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Blue Moon Group Holdings Limited

藍月亮集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6993)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL SUMMARY

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Revenue	3,036,826	3,131,155
Gross profit	1,764,493	1,836,435
Gross profit margin	58.1%	58.7%
Loss before income tax	(456,361)	(810,723)
Loss for the period/loss attributable to equity holders of the Company	(435,329)	(663,745)

The Board recommended the payment of interim dividend of HK8.0 cents per share.

In the first half of 2025, the Group continued to spread the concept and method of “scientific washing” (科學洗滌) through various means, solving laundry problems easily and efficiently and driving the popularisation of concentrated liquid laundry detergent. The Group continued to strategically expand emerging channels, continuously optimised resource allocation across all channels, strengthened omni-channel and full-category sales interaction and distribution network layout, reached more consumers more effectively in all aspects, thereby enhancing the overall influence of the Blue Moon brand and increasing its market share.

For the six months ended 30 June 2025, the Group’s sales revenue remained relatively stable compared with the corresponding period last year, while sales and marketing expenses significantly reduced through strategic optimisation. At the same time, the Group maintained a generally stable gross profit margin through persistently improving its supply chain system, continuously optimising its product portfolio as well as production and logistics bases. Compared with the corresponding period last year, the Group’s loss before income tax decreased by 43.7%, and loss for the period decreased by 34.4%. The Group’s business development remained stable, with efficiency progressively improving.

The board of directors (the “**Board**” or the “**Directors**”) of Blue Moon Group Holdings Limited (the “**Company**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025, together with comparative information, as follows:

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Unaudited Six months ended 30 June	
		2025	2024
	Note	HK\$'000	HK\$'000
Revenue	4	3,036,826	3,131,155
Cost of sales	6	(1,272,333)	(1,294,720)
Gross profit		1,764,493	1,836,435
Other income and other gains/(losses), net	5	63,495	(3,935)
Selling and distribution expenses	6	(1,909,910)	(2,201,429)
General and administrative expenses	6	(450,001)	(565,377)
Reversal of provision/(provision) for impairment losses of financial assets		5,566	(4,229)
Operating loss		(526,357)	(938,535)
Finance income		71,800	130,371
Finance costs		(1,804)	(2,559)
Finance income, net		69,996	127,812
Loss before income tax		(456,361)	(810,723)
Income tax credit	7	21,032	146,978
Loss for the period		(435,329)	(663,745)
Loss attributable to equity holders of the Company		(435,329)	(663,745)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Unaudited	
		Six months ended 30 June	
		2025	2024
	Note	HK\$'000	HK\$'000
Loss for the period		(435,329)	(663,745)
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences from translation of financial statements of subsidiaries		58,422	(34,646)
Other comprehensive income/(loss) for the period, net of tax		58,422	(34,646)
Total comprehensive loss for the period		(376,907)	(698,391)
Total comprehensive loss attributable to equity holders of the Company		(376,907)	(698,391)
Loss per share attributable to equity holders of the Company			
Basic	8	HK(8.22) cents	HK(12.00) cents
Diluted	8	HK(8.22) cents	HK(12.00) cents

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

AS AT 30 JUNE 2025

		Unaudited As at 30 June 2025 <i>HK\$'000</i>	Audited As at 31 December 2024 <i>HK\$'000</i>
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	10	1,412,283	1,402,965
Right-of-use assets		374,189	387,812
Intangible assets		101,133	109,630
Prepayments for property, plant and equipment		39,340	35,673
Deferred income tax assets		653,241	584,761
Financial asset at fair value through other comprehensive income		9,425	9,281
		<u>2,589,611</u>	<u>2,530,122</u>
Current assets			
Inventories		398,750	487,579
Trade and bills receivables	11	919,469	1,208,123
Prepayments, deposits and other receivables		780,262	804,700
Tax recoverable		21	4,600
Financial asset at fair value through profit or loss		1,195	—
Fixed deposits		626,006	54,095
Cash and cash equivalents		3,734,470	5,216,379
		<u>6,460,173</u>	<u>7,775,476</u>
Total assets		<u><u>9,049,784</u></u>	<u><u>10,305,598</u></u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	12	58,632	58,631
Other reserves		8,258,768	8,711,187
Accumulated losses		(540,548)	(105,219)
Total equity		<u>7,776,852</u>	<u>8,664,599</u>

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (continued)

AS AT 30 JUNE 2025

		Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
	Note		
LIABILITIES			
Non-current liabilities			
Deferred government grant		53,415	53,259
Deferred income tax liabilities		75,609	96,218
Lease liabilities		51,768	66,918
		<u>180,792</u>	<u>216,395</u>
Current liabilities			
Trade and bills payables	13	405,248	659,681
Contract liabilities, accruals and other payables		652,055	697,875
Amount due to a related company		281	447
Current income tax liabilities		1,113	33,855
Lease liabilities		33,443	32,746
		<u>1,092,140</u>	<u>1,424,604</u>
Total liabilities		<u>1,272,932</u>	<u>1,640,999</u>
Total equity and liabilities		<u>9,049,784</u>	<u>10,305,598</u>
Net current assets		<u>5,368,033</u>	<u>6,350,872</u>
Total assets less current liabilities		<u>7,957,644</u>	<u>8,880,994</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 Basis of preparation

These condensed consolidated interim financial information for the six months ended 30 June 2025 of the Group has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

This condensed consolidated interim financial information does not include all the notes of the type normally included in the annual consolidated financial statements. Instead, this condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards.

2 Accounting policies

The accounting policies applied to this condensed consolidated interim financial information are consistent with those applied in preparation of the annual consolidated financial statements for the year ended 31 December 2024, as described in those annual consolidated financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of new standards, amendments to standards and interpretations as set out below.

(a) Amendment to the existing standard adopted by the Group that are effective for the first time for the financial year beginning 1 January 2025

The Group has applied the amendment to HKAS 21 Lack of Exchangeability for the annual reporting period commencing 1 January 2025. The amendment did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 Accounting policies (continued)

(b) *New standards, amendments to existing standards and interpretation not yet adopted*

The following new standards, amendments to existing standards and interpretation have been published that are not mandatory for the financial period beginning 1 January 2025 and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Hong Kong Interpretation 5 (2020) Presentation of Financial Statements (Amendments)	Classification by the borrower of a term loan that contains a repayment on demand clause	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The directors of the Group are currently assessing the detailed implications of applying the new standards, amendments to existing standards and interpretation on the condensed consolidated interim financial information. The Group intends to adopt the above new standards and amendments to existing standards and interpretation when they become effective.

3 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (“CODM”).

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors of the Company that make strategic decisions.

The CODM reviews the performance of the Group on a regular basis.

As substantial business operations of the Group relate to the manufacturing, selling and distribution of cleaning products, the CODM makes decisions about resources allocation and performance assessment based on the entity-wide consolidated financial information. Accordingly, there is only one single operating segment for the Group qualified as reportable segment under HKFRS 8. No separate segmental analysis is presented.

4 Revenue

Revenue from the sales of finished goods recognised is as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Revenue recognised at a point in time:		
Fabric care products	2,641,020	2,767,339
Personal hygiene products	215,676	191,870
Home care products	180,130	171,946
	<u>3,036,826</u>	<u>3,131,155</u>

All of the Group's revenue was generated from customers in the PRC for the six months ended 30 June 2025 and for the same period in 2024, accordingly, no revenue by geographical location is presented.

5 Other income and other gains/(losses), net

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Government grants	4,311	5,192
Net foreign exchange gains/(losses)	51,965	(15,643)
Fair value loss on financial asset at fair value through profit or loss	(309)	—
Scrap sales	(411)	(938)
Compensation income	4,696	4,689
Sundry income	3,243	2,765
	<u>63,495</u>	<u>(3,935)</u>

6 Expenses by nature

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Cost of inventories sold	1,120,053	1,131,471
Promotion expenses	996,077	1,094,646
Employee benefits expense	851,867	953,776
Transportation expenses	274,161	365,917
Advertising expenses	128,859	202,645
Depreciation of property, plant and equipment	70,968	66,055
Travelling expenses	25,089	25,097
Other tax expenses	22,848	41,880
Depreciation of right-of-use assets	20,853	41,490
Rental expenses related to short-term leases	18,403	6,759
Utility expenses	15,234	16,532
Consulting fee	10,822	10,877
Amortisation of intangible assets	10,397	11,735
Motor expenses	6,670	7,168
Manufacturing overheads (excluding depreciation)	6,643	6,343
Maintenance expenses	5,453	9,132
Telecommunication expenses	4,558	4,328
Property management fee	4,503	3,379
Consumables	3,826	4,625
Office expenses	2,943	2,376
Auditor's remuneration	2,390	2,075
Donation	1,904	14,687
Recruitment fee	1,263	1,696
Training expenses	264	354
Others	26,196	36,483
	3,632,244	4,061,526

7 Income tax credit

The amount of income tax credited to the consolidated profit or loss is as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Current income tax expense		
– PRC corporate income tax	(23,290)	(77,582)
Deferred income tax credit	44,322	224,560
Income tax credit	<u>21,032</u>	<u>146,978</u>

Notes:

(a) Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Company and its subsidiaries have no assessable profit arising in or deriving from Hong Kong during the six months ended 30 June 2025 and for the same period in 2024.

(b) PRC corporate income tax ("CIT")

Current income tax expense primarily represents the provision for CIT for subsidiaries operating in the PRC. These subsidiaries are subject to CIT on their taxable income as reported in their respective statutory financial statements in accordance with the relevant tax laws and regulations in the PRC.

Blue Moon (Chongqing) Co., Ltd. has been qualified as a Western Region Encouragement Industrial Enterprise and has enjoyed a preferential income tax rate of 15% since 2017 until 2030.

8 Loss per share

Basic

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company of approximately HK\$435,329,000 (six months ended 30 June 2024: HK\$663,745,000) by the weighted average number of ordinary shares in issue less shares held under the 2021 Share Award Plan and the 2022 Share Award Plan during the period of approximately 5,297,229,000 shares (six months ended 30 June 2024: 5,529,425,000 shares).

	Unaudited	
	Six months ended 30 June	
	2025	2024
Loss attributable to equity holders of the Company (HK\$'000)	(435,329)	(663,745)
Weighted average number of ordinary shares in issue less shares held under the 2021 Share Award Plan and the 2022 Share Award Plan during the period ('000)	5,297,229	5,529,425
Basic loss per share (HK cent per share)	<u>(8.22)</u>	<u>(12.00)</u>

8 Loss per share (continued)

Diluted

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares. The Company has two categories of potential ordinary shares: share options and shares held under the 2021 Share Award Plan and the 2022 Share Award Plan during the period.

For the six months ended 30 June 2025, the computation of diluted loss per share does not assume the issuance of the ordinary shares at no consideration on deemed exercise of all options outstanding during the period as well as share awards granted under the 2021 Share Award Plan and the 2022 Share Award Plan as at 30 June 2025 as both of them will have an anti-dilutive effect. Therefore, the Group's diluted loss per share equals its basic loss per share (six months ended 30 June 2024: Same).

9 Dividends

A final dividend in respect of the year ended 31 December 2024 of HK6.0 cents per share was proposed by the Board on 25 March 2025 and was approved by the shareholders of the Company (the “**Shareholders**”) in the annual general meeting held on 6 June 2025.

This final dividend, amounting to approximately HK\$332,546,000, has been paid by the Company during the six months ended 30 June 2025.

An interim dividend in respect of the six months ended 30 June 2025 of HK8.0 cents per share was proposed by the Board on 21 August 2025 and to be approved by the shareholders of the Company in the forthcoming extraordinary general meeting held on 12 September 2025. This proposed interim dividend, amounting to HK\$442,309,000, has not been recognised as a liability in this unaudited condensed consolidated financial information.

10 Property, plant and equipment

	Buildings <i>HK\$'000</i>	Leasehold improvements <i>HK\$'000</i>	Plant and machinery <i>HK\$'000</i>	Furniture, fixtures and equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Construction- in-progress <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 1 January 2025							
Cost	1,184,902	78,995	810,674	209,175	25,989	61,583	2,371,318
Accumulated depreciation and impairment	(241,458)	(30,211)	(545,623)	(133,988)	(17,073)	–	(968,353)
Net book amount	<u>943,444</u>	<u>48,784</u>	<u>265,051</u>	<u>75,187</u>	<u>8,916</u>	<u>61,583</u>	<u>1,402,965</u>
<i>(Unaudited)</i>							
Six months ended 30 June 2025							
Opening net book amount	943,444	48,784	265,051	75,187	8,916	61,583	1,402,965
Additions	576	6,526	3,193	15,448	–	41,721	67,464
Disposals	(3,834)	(2,044)	(2,091)	(457)	(18)	–	(8,444)
Transfer	7,002	–	37,121	1,392	–	(45,515)	–
Depreciation	(14,808)	(8,035)	(34,288)	(13,134)	(703)	–	(70,968)
Impairment	–	–	–	(304)	–	–	(304)
Exchange differences	14,488	719	4,122	1,186	132	923	21,570
Closing net book amount	<u>946,868</u>	<u>45,950</u>	<u>273,108</u>	<u>79,318</u>	<u>8,327</u>	<u>58,712</u>	<u>1,412,283</u>
As at 30 June 2025							
Cost	1,206,977	68,565	855,322	226,866	26,026	58,712	2,442,468
Accumulated depreciation and impairment	(260,109)	(22,615)	(582,214)	(147,548)	(17,699)	–	(1,030,185)
Net book amount	<u>946,868</u>	<u>45,950</u>	<u>273,108</u>	<u>79,318</u>	<u>8,327</u>	<u>58,712</u>	<u>1,412,283</u>

11 Trade and bills receivables

The aging analysis of trade and bills receivables, based on invoice date, is as follows:

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
0-30 days	447,343	853,491
31-60 days	354,270	190,297
61-180 days	101,107	159,609
Over 180 days	129,562	123,267
	<hr/>	<hr/>
Trade and bills receivables	1,032,282	1,326,664
Less: Loss allowance	(112,813)	(118,541)
	<hr/>	<hr/>
Trade and bills receivables, net	919,469	1,208,123
	<hr/>	<hr/>

The Group generally allows a credit period of up to 60 days to its key account clients and major online e-commerce customers, as well as certain offline distributors with good credit history on a discretionary basis.

As at 30 June 2025, the carrying amounts of the Group's trade and bills receivables were denominated in Renminbi ("RMB") and approximated their fair values (2024: Same).

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and bills receivables.

12 Share capital

	Number of shares	Share capital HK\$'000
<u>Authorised ordinary shares of HK\$0.01 each:</u>		
At 1 January 2025 (audited) and 30 June 2025 (unaudited)	10,000,000,000	100,000
	<hr/>	<hr/>
<u>Ordinary shares of HK\$0.01 each, issued and fully paid:</u>		
At 1 January 2025 (audited)	5,863,103,406	58,631
Issuance of ordinary shares upon		
– Exercise of share options (<i>Note</i>)	133,725	1
	<hr/>	<hr/>
At 30 June 2025 (unaudited)	5,863,237,131	58,632
	<hr/>	<hr/>

Note:

For the six months ended 30 June 2025, 133,725 (31 December 2024: 110,000) share options were exercised at weighted average exercise price of HK\$3.76 (2024: HK\$3.76) per share, resulting in the issuance of 133,725 additional ordinary shares of the Company and additional share capital and share premium of approximately HK\$1,000 (2024: HK\$1,000) and HK\$502,000 (2024: HK\$413,000), respectively.

13 Trade and bills payables

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

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Up to 3 months	402,092	656,552
3 to 6 months	116	1,031
6 months to 1 year	1,450	804
Over 1 year	1,590	1,294
	<hr/>	<hr/>
Trade and bills payables	405,248	659,681
	<hr/>	<hr/>

The trade and bills payables are non-interest-bearing and are normally settled within credit terms of from 30 to 60 days.

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Denominated in:		
RMB	386,294	647,181
United States dollar ("USD")	18,954	12,500
	<hr/>	<hr/>
Trade and bills payables	405,248	659,681
	<hr/>	<hr/>

BUSINESS OVERVIEW AND OUTLOOK

Business Overview

With the continuous development of internet technologies and changing consumer shopping habits, consumers' demands towards product quality, functionality and cost-effectiveness have become increasingly diverse and complex. In the face of a complex and ever-changing business environment and in an era where user attention is highly fragmented, the methods and channels through which consumers access information are constantly changing. The Group is committed to communicating with consumers through diverse channels, conveying authentic scientific knowledge and information, and establishing the two-way pathway between technology and content to achieve the transformation of product value. In the first half of 2025, the Group continued to focus on its consumers, further enhanced its business operation efficiency through management optimisation, and enabled its products to reach more consumers through knowledge marketing and channel expansion.

Management Optimisation: in the first half of 2025, while promoting its products, the Group optimised its sales and management strategies to enhance the brand power of its products. During the first half of the year, the Group effectively controlled its selling and distribution expenses, which decreased by 13.2% year-on-year. Apart from emerging channels, sales through both traditional online sales channels and offline distributor channels maintained steady growth.

Reaching More Users: through the “Remarkable Laundry Technologies for the Future” (了不起的未來洗衣科技) IP project, the Group has systematically communicated the concept and methods of “scientific washing”(科學洗滌) to consumers for two consecutive quarters. This initiative has transformed professional laundry technology into life knowledge that is easy for users to understand and experience. The IP project “Remarkable Laundry Technologies for the Future II” (了不起的未來洗衣科技II) which was released in the first half of 2025 interacts with users through multi-narrative approach combining music videos, mini-dramas and micro-variety shows. The IP project exceeded 1.8 billion online exposures across the network, garnering attention from target groups such as young families and the new generation.

Omni-channel Expansion: in terms of offline channels, the Group has continued to deepen channel penetration to increase its market coverage systematically, leveraged its distribution network to penetrate into China's counties and townships and consistently expanded offline distributors coverage, so as to promote the sales and development of traditional channels and advance omni-channel sales strategy. As of 30 June 2025, both the number of the Group's offline distributors and the number of its points of sale recorded a year-on-year increase. Sales through online traditional channels still maintained a steady growth in the first half of 2025. The Group maintained its market leading position during the “618 Shopping Festival”, with its core products ranking first in terms of cumulative sales on multiple major e-commerce platforms.

Product and Brand Power: in the first half of 2025, the Group's products have earned positive reception and recognition from consumers, with its liquid laundry detergent and liquid soap ranking first again in the China Brand Power Index for 15 consecutive years (2011-2025)¹. The Zhizun laundry detergent essence is a multifunctional product gathering features such as instantly dissolving in the water in a second, cleaning eight pieces of laundry with only one pump, efficient cleansing, concentrated, highly effective and more environmentally friendly. The product has garnered over 98% positive ratings on both Blue Moon's official Taobao flagship store and JD.com's self-operated flagship store since its launch.

Source:

1 Chnbrand (Beijing) Brand Consulting Co., Ltd. (中企品研(北京)品牌顧問股份有限公司)

Business Outlook

In 2025, the Group will continue to leverage its advantages and leadership in the industry, continue to provide excellent products and services to its consumers and pioneer the industrial innovation and achieve development under the everchanging market conditions. Driven by the policy incentives and the adjustments made by enterprises in response to changes in consumer attitudes and behaviours, the Group believes that the consumer industry will continue to develop steadily. The Group plans to:

- Provide comprehensive household cleaning solutions: the Group will focus on promoting industry development and product innovation, further promoting the improvement and upgrading of the three core product types, and continue to invent and launch new products, thereby fostering product diversification. The Group will also attend and respond to consumers' needs, continue innovating and realising eco-friendliness, facilitating the Group's sustainable development.
- Enhance omni-channel sales and distribution network and product penetration: in terms of online channels, the Group will increase its size and speed of penetration at major e-commerce platforms by optimising product structure and adjusting its sales tactics. The Group will also consolidate its influence over emerging online sales and distribution platforms and focus on promoting best-selling and newly launched products. In terms of offline channels, the Group will implement refined management for distributors by categorising offline stores and establishing input-output standards. Incentive schemes will be set for the distribution business teams, and assistance will be provided to help distributors deepen channel penetration, accelerate product turnover, thereby enhancing distributor efficiency and driving product sales. In addition, the Group is committed to developing a stable business team to support the realisation of distributors' development goals.
- Knowledge-based marketing: the Group will continue organising "scientific washing" (科學洗滌) activities. Through organising interactive activities, the Group integrates knowledge with entertainment, bringing "laundry" from a family chore to "life science" associated with cleansing efficiency and life quality. Consumers can witness the disruptive cleansing experience brought about by concentrated laundry products, ultimately introducing a clean, healthy, comfortable, respectable and delightful high-quality lifestyle to thousands of families.
- Digitalisation: the Group will continue to advance the application of digital factories and expand the use of machine vision technology across various operational scenarios in factories, such as online inspection and automated warehouse inventory, to further enhance the factory's digital operational capabilities and operational efficiency.
- Dividend: the Group will continue to review its dividend policy to provide stable and sustainable return to its shareholders.
- Adhere to social responsibilities and sustainable development principles: under the Group's environmental, social and governance principles of "better products (services), healthier environment, and greater society", the Group adheres to a green and low-carbon development strategy throughout its product development, manufacturing and packaging processes to promote sustainable development of the industry.

FINANCIAL REVIEW

For the six months ended 30 June 2025, the Group recorded a loss and loss attributable to equity holders of the Company of approximately HK\$435.3 million, which was an approximately 34.4% reduction in loss as compared to approximately HK\$663.7 million for the six months ended 30 June 2024.

Revenue

For the six months ended 30 June 2025, the Group recorded revenue of approximately HK\$3,036.8 million, which remained stable as compared to approximately HK\$3,131.2 million for the six months ended 30 June 2024.

The following table sets forth a breakdown of the Group's revenue from sales of products by product category for the periods indicated.

	Unaudited				
	Six months ended 30 June				
	2025		2024		
	Revenue <i>HK\$'000</i>	Total (%)	Revenue <i>HK\$'000</i>	Total (%)	Change (%)
Fabric care products	2,641,020	87.0	2,767,339	88.4	(4.6)
Personal hygiene products	215,676	7.1	191,870	6.1	12.4
Home care products	180,130	5.9	171,946	5.5	4.8
Total	<u>3,036,826</u>	<u>100.0</u>	<u>3,131,155</u>	<u>100.0</u>	<u>(3.0)</u>

The sales of fabric care products and home care products remained stable for the six months ended 30 June 2025 as compared to the six months ended 30 June 2024. On the other hand, the sales of personal hygiene products for the six months ended 30 June 2025 recorded a 12.4% growth compared to the six months ended 30 June 2024, which was mainly due to the increase in sales of liquid hand soap as a result of the enhancement and expansion of the Group's offline distribution channels.

The following table sets forth a breakdown of the Group's revenue contribution by channel for the periods indicated.

	Unaudited				
	Six months ended 30 June				
	2025		2024		
	Revenue	Total	Revenue	Total	Change
	HK\$'000	(%)	HK\$'000	(%)	(%)
Online sales channels	2,068,455	68.1	2,271,654	72.6	(8.9)
Offline distributors	836,812	27.6	727,737	23.2	15.0
Direct sales to key account clients	131,559	4.3	131,764	4.2	(0.2)
Total	<u>3,036,826</u>	<u>100.0</u>	<u>3,131,155</u>	<u>100.0</u>	<u>(3.0)</u>

The decrease in sales via online channel was mainly due to the Group's optimisation of resources allocation to different sales channels to further expand its omni-channel development. The increase in sales through offline distributors mainly benefited from the development and the expansion of terminal stores and refined management of the distributor channels during the period.

Cost of Sales

Cost of sales remained stable at approximately HK\$1,272.3 million for the six months ended 30 June 2025 as compared to approximately HK\$1,294.7 million for the six months ended 30 June 2024.

Gross Profit

As a result of the foregoing, the Group's gross profit decreased by approximately 3.9% to approximately HK\$1,764.5 million for the six months ended 30 June 2025 as compared to approximately HK\$1,836.4 million for the six months ended 30 June 2024. The gross profit margin of the Group remained relatively stable, with a slight decrease from 58.7% for the six months ended 30 June 2024 to 58.1% for the six months ended 30 June 2025. This is primarily due to the increase in cost of major raw materials consumed during the six months ended 30 June 2025.

Other Income and Other Gains/(Losses), Net

The Group recorded a net gain in other income and other gains of approximately HK\$63.5 million for the six months ended 30 June 2025 as compared to a net loss of approximately HK\$3.9 million for the six months ended 30 June 2024, primarily due to the net foreign exchange gains recognised in the six months ended 30 June 2025. The net foreign exchange gains for the six months ended 30 June 2025 mainly arose from the revaluation of the offshore assets held by the Group in USD and RMB, as the USD and RMB appreciated against HK\$ during the six months ended 30 June 2025.

Selling and Distribution Expenses

The Group's selling and distribution expenses for the six months ended 30 June 2025 decreased by approximately 13.2% from approximately HK\$2,201.4 million for the six months ended 30 June 2024 to approximately HK\$1,909.9 million for the six months ended 30 June 2025, which was primarily due to the optimisation of marketing and omni-channel sales strategy.

General and Administrative Expenses

The Group's general and administrative expenses decreased by approximately 20.4% from approximately HK\$565.4 million for the six months ended 30 June 2024 to approximately HK\$450.0 million for the six months ended 30 June 2025, which was primarily due to the reduction in staff costs as a result of the improvement of the operational efficiency.

Reversal of Provision for Impairment Losses of Financial Assets

Reversal of provision for impairment losses of financial assets amounted to approximately HK\$5.6 million was recognised for the six months ended 30 June 2025.

Operating Loss

As a result of the foregoing, the Group's operating loss decreased by 43.9% to approximately HK\$526.4 million for the six months ended 30 June 2025 as compared to approximately HK\$938.5 million for the six months ended 30 June 2024.

Finance Income and Costs

Finance income decreased by approximately 44.9% from approximately HK\$130.4 million for the six months ended 30 June 2024 to approximately HK\$71.8 million for the six months ended 30 June 2025, which was mainly due to the decrease in fixed deposits placed and the decrease in fixed deposit interest rates for the six months ended 30 June 2025 as compared to those for the six months ended 30 June 2024.

Finance costs decreased by approximately 29.5% from approximately HK\$2.6 million for the six months ended 30 June 2024 to approximately HK\$1.8 million for the six months ended 30 June 2025.

Loss before Income Tax

As a result of the foregoing, the Group's loss before income tax decreased by 43.7% to approximately HK\$456.4 million for the six months ended 30 June 2025 as compared to approximately HK\$810.7 million for the six months ended 30 June 2024.

Income Tax Credit

The Group recorded an income tax credit of approximately HK\$21.0 million for the six months ended 30 June 2025, with an effective tax rate of approximately 4.6%, compared to an income tax credit of approximately HK\$147.0 million and an effective tax rate of approximately 18.1% for the six months ended 30 June 2024, primarily due to changes in the recognition of deferred tax assets related to tax losses during the current period.

Loss attributable to Equity Holders of the Company

As a result of the foregoing, the Group incurred loss attributable to equity holders of the Company of approximately HK\$435.3 million for the six months ended 30 June 2025, which was a reduction in loss of approximately 34.4% as compared to loss attributable to equity holders of the Company of approximately HK\$663.7 million for the six months ended 30 June 2024.

Basic and Diluted Loss Per Share

Loss per share (basic and diluted) was approximately HK8.22 cents for the six months ended 30 June 2025 and loss per share (basic and diluted) was approximately HK12.00 cents for the six months ended 30 June 2024.

Liquidity and Financial Resources

The total bank deposits and cash of the Group, comprising the Group's cash and cash equivalents and fixed deposits, decreased by approximately 17.3% from approximately HK\$5,270.5 million as at 31 December 2024 to approximately HK\$4,360.5 million as at 30 June 2025, primarily due to net cash used in operating activities, the payment of the final dividend for the year ended 31 December 2024 and the purchase of Shares under the Group's Share Award Plan.

As at 30 June 2025, the net current assets of the Group were approximately HK\$5,368.0 million (31 December 2024: approximately HK\$6,350.9 million). The Group's current ratio (current assets/current liabilities) was approximately 5.92 times (31 December 2024: approximately 5.46 times).

As at 30 June 2025, the Group has no borrowings (31 December 2024: Nil). Gearing ratio, which is calculated using total bank borrowings divided by total equity, is therefore not applicable as at 30 June 2025 and 31 December 2024.

Capital Expenditure and Capital Commitment

For the six months ended 30 June 2025, the capital expenditure of the Group was approximately HK\$70.6 million, which was primarily used to finance the expansion in production capacity of the Group's existing production base.

As at 30 June 2025, the capital commitment of the Group amounted to approximately HK\$87.4 million, which was primarily related to the acquisition of machinery and equipment for production facilities under construction and the expansion in production capacity at certain existing production facilities of the Group, which shall be funded by cash flows from operating activities and net proceeds from the Company's Global Offering (as defined in the prospectus of the Company dated 4 December 2020 (the "**Prospectus**")).

Pledge of Assets of the Group

As at 30 June 2025, the Group did not have any pledge on assets (31 December 2024: Nil).

Exposure to Foreign Exchange

The majority of the Group's subsidiaries are operating in the PRC with most of the transactions and assets (other than the unutilised proceeds raised from the Global Offering (as defined in the Prospectus) denominated in RMB. The conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the PRC government. Due to the simplicity of the Group's financial structure and current operations, save as aforementioned, no hedging activities are undertaken by management of the Group.

Contingent Liabilities

As at 30 June 2025, the Group had no material contingent liabilities.

Significant Investments, Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Company did not have significant investments, acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2025.

Future Plans for Material Investments or Capital Assets

Save as disclosed in the sections headed "Capital Expenditure and Capital Commitment" and "Use of Net Proceeds from the Company's Global Offering" in this announcement, the Group did not have any future plans for acquiring other material investments or capital assets.

HUMAN RESOURCES

The Group had approximately 7,136 employees as at 30 June 2025. Salaries of employees are maintained at competitive levels.

2021 Share Award Plan

On 3 June 2021, the Board approved the adoption of the 2021 share award plan and on 26 March 2024, the Board approved amendments thereto (the "**2021 Share Award Plan**") to recognise and reward the contribution of certain eligible participants to the growth and development of the Group.

Pursuant to the rules relating to the 2021 Share Award Plan, the Board may, acting through the awards committee, during the continuation of the 2021 Share Award Plan, at its absolute discretion select any eligible participant (other than an excluded participant) to participate in the 2021 Share Award Plan as a selected participant and determine the awards to be granted, subject to such terms and conditions as it may in its absolute discretion determine (including but not limited to, where applicable, the vesting schedule and lock-up, if any, applicable to the awarded Shares).

As at 30 June 2025, 212,670,999 share awards have been granted pursuant to the 2021 Share Award Plan to 509 employees, all of which are to be satisfied by existing Shares. Under the 2021 Share Award Plan, no share award has been granted to any connected person (as defined under the Listing Rules) of the Company. As at the date of this announcement, 202,768,789 share awards granted have been vested in accordance with the 2021 Share Award Plan and the relevant grant notices.

2022 Share Award Plan

On 29 March 2022, the Board approved the adoption of the 2022 share award plan and on 26 March 2024, the Board approved amendments thereto (the “**2022 Share Award Plan**”) to recognise and reward the contribution of certain eligible participants who are executive Directors of the Company or directors of the subsidiaries of the Group to the growth and development of the Group and to give incentives in order to retain them for the continual operation and development of the Group.

Pursuant to the rules relating to the 2022 Share Award Plan, the Board may, make an award out of the share pool to any of the eligible participants such number of issued Shares as it shall determine. The eligibility of any of the eligible participants under the 2022 Share Award Plan to an award shall be determined by the Board from time to time on the basis of the Board’s opinion as to his or her contribution and/or anticipated future contribution to the development and growth of the Group and the grant of an award to eligible participants who are executive Directors of the Company shall be approved by members of the remuneration committee of the Company (other than by himself or herself).

As at 30 June 2025, 119,600,000 share awards have been granted pursuant to the 2022 Share Award Plan to three executive Directors and three individuals who are directors of subsidiaries of the Company. As at the date of this announcement, 75,700,000 share awards granted have been vested in accordance with the 2022 Share Award Plan and the relevant grant notices.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERIM DIVIDEND, CLOSURE OF REGISTER OF MEMBERS AND RECORD DATES

The Board has resolved to recommend the payment of an interim dividend of HK8.0 cents per Share out of the share premium account of the Company for the six months ended 30 June 2025. Subject to approval of the shareholders of the Company (the “**Shareholders**”) at the extraordinary general meeting of the Company (the “**EGM**”) to be held on Friday, 12 September 2025 and compliance with the Companies Law of the Cayman Islands, the interim dividend will be paid in cash on Tuesday, 30 September 2025 to those Shareholders whose name appear on the register of members of the Company on Monday, 22 September 2025, being the record date for determining shareholders who are entitled to receive the interim dividend.

The register of members of the Company will be closed as follows:

- (a) For the purpose of ascertaining the Shareholders’ eligibility to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 9 September 2025 to Friday, 12 September 2025, both days inclusive, with Friday, 12 September 2025 being the record date. In order to be eligible to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, for registration no later than 4:30 p.m. on Monday, 8 September 2025.
- (b) For the purpose of ascertaining the Shareholders’ eligibility for the interim dividend, the register of members of the Company will be closed from Thursday, 18 September 2025 to Monday, 22 September 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the above mentioned interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, for registration by no later than 4:30 p.m. on Wednesday, 17 September 2025.

The address of Computershare Hong Kong Investor Services Limited is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

CORPORATE GOVERNANCE

The Company's corporate governance practices are based on the principles and code provisions of the Corporate Governance Code, as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") (the "**CG Code**"), and the Company has adopted the CG Code as its own corporate governance code.

The Board is of the view that the Company has complied with applicable code provisions as set out in the CG Code during the six months ended 30 June 2025.

The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its code of conduct for Directors' securities transactions. Each Director had been given a copy of the code of conduct regarding security transactions upon his/her appointment, and the Company issues two reminders each year thereafter, being 30 days prior to the Board meeting approving the interim results of the Company and 60 days prior to the Board meeting approving the annual results of the Company, reminding the Directors that they (including their respective spouse, minor child and others whose dealings are treated as dealings by them under the Model Code) are not allowed to deal in the securities of the Company prior to and on the day of publication of the announcement of the results (the periods during which the Directors are prohibited from dealing in the Shares), and that all transactions must be conducted according to the Model Code.

After having made specific enquiries, each Director has confirmed that he/she has complied with the requirements of the Model Code during the six months ended 30 June 2025.

REVIEW OF INTERIM RESULTS

The audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters including the review of the unaudited condensed consolidated financial information for the six months ended 30 June 2025.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the amended and restated articles of association of the Company, or the applicable laws of the Cayman Islands where the Company is incorporated, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

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

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

USE OF NET PROCEEDS FROM THE COMPANY'S GLOBAL OFFERING

The net proceeds (the “**Net Proceeds**”) from the initial public offering of the Shares in December 2020 (together with the issuance of Shares pursuant to the full exercise of the Over-allotment Option (as defined in the Prospectus) in January 2021), after deducting the underwriting commission and other estimated expenses, of HK\$11,004 million have been utilised in the manner as stated in the Prospectus, as amended by the annual results announcement (the “**Announcement**”) of the Company dated 25 March 2025. Following the change in use of unutilised Net Proceeds as disclosed in the Announcement, the Net Proceeds will be utilised in the manner and timeline as stated below.

Intended use of Net Proceeds	Original allocation of the Net Proceeds	Original allocation of the Unutilised Net Proceeds as at 31 December 2024	Revised allocation of the Unutilised Net Proceeds as at 31 December 2024	For the six months ended 30 June 2025 Utilised amount	As at 30 June 2025 Unutilised amount	Expected timeline for full utilisation of the Unutilised Net Proceeds
	<i>approximately HK\$ million</i>	<i>approximately HK\$ million</i>	<i>approximately HK\$ million</i>	<i>approximately HK\$ million</i>	<i>approximately HK\$ million</i>	
Financing business expansion including production capacity expansion plans and to purchase equipment and machinery to facilitate such expansion plan as well as the development of the Group's laundry services	3,918	3,315	672	64	608	By 31 December 2028
Raising brand awareness, further strengthening the Group's sales and distribution network and increasing product penetration	5,766	—	2,643	1,116	1,527	By 31 December 2028
Working capital and for other general corporate purposes	1,100	—	—	—	—	N/A
Enhancing research and development capabilities	220	45	45	14	31	By 31 December 2025
Total	<u>11,004</u>	<u>3,360</u>	<u>3,360</u>	<u>1,194</u>	<u>2,166</u>	

Note:

The Net Proceeds amount of approximately HK\$11,004 million include approximately HK\$2,500 million Net Proceeds utilised in the financial year ended 31 December 2021, approximately HK\$1,300 million Net Proceeds utilised in the financial year ended 31 December 2022, approximately HK\$2,074 million Net Proceeds utilised in the financial year ended 31 December 2023 and approximately HK\$1,770 million Net Proceeds utilised in the financial year ended 31 December 2024. Approximately HK\$3,360 million Net Proceeds were brought forward from the financial year ended 31 December 2024 which were utilised in the manner set out in the table above.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.bluemoon.com.cn), respectively. The interim report of the Company will be available on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
Blue Moon Group Holdings Limited
PAN Dong
Chairman & Executive Director

Hong Kong, 21 August 2025

As at the date of this announcement, the Board comprises Ms. PAN Dong, Mr. LUO Qiuping, Ms. LUO Dong, Mr. POON Kwok Leung and Ms. XIAO Haishan as Executive Directors; and Mr. Bruno Robert MERCIER, Ms. NGAN Edith Manling and Mr. HU Yebi as Independent Non-executive Directors.