to be vested on or before May 31 of the same year.
- 50% of the RSUs, namely 26,550,000 RSUs, are subject to performance-based conditions and vest (if any, fully or partially) over three years on or before May 31 of 2024 to 2026 (the “**Performance RSUs**”). The performance targets are measured by reference to the financial performance of the Group for each of the three financial years ending December 31 of 2023, 2024 and 2025 (the “**Plan Year**”). If the grantees are employed or in service with the Group as of January 31 of any year, they will be entitled to the Performance RSUs to be vested on or before May 31 of the same year.

Grantees are not entitled to any rights of a shareholder (including voting and dividend rights) on the unvested portion of the RSUs, except for shares of SharkNinja, Inc. from dividends in specie from the distribution of the SharkNinja Group as mentioned in note 9.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

18. Share-based payments (continued)

Restricted Stock Units Plan of the Group ("JS RSU Scheme") (continued)

JS RSU Scheme – 2023 tranche 2 (continued)

The following RSUs were outstanding under the RSU Scheme:

	For the period ended		For the year ended	
	June 30, 2024		December 31, 2023	
	Fair value per share US\$	Number of RSUs	Fair value per share US\$	Number of RSUs
At the beginning of the period/year	0.17	53,100,000	0.80	34,845,107
Grant on April 3, 2023	-	-	1.00	2,842,000
Grant on June 6, 2023	-	-	0.17	53,100,000
Exercised during the period/year	0.17	(17,700,000)	0.82	(32,600,512)
Forfeited during the period/year	-	-	0.77	(5,086,595)
At the end of the period/year	0.17	35,400,000	0.17	53,100,000

The Group recognized share award expenses of US\$43,846,000 in total, of which US\$2,192,000 (during the six months ended June 30, 2023: US\$8,108,000) and US\$41,654,000 (during the six months ended June 30, 2023: nil) expenses were recognized for equity-settled transactions and cash-settled transactions respectively, which were based on the observable market price in the stock market during the six months ended June 30, 2024.

At the date of approval of the interim condensed consolidated financial information, the Company had 35,400,000 RSUs outstanding under the JS RSU Scheme, which represented approximately 1.04% of the Company's shares in issue as at that date.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

18. Share-based payments (continued)

Share Option Incentive Scheme of Joyoung Co., Ltd. (“JY Scheme 2021”)

On May 28, 2021, the Company approved and adopted the Share Option Incentive Scheme Joyoung Co., Ltd. (“**JY Scheme 2021**”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of Joyoung’s operations. Eligible participants of the Scheme 2021 include directors, senior management and key employees.

Pursuant to the JY Scheme 2021, a total of 18,000,000 share options shall be granted to the eligible participants. On April 29, 2021, a total of 15,600,000 share options were granted to participants with no consideration. The exercise conditions include company performance and individual performance. The vesting schedules are as follows:

Exercise arrangement	Performance conditions to be fulfilled with	Exercise proportion
First exercise	Compared with year 2020, the revenue growth rate in 2021 is no less than 15% and the profit growth rate in 2021 is no less than 5%	40%
Second exercise	Compared with year 2020, the revenue growth rate in 2022 is no less than 33% and the profit growth rate in 2022 is no less than 16%	30%
Third exercise	Compared with year 2020, the revenue growth rate in 2023 is no less than 56% and the profit growth rate in 2023 is no less than 33%	30%

The registration of share options granted above was completed on June 1, 2021.

The JY Scheme 2021 shall be effective from the date on which the share options have been granted, and end on the date on which all the share options granted to the participants have been exercised or cancelled, which shall not exceed 48 months. The vesting period shall be 12 months, 24 months and 36 months from the date on which the share options have been granted and registered.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

18. Share-based payments (continued)

Share Option Incentive Scheme of Joyoung Co., Ltd. ("JY Scheme 2021") (continued)

The following share options were outstanding under the JY Scheme 2021 during the period:

	For the period ended June 30, 2024		For the year ended December 31, 2023	
	Weighted average exercise price RMB per share	Number of options	Weighted average exercise price RMB per share	Number of options
At the beginning of the period/year	21.99	4,059,000	21.99	8,646,000
Forfeited during the period/year	21.99	(4,059,000)	21.99	(4,587,000)
At the end of the period/year	-	-	21.99	4,059,000

No share options were exercised during the Reporting Period.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

18. Share-based payments (continued)

Share Option Incentive Scheme of Joyoung Co., Ltd. (“JY Scheme 2021”) (continued)

The fair value of equity-settled share options granted during the period was estimated as at the date of grant using a Black-Scholes share option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Exercise price determined at the grant date	RMB21.99
Expected option life (years)	1–3 years
Estimated volatility of the share price	21.28%–23.83%
Annual risk-free interest rate during the option life	1.50%–2.75%
Fair value per share of the options	RMB11.83–13.78

The expected life of the options is based on the historical data over the past three years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The fair value of the share options granted on the grant date was RMB197,632,000 (equivalent to US\$30,555,000). During the six months ended June 30, 2024, Joyoung Co., Ltd. did not recognize any share option expenses due to the performance targets are not satisfied (for the six months ended June 30, 2023: nil).

At the date of approval of the interim condensed consolidated financial information, Joyoung Co., Ltd. had no share options outstanding under the JY Scheme 2021.

Phase 1 Employee Stock Ownership Plan (the “JY ESOP I”)

On March 28, 2022, Joyoung adopted the phase I employee stock ownership plan (the “**JY ESOP I**”), which was amended on April 1, 2022 and approved by the shareholders of Joyoung on April 22, 2022.

There were 7 participants in total under the JY ESOP I, including the directors, senior management and core employees of Joyoung and its subsidiaries.

The source of the fund of the JY ESOP I was directly from the participants, including their self-owned funds, as well as their future remunerations that expected to be entitled, and other available sources within the framework of the applicable laws and regulations.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

18. Share-based payments (continued)**Phase 1 Employee Stock Ownership Plan (the "JY ESOP I") (continued)**

On October 20, 2022, 16,000,000 shares in total under the JY ESOP I ("the target shares") were granted to these participants through a formal agreement reached between Joyoung and the participants. Shares granted to these participants were from the treasury shares that previously repurchased from the stock exchange market by Joyoung.

Pursuant to the JY ESOP I, the target shares granted will be eligible to vest over the next five years on the condition that the related performance target for each tranche was satisfied, based on the following schedule:

Tranche	Vesting date	Portion of the target shares can be vested
1	November 3, 2023	20%
2	November 3, 2024	20%
3	November 3, 2025	20%
4	November 3, 2026	20%
5	November 3, 2027	20%

On October 27, 2023, 4,660,000 shares in total under the JY ESOP I ("the target shares") were granted to 23 participants. Shares granted to these participants were from the treasury shares previously repurchased from the stock market by Joyoung.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

18. Share-based payments (continued)

Phase 1 Employee Stock Ownership Plan (the “JY ESOP I”) (continued)

The following shares were outstanding under the JY ESOP I during the year/period:

	For the period ended		For the year ended	
	June 30, 2024		December 31, 2023	
	Fair value per share RMB	Number of shares	Fair value per share RMB	Number of shares
At the beginning of the year/period	14.04	9,150,000	14.75	16,000,000
Forfeited on April 10, 2023	-	-	14.75	(3,200,000)
Forfeited on October 13, 2023	-	-	14.75	(8,310,000)
Granted on October 27, 2023	-	-	13.36	4,660,000
At the end of the year/period	14.04	9,150,000	14.04	9,150,000

Total expense recognized for the period ended June 30, 2024 was approximately RMB10,401,000 (equivalent to US\$1,436,000) (for the six months ended June 30, 2023: US\$392,000).

19. Commitments

The amount of contractual commitments of the Group at the end of June 30, 2024 was nil (December 31, 2023: US\$17,783,000).

20. Business combinations

On February 29, 2024, the Group acquired a 68.4517% interest in Shenzhen Beetle Intelligence Co., Ltd.. Shenzhen Beetle Intelligence Co., Ltd. is engaged in designing and developing household cleaning appliances with comprehensive and convenient solutions. The acquisition was made as part of the Group's strategy to develop business in cleaning appliance market in Chinese Mainland. The purchase consideration for the acquisition was in the form of cash, with amount of US\$2,868,000 paid before the acquisition date and amount of US\$14,674,000 paid at the acquisition date.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

20. Business combinations (continued)

The Group has elected to measure the non-controlling interests in Shenzhen Beetle Intelligence Co., Ltd. at the proportionate share of its interest in the identifiable net assets at fair value. The provisional fair values of the identifiable assets and liabilities of Shenzhen Beetle Intelligence Co., Ltd. as at the date of acquisition were:

	Fair value recognized on acquisition US\$'000 provisional
Assets	
Property, plant and equipment	1,580
Right of use assets	398
Other intangible assets	2,761
Inventories	2,076
Trade receivables	1,793
Prepayments, deposits and other receivables	1,221
Financial assets at fair value through profit or loss	2,503
Cash and cash equivalents	894
	13,226
Liabilities	
Lease liabilities	424
Deferred tax liabilities	676
Trade and bills payables	5,953
Other payables and accruals	4,689
Interest-bearing bank borrowings	246
	11,988
Total identifiable net assets at fair value	1,238
Non-controlling interests	391
Goodwill arising on acquisition*	16,695
Purchase consideration	17,542

* The valuation of the acquired business had not been completed by the date the interim condensed consolidated financial information were approved for issue by the Board of Directors. Thus, the fair value may need to be subsequently adjusted, with a corresponding adjustment to goodwill.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

20. Business combinations (continued)

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	US\$'000
Cash consideration	(17,542)
Cash and bank balances acquired	894
Cash consideration paid before the acquisition date	2,868
Net outflow of cash and cash equivalents included in cash flows from investing activities	(13,780)
Total net cash outflow	(13,780)

A reconciliation of the carrying amount of goodwill at the beginning and end of the Reporting Period is presented below:

	Goodwill US\$'000
Gross carrying amount	
At January 1, 2024	5,848
Acquisition of a subsidiary	16,695
Exchange realignment	(102)
At June 30, 2024	22,441
Net book value	
At January 1, 2024	5,848
At June 30, 2024	22,441

No impairment losses have been recognized for the goodwill from business combination as at June 30, 2024.

From the date of acquisition, Shenzhen Beetle Intelligence Co., Ltd. has contributed approximately revenue of US\$5,617,000 and net loss of US\$1,553,000 of the Group.

Had the combination taken place at the beginning of the period, the revenue and the profit for the period from continuing operations of the Group would have been US\$747,438,000 and US\$27,065,000, respectively.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

21. Related party transactions

- (a) In addition to the transactions detailed elsewhere in the interim condensed consolidated financial information, the Group had the following transactions with related parties during the Reporting Period:

	Notes	For the six months ended June 30,	
		2024 US\$'000	2023 US\$'000
Sales of goods to associates:	i		
Shenzhen Northwest Sunshine Appliance Co., Limited (深圳市西貝陽光電器有限公司)		5,991	6,046
Shenyang Boerman Trading Co., Limited (瀋陽伯爾曼商貿有限公司)		4,886	5,733
Beijing Zhongdingzhilian Trading Co., Limited (北京中鼎智聯商貿有限公司)		106	948
Henan Xulian Trading Co., Limited (河南旭聯商貿有限公司)		2,008	1,643
Guangxi Xindongfei Trading Co., Limited (廣西鑫東飛商貿有限公司)		1,123	1,604
Others	iii	1,397	1,691
		15,511	17,665
Purchases of goods from associates:	i		
Hangzhou Xinduoda Electronic Technology Co., Limited (杭州信多達電子科技有限公司)		25,456	25,577
Shandong Shengning Appliance Co., Limited (山東勝寧電器有限公司)		10,529	11,020
Shandong Yiteng Small Appliance Co., Limited (山東一騰小家電有限公司)	ii	-	4,479
Others	iii	88	116
		36,073	41,192

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

21. Related party transactions (continued)

- (a) In addition to the transactions detailed elsewhere in the interim condensed consolidated financial information, the Group had the following transactions with related parties during the Reporting Period: (continued)

	Notes	For the six months ended June 30,	
		2024 US\$'000	2023 US\$'000
Sales of goods and sourcing service to a related party	iv	132,655	–
Rental income from associates	v	501	305
Service income from related parties	vi	6,459	29
Advances to related parties	vii	2,154	48
Settlement of advance to related parties	vii	5,106	17
Brand license fee	viii	2,256	–
Product development fee	viii	1,000	–
Transition services fee	ix	1,500	–

Notes:

- (i) The sales to/purchases from the associates were made according to the prices and conditions mutually agreed by both parties.
- (ii) The Group has disposed of the interest in Shandong Yiteng Small Appliance Co., Limited on March 31, 2023. Transactions with this entity was no longer related party transactions of the Group since then.
- (iii) The amounts represented the aggregate transaction amounts with certain of the Group's associates that are widely dispersed and not individually significant.
- (iv) The Group (as supplier) provided goods and sourcing services to SharkNinja (Hong Kong) Company Limited ("SNHK", as purchaser). The transactions constituted continuing connected transactions as defined in Chapter 14A of the Listing Rules. The Group has complied with the requirements in Chapter 14A of the Listing Rules.
- (v) The rental income from the associates was made according to the contracts agreed by both parties.
- (vi) The service income from the related parties was made according to the contracts agreed by both parties. Included in the service income was trademark royalty income the Group provided to Hangzhou Joyoung Bean Industry Limited amounting to US\$4,691,000 for the six months ended June 30, 2024.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

21. Related party transactions (continued)

- (a) In addition to the transactions detailed elsewhere in the interim condensed consolidated financial information, the Group had the following transactions with related parties during the Reporting Period: (continued)

Notes: (continued)

- (vii) The Group paid US\$2,154,000 individual income tax in relation to the share award scheme on behalf of certain key management (during the six months ended June 30, 2023: US\$48,000).

The advance to related parties was interest-free and had been partially settled with the remuneration that key management were entitled amounting to US\$5,106,000 during the six months ended June 30, 2024 (during the six months ended June 30, 2023: US\$17,000 was settled by cash).

The remaining portion were non-trade related advances to the related parties, which is expected to be settled within 1 year.

- (viii) During the six months ended June 30, 2024, JSJT received brand license and product development services from SharkNinja Europe Ltd. These transactions constituted continuing connected transactions as defined in Chapter 14A of the Listing Rules. The Group has complied with the requirements in Chapter 14A of the Listing Rules.
- (ix) During the six months ended June 30, 2024, JSJT received certain transition services, including information technology and back-office services as well as front-office services from SharkNinja Group pursuant to the agreement signed between the two parties on July 29, 2023, with the purpose of facilitating the Group's business operations of products under the brands of "Shark" and "Ninja" in the Asia Pacific Region. The services constituted continuing connected transactions as defined in Chapter 14A of the Listing Rules. The Group has complied with the requirements in Chapter 14A of the Listing Rules.

(b) Outstanding balances with a related party

- (i) Details of the Group's trade balances with its associates and related parties as at the end of the Reporting Period are disclosed in notes 13 and 16 to the interim condensed consolidated financial information.
- (ii) Details of the Group's due from related parties as at the end of the Reporting Period are disclosed in note 14 to the interim condensed consolidated financial information.
- (iii) Details of the Group's contract liabilities to related parties and due to related parties as at the end of the Reporting Period are disclosed in note 17 to the interim condensed consolidated financial information.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

21. Related party transactions (continued)

(c) Compensation of key management personnel of the Group

	For the six months ended June 30,	
	2024 US\$'000	2023 US\$'000
Salaries, allowances and benefits in kind	246	1,248
Performance-related bonuses	-	11,027
Pension scheme contributions	28	51
Share award expense	414	1,592
Total	688	13,918

Note: Key management does not include executive directors of the Group.

22. Fair value and fair value hierarchy of financial instruments

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	June 30, 2024 US\$'000	December 31, 2023 US\$'000	June 30, 2024 US\$'000	December 31, 2023 US\$'000
Financial assets:				
Equity investments designated at fair value through other comprehensive income	40,352	40,927	40,352	40,927
Financial assets at fair value through profit or loss	192,514	202,679	192,514	202,679
Total	232,866	243,606	232,866	243,606
Financial liability:				
Other current financial liability	(444)	-	(444)	-

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

22. Fair value and fair value hierarchy of financial instruments (continued)

The Group's finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance manager analyzes the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, other than those measured at fair value, financial assets included in prepayments, other receivables and other assets, trade receivables, trade payables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments. Financial assets at fair value through profit or loss is categorized as level 1 and level 3. Bills receivable and certain pledged deposits measured at fair value are categorized as level 2, while financial assets designated at fair value through other comprehensive income is categorized as level 3.

For financial assets measured at fair value, the following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

Level 1	-	based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	-	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3	-	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair value of listed equity investments are based on quoted market prices. The Group invests in financial products issued by banks in Chinese Mainland and investment funds in accordance with the entrusted agreements entered into between the parties involved. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the interim condensed consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income and profit or loss, are reasonable, and that they were the most appropriate values at the end of the Reporting Period.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

22. Fair value and fair value hierarchy of financial instruments (continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis at the end of each reporting period:

	As at June 30, 2024 US\$'000	As at December 31, 2023 US\$'000	Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Range	Sensitivity of fair value to the input
Unlisted financial assets at fair value through profit or loss	79,189	89,287	Level 3	Discounted cash flows. Future cash flows are estimated based on the expected applicable yield of the underlying investment portfolio, discounted at a rate that reflects the credit risk of various counterparties.	Expected yield of the underlying investment portfolio and the discount rate	Discount rate-1% to discount rate+1% (December 31, 2023: Discount rate-1% to discount rate+1%)	1% (December 31, 2023: 1%) increase/decrease in multiple would result in decrease/increase in fair value of US\$-142,000/US\$145,000 (December 31, 2023: US\$-567,000/US\$599,000).
Unlisted financial assets designated at fair value through other comprehensive income	40,352	40,927	Level 3	Discounted cash flows. Future cash flows are estimated based on the expected applicable yield of the underlying investment portfolio, discounted at a rate that reflects the credit risk of various counterparties.	Expected yield of the underlying investment portfolio and the discount rate	Discount rate-1% to discount rate+1% (December 31, 2023: Discount rate-1% to discount rate+1%)	1% (December 31, 2023: 1%) increase/decrease in multiple would result in decrease/increase in fair value of US\$-2,756,000/US\$4,112,000 (December 31, 2023: US\$-2,763,000/US\$4,121,000).

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

22. Fair value and fair value hierarchy of financial instruments (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at June 30, 2024

	Fair value measurement using			Total US\$'000
	Quoted prices in active markets (Level 1) US\$'000	Significant observable inputs (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	
Financial assets:				
Financial assets designated at fair value through other comprehensive income	-	-	40,352	40,352
Financial assets at fair value through profit or loss	113,325	-	79,189	192,514
Bills receivable	-	86,528	-	86,528
Total	113,325	86,528	119,541	319,394

As at December 31, 2023

	Fair value measurement using			Total US\$'000
	Quoted prices in active markets (Level 1) US\$'000	Significant observable inputs (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	
Financial assets:				
Financial assets designated at fair value through other comprehensive income	-	-	40,927	40,927
Financial assets at fair value through profit or loss	113,392	-	89,287	202,679
Bills receivable	-	177,191	-	177,191
Total	113,392	177,191	130,214	420,797

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

22. Fair value and fair value hierarchy of financial instruments (continued)

Fair value hierarchy (continued)

Liabilities measured at fair value:

As at June 30, 2024

	Fair value measurement using			Total US\$'000	
	Quoted prices in active markets (Level 1) US\$'000	Significant observable inputs (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000		
	Financial liability:				
	Other current financial liability	-	(444)		-

The Group did not have any financial liabilities measured at fair value as at December 31, 2023.

23. Significant Events after the Reporting Period

The Group did not have any significant events subsequent to June 30, 2024.

Definitions

“Audit Committee”	the audit committee under the Board
“Board”	the board of Directors of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China, and for the purposes of this interim report for geographical reference only (unless otherwise indicated), excluding Taiwan, the Macau Special Administrative Region of the PRC and Hong Kong
“Company” or “JS Global Lifestyle”	JS Global Lifestyle Company Limited, an exempted company incorporated in the Cayman Islands with limited liability on July 26, 2018, the Shares of which are listed on the Stock Exchange
“controlling shareholders”	as defined under the Listing Rules
“Director(s)”	director(s) of the Company
“Group” or “we”	the Company (any one or more of, as the context may require) and its subsidiaries and operating entities
“HK\$” or “HKD”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	the International Financial Reporting Standards, which include standards and interpretations promulgated by the International Accounting Standards Board (IASB), and the International Accounting Standards (IAS) and interpretation issued by the International Accounting Standards Committee (IASC)
“Joyoung”	Joyoung Co., Ltd. (九陽股份有限公司), a company incorporated in the PRC, whose A shares are listed on the Shenzhen Stock Exchange (stock code: 002242), and a subsidiary of the Company
“Latest Practicable Date”	September 16, 2024, being the latest practicable date for the purpose of ascertaining certain information contained in this interim report prior to its publication
“Listing”	listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Nomination Committee”	the nomination committee of the Board

Definitions

“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period”	the six months ended June 30, 2024
“RMB”	the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of US\$0.00001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SharkNinja”	SharkNinja, Inc., an exempted limited liability company incorporated in the Cayman Islands and the demerger entity in the Spin-off, which is listed on the New York Stock Exchange (ticket: SN)
“SharkNinja Group”	SharkNinja, SharkNinja Global SPV, Ltd. (an exempted company incorporated under the laws of the Cayman Islands on June 27, 2017) and their respective subsidiaries
“Spin-off”	the separate listing of the shares of SharkNinja on the New York Stock Exchange on July 31, 2023
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategy Committee”	the strategy committee of the Board
“subsidiary(ies)”	has the meaning as ascribed thereto in the Listing Rules
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”	the lawful currency of the United States
“%”	per cent