



UJU HOLDING LIMITED

优矩控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1948



INTERIM REPORT
2023

CONTENTS

2	Corporate Information
3	Financial Highlights
4	Chairman's Statement
7	Management Discussion and Analysis
17	Other Information
23	Report on Review of Interim Financial Information
24	Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
25	Interim Condensed Consolidated Balance Sheet
27	Interim Condensed Consolidated Statement of Changes in Equity
28	Interim Condensed Consolidated Statement of Cash Flows
29	Notes to the Interim Condensed Consolidated Financial Information
45	Definitions



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Ma Xiaohui (*Chairman of the Board*)

Mr. Peng Liang (*Chief executive officer*)

Ms. Luo Xiaomei (*Chief financial officer*)

Independent Non-Executive Directors

Mr. Zhang Peiao

Ms. Lin Ting

Mr. Wang Wenping

COMPANY SECRETARY

Mr. Hong Kam Le

AUDIT COMMITTEE

Mr. Wang Wenping (*Chairperson*)

Mr. Zhang Peiao

Ms. Lin Ting

NOMINATION COMMITTEE

Mr. Ma Xiaohui (*Chairperson*)

Mr. Zhang Peiao

Ms. Lin Ting

Mr. Wang Wenping

REMUNERATION COMMITTEE

Ms. Lin Ting (*Chairperson*)

Mr. Zhang Peiao

Mr. Wang Wenping

AUTHORISED REPRESENTATIVES

Mr. Ma Xiaohui

Mr. Hong Kam Le

AUDITOR

PricewaterhouseCoopers

Certified Public Accountants and Registered

Public Interest Entity Auditor

22/F, Prince's Building

Central, Hong Kong

LEGAL ADVISOR AS TO HONG KONG LAWS

DeHeng Law Offices (Hong Kong) LLP

28/F., Henley Building

5 Queen's Road Central

Central

Hong Kong

REGISTERED OFFICE

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Grand Cayman, KY1-1205

Cayman Islands

PRINCIPAL PLACE OF BUSINESS AND HEADQUARTERS IN THE PRC

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Dongfengdebi WE AI Innovative Park

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Beijing, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

28/F., Henley Building

5 Queen's Road Central

Central

Hong Kong

PRINCIPAL BANK

Shanghai Pudong Development Bank

(Beijing Sanlitun Branch)

Standard Chartered Bank (Hong Kong) Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Services (Cayman) Limited

71 Fort Street, P.O. Box 500

George Town, Grand Cayman KY1-1106

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

STOCK NAME

UJU HOLDING

STOCK CODE

01948

COMPANY'S WEBSITE

<https://www.ujumedia.com>



FINANCIAL HIGHLIGHTS

OPERATING RESULTS

	Six months ended June 30,			Change
	2023	2022		
	(RMB in millions, except percentage)			
	(Unaudited)	(Unaudited)		
Revenue	3,609.9	4,229.9	-14.7%	
Gross profit	150.5	214.9	-30.0%	
Profit before income tax	51.2	151.7	-66.2%	
Profit for the period attributable to owners of the Company	41.9	119.9	-65.1%	

FINANCIAL POSITION

	As of		Change
	June 30,	December 31,	
	2023	2022	
	(RMB in millions, except percentage)		
	(Unaudited)	(Audited)	
Total assets	3,523.5	3,989.0	-11.7%
Total liabilities	2,178.6	2,665.2	-18.3%
Total equity	1,344.9	1,323.8	1.6%
Retained earnings	554.5	513.5	8.0%



CHAIRMAN'S STATEMENT

Dear Shareholders,

I, on behalf of the Board of UJU HOLDING LIMITED, hereby present the interim report of the Company and its subsidiaries for the six months ended 30 June 2023.

BUSINESS REVIEW AND OUTLOOK

In the first half of 2023, China's domestic economy gradually recovered in an orderly manner as the world emerged from the haze of the pandemic. Due to varying pace of recovery across industries and the uncertainties in the overall business environment, there remains potential for enhancing consumer market sentiment. This has resulted in enterprises adopting a cautious approach towards business development and marketing promotions, as they await the restoration of market confidence. In the face of ambiguous external environment and intensified competition in the industry, the Group, as an industry leader, has been actively optimizing its internal management, adjusting its customer base, consolidating its business network and exploring advanced technologies to enhance operational efficiency since the second half of 2022, in order to prepare for the opportunities brought about by economic recovery. Compared to the whole year average of 2022, the Group's profitability has shown notable improvements.

In the first half of 2023, the total gross billings for the Group's advertising business amounted to approximately RMB4.50 billion, representing a decrease of 30.7% compared to approximately RMB6.49 billion for the same period of 2022. In the first half of 2023, the Group achieved a total revenue of approximately RMB3.61 billion, representing a decrease of 14.7% compared to approximately RMB4.23 billion for the same period of 2022. In the first half of 2023, the net profit was approximately RMB41.9 million, representing a decrease of 65.1% compared to approximately RMB119.9 million for the same period of 2022.

Benefiting from the recent rapid growth of the internet advertising industry, coupled with the accelerated development of the live-streaming e-commerce sector due to the pandemic, there is an immense market potential. The Group has seized the opportunity and successfully entered the live-streaming e-commerce sector. While we continue to deepen our focus on our main advertising business, we have expanded into live-streaming e-commerce as our second growth curve, transitioning from internet media marketing to a fully integrated self-operated e-commerce model. Furthermore, the rapid development and wider application of generative artificial intelligence technology ("AIGC") has ushered in significant changes to internet media and created more possibilities for the internet marketing industry by reshaping competitive barriers within the industry. We will combine internet advertising and live-streaming e-commerce application scenarios, embracing technological and industrial changes from multiple dimensions of talent acquisition, data utilization, technology adoption, and cooperation opportunities. Through these efforts, we aim to continuously strengthen the Group's leading position in the internet marketing industry.

Short video marketing services

The Group collaborates with multimedia partners to provide advertiser customers with comprehensive cross-media online marketing solutions. We utilize AI and big data technologies in the planning and production of short video advertisements, employing recommendation algorithms to precisely target the audience and maximize the marketing effects. This facilitates the acquisition, conversion, and retention of consumers across diverse media platforms.

As the cornerstone of the Group's business, we consistently focus on macroeconomic conditions, industry trends and technological advancements, while continuously contemplating and evaluating our value proposition. We are committed to enhancing our profitability by being more cautious in cooperating with high-risk customers and optimizing our operational efficiencies at the same time to achieve growth in our gross profit margin.

As of June 30, 2023, the Group has partnered with 19 media entities and holds a prominent position in numerous media marketing operations. In the first half of 2023, the retention rate of the Group's advertiser customers with gross billing of over approximately RMB50 million was 100% as compared to the customer base in the second half of 2022.



CHAIRMAN'S STATEMENT (CONTINUED)

Live-streaming e-commerce services

After more than a year of exploration, we have achieved a qualitative leap from 0 to 1 in the field of live-streaming e-commerce. Riding on the vast growth potential of live-streaming e-commerce business, the Group will continue to increase its competitiveness in this area. The live-streaming e-commerce business will become the second curve of the Group's development.

Reviewing the development of live-streaming e-commerce in recent years, it has reached a mature stage of development, with giant platforms such as Taobao, Douyin, and Kuaishou gradually entering into a state of healthy competition from differentiation to integration transformation. The form of live-streaming e-commerce has evolved from an outlier to a normalized brand marketing strategy. We are dedicated to constructing and enhancing our supply chain integration capabilities. Furthermore, the diverse innovation in AIGC technology will provide boundless opportunities and imaginative space for the live-streaming e-commerce industry. By utilizing the intelligent technology of media insights into users' habits or behaviors, we can effectively create compelling narratives for both branded and self-owned products, so as to grasp consumers' preferences and market trends and to stand out amidst industry competition.

In respect of the live-streaming e-commerce business model, the Group focuses on providing operational solutions in the e-commerce and local lifestyle sectors, and is gradually building towards the development of a self-operated model encompassing the entire chain and fully integrated operations represented by the National Pavilion business. At the same time, we continue to comprehensively expand our operational capabilities and strengthen our full-chain self-operated capabilities for serving consumers, from supply chain construction, product packaging, consumer group positioning, to the operation of online malls, hosts, and influencers, in conjunction with data analysis, order fulfilment, warehousing logistics and customer service. In the medium to long term, operational solutions in the e-commerce and local lifestyle sectors, as well as the full-chain self-operated model, will become the two strong pillars of the Group's live-streaming e-commerce business. We aim to establish our own brands, achieve marginal effects through continuous optimization of brand strength, continuously enhance market influence, and drive our business growth model.

For the six months ended June 30, 2023, the Group has provided integrated live-streaming operation services to 21 brand customers, mainly in mass consumption and local life categories. The achieved gross merchandise volume (GMV) of goods is approximately RMB231.9 million (six months ended June 30, 2022: approximately RMB139.3 million), of which the revenue realized from the self-operated e-commerce business is RMB10.9 million.

Through digital tools, creating a digital "soul"

Successive revolutions in internet marketing and technology have led the industry towards a more precise, personalized and immersive trend. The Group has noticed that AIGC is gradually integrating with marketing, indicating that AIGC will not only be a tool for enhancing efficiency, but will also be transformed into a role of value creator. The essence of this transformation is to rely on the scale advantage and a favourable user and partner ecosystem, highlighting the natural advantages of large platform companies. Through continuous innovation and optimization of vertical products of media platform advertising, advertisers can further shape and enhance brand value through narrative style transformations. Service providers, on the other hand, relying on their real-world advantages, can solidify their position in this technological transformation of "technology first, scenario at the core" through comprehensive application and data accumulation of multimedia, multi-field, and multi-modalities.



CHAIRMAN'S STATEMENT (CONTINUED)

In the face of industry transformation, we need to consider multiple aspects including talent, data, technology, and collaboration. On one hand, we are actively exploring the application of AIGC tools, maintaining a pragmatic and professional attitude and a sense of responsibility throughout the process. On the other hand, we fully utilize university resources and rely on established academia-industry cooperation model to meet our needs for talent and data accumulation. Technologically, we are committed to operating our self-developed quality engine platform, by utilizing AI, big data and algorithmic technologies for intelligent online marketing solutions while technological transformations have further enhanced the platform's capabilities. Based on the original data management covering creativity, production and placement, we have been able to elevate the expressiveness, exposure and conversion efficiency of the content. Currently, we are also actively cooperating with media and external technology resources to make more efficient use of AIGC to upgrade and optimize our production and investment process. In the internet marketing industry where content is king, we will create a digital "soul" through digital tools and become a pioneer in the industry transformation.

APPRECIATION

I would like to take this opportunity to express my sincere gratitude to our valued Shareholders, customers and business partners for their unwavering trust and support. I would also like to thank all our staff and management team for their dedication and contribution.

Chairman of the Board
UJU HOLDING LIMITED

Ma Xiao Hui



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The following table sets forth our revenue by revenue streams for the periods indicated:

	Six months ended June 30,			
	2023		2022	
	(RMB'000)	% of the total	(RMB'000)	% of the total
Online marketing solutions business ^(Note)	3,577,957	99.1	4,208,698	99.5
Live streaming e-commerce business	28,765	0.8	14,072	0.3
Others	3,201	0.1	7,154	0.2
Total	3,609,923	100	4,229,924	100

Note: Including revenue from provision of advertisement distribution services of approximately RMB18.3 million for the six months ended June 30, 2023 (six months ended June 30, 2022: approximately RMB59.3 million).

We normally enter into annual framework agreements with our advertiser customers and charge them for our online marketing solutions based primarily on a mix of CPC (i.e. cost per click) and CPT (i.e. cost per time). Our revenue from online marketing solutions business decreased by 15.0% from approximately RMB4,208.7 million for the six months ended June 30, 2022 to approximately RMB3,578.0 million for the six months ended June 30, 2023. The decrease in revenue is mainly due to the initiative we have taken in controlling customer credit risks and refining our customer base. For the six months ended June 30, 2023, the revenue generated from our online marketing solutions business accounted for 99.1% of our total revenue.

Our revenue from the live streaming e-commerce businesses increased rapidly from approximately RMB14.1 million for the six months ended June 30, 2022 to approximately RMB28.8 million for the six months ended June 30, 2023. The live streaming e-commerce business is rapidly growing and is set to become the second growth curve of the Group's development.

Revenue from online marketing solutions business by type of advertising customers

Our advertiser customers mainly include direct advertisers and, to a lesser extent, advertising agencies on behalf of their advertisers. The table below sets forth a breakdown of revenue generated from our online marketing solutions business by type of advertiser customers for the periods indicated:

	Six months ended June 30,			
	2023		2022	
	(RMB'000)	% of the total	(RMB'000)	% of the total
Advertisers	3,560,369	99.5	4,149,978	98.6
Advertising agencies	17,588	0.5	58,720	1.4
Total	3,577,957	100	4,208,698	100



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Revenue from online marketing solutions business by industry

The advertiser customers we serve operate in a wide array of industries, which primarily include e-commerce, gaming, internet services, financial services, leisure & travelling, education and real estate & home furnishing. The table below sets forth a breakdown of revenue generated from our online marketing solutions business by industry of our direct advertisers for the periods indicated:

	Six months ended June 30,			
	2023		2022	
	(RMB'000)	% of the total	(RMB'000)	% of the total
E-commerce	1,658,398	46.6	1,753,162	42.2
Gaming	502,402	14.1	1,036,941	25.0
Internet services	834,347	23.4	849,240	20.5
Financial services	476,439	13.4	287,830	6.9
Leisure & Travelling	21,550	0.6	135,634	3.3
Education	16,769	0.5	40,093	1.0
Real Estate & Home Furnishing	10,750	0.3	14,872	0.4
Others ^(note)	39,714	1.1	32,206	0.7
	3,560,369	100	4,149,978	100

Notes: Others mainly include auto industry and other industries.

During the six months ended June 30, 2023, we made strategic adjustments to our customer portfolio to better adapt to market shifts. While the proportions of customers from the e-commerce and internet service industries remained relatively stable, there was a decline in the gaming industry's customer base, contrasted by an increase in the financial services industry.

During the six months ended June 30, 2023, the e-commerce industry remained our largest advertiser customer group, generating approximately RMB1,658.4 million in revenue, compared to approximately RMB1,753.2 million for the corresponding period in 2022.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Cost of services

	Six months ended June 30,	
	2023 (RMB'000)	2022 (RMB'000)
Traffic acquisition and monitoring costs	3,398,034	3,939,908
Employee benefit expenses	34,374	56,842
Outsourcing short video production, advertising and streamer costs	7,732	7,308
Costs of goods sold	5,910	—
Depreciation and amortization expenses	4,215	5,598
Taxes and surcharges	6,156	3,332
Others	3,051	2,058
Total	3,459,472	4,015,046

Our cost of services primarily consists of traffic acquisition and monitoring costs and employee benefit expenses. During the first half of 2023, traffic acquisition and monitoring costs constituted the largest portion of our cost of services, and employee benefit expenses constituted the second largest portion of our cost of services. For the six months ended June 30, 2023 and 2022, our traffic acquisition and monitoring costs amounted to approximately RMB3,398.0 million and RMB3,939.9 million, respectively, representing approximately 98.2% and 98.1%, respectively, of our total cost of services for the respective periods. For the six months ended June 30, 2023 and 2022, our employee benefit expenses amounted to approximately RMB34.4 million and RMB56.8 million, respectively, accounting for approximately 1.0% and 1.4%, respectively, of our total cost of services for the respective periods. Such decrease in our employee benefit expenses was attributable to the efficiency improvement as empowered by our U-engine platform.

Gross profit and gross profit margin

Our gross profit consists of our revenue less cost of sales. The Group recorded gross profit of approximately RMB150.5 million for the six months ended June 30, 2023, representing an decrease of 30.0% as compared to the gross profit of approximately RMB214.9 million for the six months ended June 30, 2022.

Gross profit margin represents gross profit divided by total revenue, expressed as a percentage. Gross profit margin decreased from 5.1% for the six months ended June 30, 2022 to 4.2% for the six months ended June 30, 2023, as the proportion of revenue decrease was slightly higher than the proportion of the decrease in our cost of services.

Selling expenses

Our selling and distribution expenses primarily consist of (i) employee benefit expenses; and (ii) travelling expenses for the transportation and accommodation of business travel.

Our selling expenses decreased slightly from approximately RMB11.7 million for the six months ended June 30, 2022 to approximately RMB10.5 million for the six months ended June 30, 2023, which was mainly attributable to the decrease in employee benefit expenses.

General and administrative expenses

Our administrative expenses primarily consist of (i) employee benefit expenses; (ii) professional fees; (iii) depreciation and amortization expenses; and (iv) office expenses.

Our administrative expenses remained stable, changing from approximately RMB34.9 million for the six months ended June 30, 2022 to approximately RMB35.0 million for the six months ended June 30, 2023.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Research and development expenses

Our research and development expenses primarily comprise the employee benefit expenses as incurred for our research and development staff.

Our research and development expenses decreased significantly by 60.7% from approximately RMB11.6 million for the six months ended June 30, 2022 to approximately RMB4.5 million for the six months ended June 30, 2023, which was mainly attributable to the decrease in number of employees dedicated to developing the SaaS technologies.

Net impairment losses on financial assets

Our net impairment losses on financial assets comprise the provision for impairment losses on accounts receivables, financial assets at fair value through other comprehensive income and other receivables, net of any reversal. We recognized net impairment losses on financial assets of approximately RMB32.3 million for the six months ended June 30, 2023, increased by approximately RMB27.7 million from approximately RMB4.6 million for the six months ended June 30, 2022. The amount as recognised for the six months ended June 30, 2022 was net of a reversal of provision of approximately RMB25.5 million (see note 8 on page 35 for more details) and by taking out the impact of this non-recurring reversal, the slight increase in the provision of loss allowance is mainly due to relatively more aged balances due from several of our customers.

Other income

Our other income decreased by approximately 91.6%, from approximately RMB11.1 million for the six months ended June 30, 2022 to approximately RMB0.9 million for the six months ended June 30, 2023, which was mainly attributable to the decrease in government grants and the income as arised from the value-added tax additional deduction.

Finance costs, net

Our finance costs, net increased from approximately RMB7.0 million for the six months ended June 30, 2022 to approximately RMB9.6 million for the six months ended June 30, 2023. The increase in finance costs was mainly due to the increase in interest expenses on borrowings by approximately RMB3.3 million when comparing with the first half of 2022.

Income tax expenses

Our income tax expenses decreased from approximately RMB31.7 million for the six months ended June 30, 2022 to approximately RMB9.3 million for the six months ended June 30, 2023, which was mainly due to the decrease in the profit before income tax. Our effective income tax rate decreased from 20.9% for the six months ended June 30, 2022 to 18.2% for the six months ended June 30, 2023, which was mainly attributable to the increased proportion of profit contribution from Hainan Uju Technology Co., Ltd. (海南優矩科技有限公司), a subsidiary of the Group, which enjoyed a preferential income tax rate of 15.0% and hence this lowered the average effective income tax rate for the six months ended June 30, 2023.

Profit for the period attributable to owners of the Company

As a result of the above, our profit for the period attributable to owners of the Company decreased by approximately 65.1% from approximately RMB119.9 million for the six months ended June 30, 2022 to approximately RMB41.9 million for the six months ended June 30, 2023.

Our net profit margin is 1.2% for the six months ended June 30, 2023 (six months ended June 30, 2022: 2.8%).

Liquidity and financial resources

Our business operations and expansion plans require a significant amount of capital for acquiring user traffic from online media, enhancing our content production capabilities, improving our big data analytics capabilities and operation capacity, upgrading our U-engine platform as well as other working capital requirements.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

During the six months ended June 30, 2023, we financed our capital expenditure and working capital requirements mainly through the net cash inflows from our operating activities, the draw down of bank and other borrowings and the utilization of the IPO proceeds.

As of June 30, 2023, we had bank and other borrowings of approximately RMB313.3 million (As of December 31, 2022: approximately RMB340.1 million).

On June 29, 2023, Uju Beijing (as borrower) entered into a facility agreement (the “**Facility Agreement**”) with Bank of Beijing (Zhongguancun Regional Branch) (北京銀行股份有限公司中關村分行) (as lender). Pursuant to the Facility Agreement, Bank of Beijing (Zhongguancun Regional Branch) agreed to grant a revolving line of credit up to a maximum of RMB40,000,000 to Uju Beijing for 18 months, which was available for withdrawal until June 28, 2024. Pursuant to the requirements of Bank of Beijing (Zhongguancun Regional Branch), Beijing Zhongguancun Sci-tech Financing Guaranty Co., Ltd. (北京中關村科技融資擔保有限公司) (“**Beijing Zhongguancun**”) shall provide a credit guarantee in favour of Bank of Beijing (Zhongguancun Regional Branch) to secure the repayment obligation of Uju Beijing under the Facility Agreement. On June 30, 2023, the Company entered into a counter guarantee agreement with Beijing Zhongguancun to provide a counter guarantee of joint and several liability in favour of Beijing Zhongguancun in respect of its guarantee obligations under the Facility Agreement (the “**Counter Guarantee**”). The Counter Guarantee will remain in force and effect until the expiration of three years after Beijing Zhongguancun discharges the repayment obligation on behalf of Uju Beijing. As of June 30, 2023, the Company has drawn down borrowings of RMB10,000,000 guaranteed by Beijing Zhongguancun.

The range of effective interest rates on the Group’s borrowings was 3.60%–5.90% per annum for the six months ended June 30, 2023 (six months ended June 30, 2022: 4.00%–5.85% per annum). The Group’s gearing ratio as of June 30, 2023, calculated based on total borrowings (including bank and other borrowings and lease liabilities) divided by total equity, was 0.2 (As of December 31, 2022: 0.3) time.

Our cash and cash equivalents increased from approximately RMB288.7 million as of December 31, 2022, to approximately RMB661.7 million as of June 30, 2023 mainly attributable to the net cash inflows for our daily operating activities.

The table below sets out our liquid cash and cash equivalents as of June 30, 2023 and December 31, 2022, respectively:

	As of June 30, 2023 RMB in millions (Unaudited)	As of December 31, 2022 RMB in millions (Audited)
Cash, bank balances and cash equivalents		
Denominated in RMB	608.4	206.0
Denominated in USD	38.7	74.8
Denominated in HKD	14.6	7.9
	661.7	288.7



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period under review. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that sufficient financial resources are available in order to meet its funding requirements and commitment timely.

Foreign exchange exposure

Foreign exchange risk refers to the risk of loss caused by the changes in foreign exchange rates. The operations of the Group are mainly located in the PRC with most transactions denominated and settled in Renminbi.

During the six months ended June 30, 2023, no financial instrument was used for hedging purposes, and we did not commit to any financial instruments to hedge our exposure to foreign exchange risk, as the expected foreign exchange risk is not significant. The Directors and senior management of the Company will continue to closely monitor the foreign exchange exposure and take measures when necessary to ensure that the foreign exchange risk is within the controllable level.

Capital structure

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 8 November 2021. There has been no change in the capital structure of the Company since that date.

Contingent liabilities

The Group did not have any material contingent liabilities as of June 30, 2023 and December 31, 2022.

Charge on the Group's assets

As of June 30, 2023, restricted cash balance of approximately RMB10.0 million (As of December 31, 2022: approximately RMB10.0 million) were pledged as guarantee for borrowings from banks. As of June 30, 2023, certain electronic equipment, furniture and fixtures with net book value of RMB1.9 million have been considered as a security pledged for the borrowing from a financial institution as obtained under a sale and leaseback arrangement (As of December 31, 2022: RMB3.0 million).

Key Financial Ratios

	Six months ended June 30,	
	2023 (%)	2022 (%)
Profitability ratios		
Gross profit margin ⁽¹⁾	4.2	5.1
Net profit margin ⁽²⁾	1.2	2.8



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

	As of June 30, 2023 (%)	As of December 31, 2022 (%)
Return on equity ⁽³⁾	6.2	8.6
Return on assets ⁽⁴⁾	2.4	2.8
Liquidity ratios		
Current ratio ⁽⁵⁾	1.6	1.5
Capital adequacy ratio		
Gearing ratio ⁽⁶⁾	0.2	0.3
Net debt-to-equity ratio ⁽⁷⁾	NA	0.03

Notes:

- (1) Gross profit margin is calculated based on gross profit for the period divided by revenue for the respective period and multiplied by 100%.
- (2) Net profit margin is calculated based on net profit for the period divided by revenue for the respective period and multiplied by 100%.
- (3) Return on equity is calculated based on profit for the period or annualized period (if reporting period is less than 12 months) divided by the closing balances of total equity and multiplied by 100%.
- (4) Return on assets is calculated based on profit for the period or annualized period (if reporting period is less than 12 months) divided by the closing balances of total assets and multiplied by 100%.
- (5) Current ratio is calculated based on total current assets as of period-end/year-end divided by total current liabilities as of period-end/year-end.
- (6) Gearing ratio is calculated based on total borrowings as of period-end/year-end (including bank and other borrowings and lease liabilities) divided by total equity as of period-end/year-end.
- (7) Net debt-to-equity ratio is calculated based on total borrowings (including bank and other borrowings and lease liabilities) less cash and cash equivalents and restricted cash as of period-end/year-end divided by total equity as of period-end/year-end. The Group was in a net cash position as of June 30, 2023 and hence, the net debt-to-equity ratio is not applicable.

SIGNIFICANT INVESTMENTS HELD

During the six months ended June 30, 2023, the Group did not hold any significant investment in equity interest in any other company.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the Prospectus and in the section headed "Use of Net Proceeds from the Global Offering" in this report, the Group did not have plan for material investments and capital assets as of the date of this report.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures during the six months ended June 30, 2023.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate revenue attributable to the Group's largest customers for the six months ended June 30, 2023 accounted for approximately 43% of the Group's total revenue (six months ended June 30, 2022: 39%). The aggregate revenue attributable to the Group's five largest customers for the six months ended June 30, 2023 accounted for approximately 67% of the Group's total revenue (six months ended June 30, 2022: 56%).

The aggregate cost of services attributable to the Group's largest suppliers for the six months ended June 30, 2023 accounted for approximately 53% of the Group's total cost of services (six months ended June 30, 2022: 56%). The aggregate cost of services attributable to the Group's five largest suppliers for the six months ended June 30, 2023 accounted for approximately 94% of the Group's total cost of services (six months ended June 30, 2022: 95%).

To the best knowledge of the Directors, none of the Directors or their associates or any Shareholders who owned more than 5% of the Company's issued share capital, had any beneficial interest in any of the Group's five largest customers or suppliers during the six months ended June 30, 2023.

INFORMATION ON EMPLOYEES

As of June 30, 2023, the Group had 566 employees (as of December 31, 2022: 598), including the executive Directors. Total staff costs (including Directors' emoluments) for the six months ended June 30, 2023 were approximately RMB70.1 million (six months ended June 30, 2022: approximately RMB100.5 million). Remuneration is determined with reference to market norms and individual employees' performance, qualification and experience.

The Group places high value on recruiting, training and retaining its employees. The Group maintains high recruitment standards and provide competitive compensation packages. Remuneration packages for the Group's employees mainly comprise base salary, performance salary and bonus. The Group also provides both in-house and external trainings for our employees to improve their skills and knowledge. As required under PRC regulations, the Group participates in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity, and unemployment benefit plans.

The salaries and benefits of the Group's employees are kept at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually. In addition, the Group operates a share option scheme adopted by the Company on October 8, 2021 and no share options were granted under the scheme as of June 30, 2023. The Group has also adopted a share award scheme on May 22, 2023 (the "SAS Adoption Date") and none of these shares have been granted as of June 30, 2023.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

USE OF THE NET PROCEEDS FROM THE GLOBAL OFFERING

The net proceeds received from the global offering of the shares of the Company in November 2021 (the “**Global Offering**”), after deducting the underwriting fees and commissions and expenses payable by the Company in connection with the Global Offering, amounted to approximately HK\$748.5 million. The Company did not receive any of the net proceeds from the sale of the over-allotment shares by the over-allotment option grantors in December 2021. As of June 30, 2023, the net proceeds from the Global Offering were utilized in the manner as follows:

	Approximate percentage of the total net proceeds	Net proceeds from the Global Offering (HKD million)	Net proceeds utilized as of June 30, 2023 (HKD million)	Remaining net proceeds as of June 30, 2023 (HKD million)	Expected time to utilize the remaining net proceeds in full
Upgrading the U-Engine platform with a focus on research, development and utilization of AI capabilities and SaaS technologies					
Connecting the U-Engine with enlarged advertiser customer and media partner bases	2.3%	17.0	14.3	2.7	By the end of the year ending December 31, 2023
Developing the digitalization services platform of the U-Engine platform	2.0%	14.8	8.4	6.4	By the end of the year ending December 31, 2024
Upgrading the internal management system	0.6%	4.4	4.4	—	By the end of the year ending December 31, 2023
Expanding business opportunities in e-commerce businesses on online short video platforms	3.3%	24.4	22.8	1.6	By the end of the year ending December 31, 2024
Enhancing the content production capacities with AI technologies	6.6%	49.6	26.7	22.9	By the end of the year ending December 31, 2024



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

	Approximate percentage of the total net proceeds	Net proceeds from the Global Offering (HKD million)	Net proceeds utilized as of June 30, 2023 (HKD million)	Remaining net proceeds as of June 30, 2023 (HKD million)	Expected time to utilize the remaining net proceeds in full
Enhancing our relationships with existing media partners and enlarging our advertiser customers and media partner bases					
Strengthening sales and marketing teams	3.4%	25.2	14.7	10.5	By the end of the year ending December 31, 2024
Enlarging media base	15.6%	117.0	112.3	4.7	By the end of the year ending December 31, 2024
Exploring new businesses with new advertiser customers and online media platforms	40.3%	302.1	302.1	—	By the end of the year ending December 31, 2022
Pursuit of strategic investments and acquisitions	16.0%	119.9	—	119.9	By the end of the year ending December 31, 2024
Working capital and general corporate purposes	9.9%	74.1	74.1	—	By the end of the year ending December 31, 2022
Total		748.5	579.8	168.7	

As of June 30, 2023, the entire portion designated for strategic investment and acquisitions had remained unutilised. The delay in utilizing the proceeds was mainly due to more severe and complicated than expected developments of the pandemic and its impact on market conditions since the Global Offering. Considering the unstable market environment, the Group has cautiously conducted its strategic investments and acquisitions, hence the delay in the utilization of the relevant proceeds.

As of June 30, 2023, the Group had utilized HK\$579.8 million of the net proceeds from the Global Offering, and the remaining net proceeds of HK\$168.7 million was deposited with licensed banks in Hong Kong or the PRC. The Group will further utilize the net proceeds from the Global Offering in the manner as set out in the section headed "Future Plans and Use of Proceeds" of the prospectus of the Company dated November 8, 2021.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

Since June 30, 2023 and up to the date of this report, there has been no significant event relevant to the business or financial performance of the Group that comes to the attention of the Directors.



OTHER INFORMATION

CORPORATE GOVERNANCE CODE

The Group is committed to maintaining a high standard of corporate governance to safeguard the interests of its shareholders and enhance its value and accountability. The Company has complied with the code provisions set out in Part 2 of the Corporate Governance Code (the “**Corporate Governance Code**”) in Appendix 14 to the Listing Rules during the six months ended June 30, 2023.

The Group will continue to review and monitor its corporate governance practices in order to ensure the compliance with the Corporate Governance Code.

COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Specific enquiry has been made to all the Directors and each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code for the six months ended June 30, 2023. The Company continues and will continue to ensure compliance with the code of conduct.

AUDIT COMMITTEE

The Audit Committee was established by the Company on October 8, 2021 in accordance with Rules 3.21 to 3.23 of the Listing Rules. The terms of reference of the Audit Committee were adopted in compliance with the Corporate Governance Code on October 8, 2021 and are available for inspection on the websites of the Company and the Stock Exchange. As of June 30, 2023, the Audit Committee has three members comprising Mr. Wang Wenping (Chairman), Mr. Zhang Peiao and Ms. Lin Ting, who are all independent non-executive Directors.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group, the unaudited interim financial information of the Group for the six months ended June 30, 2023 and this report. The Audit Committee is of the opinion that the preparation of such financial information complied with the applicable accounting standards, the requirements under the Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended June 30, 2023, the trustee of the share award scheme adopted by the Company on May 22, 2023 (the “**Share Award Scheme**”), pursuant to the terms of the rules and trust deed of the Share Award Scheme, purchased 6,784,000 shares of the Company at a total consideration of HK\$20,939,040. Save for the above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

SHARE OPTION SCHEME

The Company’s existing Share Option Scheme was approved for adoption pursuant to a written resolution of the Shareholders passed on October 8, 2021 (the “**Adoption Date**”) for the purpose of motivating the relevant participants to optimize their future contributions and efficiency to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.

The eligible participants include any full-time or part-time employees, executives or officers, directors, advisers, consultants, suppliers, customers and agents of the Company or any of its subsidiaries; and such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Group.



OTHER INFORMATION (Continued)

Subject to the terms and conditions of the Share Option Scheme, the maximum numbers of Shares in respect of which options may be granted under the Share Option Scheme and any other schemes shall not, in aggregate, exceed 10% of the Company's Shares in issue as at the Listing Date (i.e. 60,000,000 Shares) unless approved by the Shareholders.

Unless approved by Shareholders in general meeting in the manner stipulated in the Listing Rules, the maximum entitlement for each eligible participant (including both exercised and outstanding options) under the Share Option Scheme or any other share option schemes of the Company in any twelve month period up to the date of grant shall not exceed 1% of the total number of Shares in issue.

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptance of the options duly signed by the grantee, together with a remittance in favour of the Company of HK\$1.0 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of ten years from that date. The minimum period for which an option must be held before it can be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than ten years after it has been granted.

The exercise price of share option granted under the Share Option Scheme shall be a price solely determined by the Board and shall be at least the highest of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant of the option; (b) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the option; and (c) the nominal value of a Share.

Subject to earlier termination by the Company in general meeting or by the Directors, the Share Option Scheme shall be valid and effective for a period of ten years from the Adoption Date and remains in force until October 7, 2031.

During the six months ended June 30, 2023, no options were granted under the Share Option Scheme.

SHARE AWARD SCHEME

The Company has adopted the Share Award Scheme (the "**Scheme**") on May 22, 2023, the principal terms of the scheme rules is set out below.

Purposes and Objectives

The purposes of the Scheme are: (i) to recognize the contributions by certain Eligible Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

Duration

Subject to any early termination as may be determined by the Board pursuant to the scheme rules, the Scheme shall be valid and effective for a term of ten years commencing on the SAS Adoption Date.

Administration

The Scheme is subject to the administration by the committee as from time to time delegated by the Board to administer the Scheme (the "**Committee**") and the professional trustee to be appointed by the Company of the trusts to be declared in the Trust Deed, who are independent third party to the Company (the "**Trustee**") in accordance with the scheme rules and the Trust Deed.



OTHER INFORMATION (Continued)

Operation of the Scheme

The Committee may from time to time cause to be paid a contributed amount to the Trust by way of settlement or otherwise contributed by the Company or any of its subsidiaries as directed by the Committee which shall constitute part of the Trust Fund, for the purchase of Shares and other purposes set out in the scheme rules and the Trust Deed.

The Committee shall determine the number of Shares to purchase and, prior to the intended purchase, cause to be paid to the Trustee a contributed amount sufficient for the Trustee to complete the intended purchase.

Subject to the provisions of the scheme rules, the Committee may, from time to time, at its sole and absolute discretion select any Eligible Participant (other than any Excluded Participant) for participation in the Trust as a Selected Participant, and grant an award to any Selected Participant at such consideration subject to such terms and conditions as the Committee may in its sole and absolute discretion determine. The Committee may determine that a Selected Participant will be granted awarded interests in the form of awarded shares or awarded cash or in the combination thereof. The Committee may also grant the related income of the awarded interests to any Selected Participant in such amount or to such extent as the Committee determines.

No award shall be made by the Committee pursuant to the scheme rules and no instructions to acquire any Shares shall be given to the Trustee under the Scheme where dealings in the Shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

Vesting and Lapse

Subject to the terms and condition of the Scheme and the fulfillment of all vesting conditions applicable to the vesting of the awarded interests on such Selected Participant, the respective awarded interests held by the Trustee on behalf of the Selected Participant pursuant to the provision in the scheme rules shall vest in such Selected Participant in accordance with the applicable vesting schedule, and the Trustee shall cause the awarded interests to be transferred to such Selected Participant and/or a vehicle controlled by him/her (such as a trust or a private company) for the benefit of the Selected Participant and any family members of such Selected Participant in accordance with the scheme rules.

In the event that prior to or on the vesting date, a Selected Participant is found to be an Excluded Participant or is deemed to cease to be an Eligible Participant pursuant to the scheme rules, the relevant award made to such Selected Participant shall automatically lapse forthwith and the relevant awarded shares shall not vest on the relevant vesting date but shall remain part of the Trust Fund.

A Selected Participant shall not have any interest or rights (including the right to receive dividends) in the awarded interests by virtue of the grant of an award pursuant to the Scheme, unless and until the awarded interests are actually transferred to the Selected Participant and/or a vehicle controlled by him/her (such as a trust or a private company) upon vesting of the awards on the vesting date. A Selected Participant shall have no rights in the residual cash or Shares or such other Trust Fund or property held by the Trust.

Unless otherwise determined by the Committee, in the event that the vesting conditions specified in the grant instrument are not fully satisfied prior to or on the relevant vesting date, the award of the awarded shares in respect of the relevant vesting date shall lapse, such awarded shares shall not vest on the relevant vesting date and the Selected Participant shall have no claims against the Company, the Board, the Committee, the Trust or the Trustee.

Scheme Limit

The Committee shall not make any further award of awarded shares which will result in the aggregate number of the Shares awarded under the Scheme exceeding 10% of the issued share capital of the Company as of the SAS Adoption Date (i.e. 60,000,000 Shares).



OTHER INFORMATION (Continued)

The maximum number of Shares which may be awarded to a Selected Participant under the Scheme shall not exceed 1% of the issued share capital of the Company in any 12-month period.

The Shares held by the Trustee will not be regarded as public float.

Voting Rights

No instructions shall be given by a Selected Participant (including, without limitation, voting rights) to the Trustee in respect of the awarded shares that have not been vested, and such other properties of the Trust Fund managed by the Trustee.

The Trustee shall abstain and, where applicable, shall procure its wholly-owned subsidiary to abstain from exercising the voting rights in respect of any Shares held directly or indirectly by it under the Trust (if any) (including but not limited to the awarded shares, any bonus shares and scrip shares derived therefrom).

During the six months ended June 30, 2023, no awards were granted under the Share Award Scheme.

Apart from the aforesaid Share Option Scheme and Share Award Scheme, at no time during the six months ended June 30, 2023 was any of the Company and its holding companies, subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age 18, had any right to subscribe for the shares in, or debentures of, the Company, or had exercise any such right.

CHANGE IN DIRECTORS' INFORMATION

Since the date of the 2022 annual report of the Company and up to the date of this report, there is no change of directors' information required to be disclosed pursuant to the Rule 13.51B(1) of the Listing Rules.

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

As of June 30, 2023, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be (a) 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 he was taken or deemed to have under such provisions of the SFO); or (b) recorded in the register required to be kept by the Company, pursuant to section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	Capacity/Nature of interest	Number and class of securities held ⁽¹⁾	Approximate percentage of shareholding
Ma Xiaohui	Interest of controlled corporation ⁽²⁾⁽³⁾	438,983,000 Shares (L) ⁽⁴⁾	73.2%

Notes:

- (1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in the Shares of the Company.
- (2) Aura is owned as to 95% by Supreme Development and as to 5% by Mr. Xiong Xiangdong (熊向東先生) ("Mr Xiong"). As such, Supreme Development is deemed to be interested in the 58,752,000 Shares held by Aura pursuant to the SFO. Supreme Development is owned as to 100% by Mr. Ma Xiaohui. As such, Mr. Ma Xiaohui is deemed to be interested in the 302,400,000 Shares deemed to be held by Supreme Development pursuant to the SFO.



OTHER INFORMATION (Continued)

- (3) Mr. Ma Xiaohui has control of 100% of the voting rights of Vast Business and is deemed to be interested in the 129,600,000 Shares held by Vast Business by virtue of the SFO.
- (4) On July 12, 2022, Vast Business purchased 2,750,000 Shares and Supreme Development purchased 3,033,000 Shares. On July 28, 2022, Supreme Development further purchased 1,200,000 Shares. As of the date of this report, Mr. Ma Xiaohui is deemed to be interested in 438,983,000 Shares, representing approximately 73.2% of the total issued share capital of the Company.

Save as disclosed above, as of June 30, 2023, none of the Directors and chief executives of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to notify the Company and the Stock Exchange, pursuant to the Model Code contained in Appendix 10 of the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As of June 30, 2023, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or 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, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholders	Capacity/Nature of interest	Number and class of securities held ⁽¹⁾	Approximate percentage of shareholding
Supreme Development	Beneficial owner	247,881,000 Shares (L) ⁽²⁾	41.3%
	Interest of controlled corporation ⁽³⁾	58,752,000 Shares (L)	9.8%
Ms. Yu Juan (喻娟女士) ⁽⁴⁾	Interest of spouse	438,983,000 Shares (L)	73.2%
Vast Business	Beneficial owner	132,350,000 Shares (L) ⁽⁵⁾	22.1%
Aura	Beneficial owner	58,752,000 Shares (L)	9.8%

Notes:

- (1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in the Shares of the Company.
- (2) On July 12, 2022, Supreme Development purchased 3,033,000 Shares. On July 28, 2022, Supreme Development further purchased 1,200,000 Shares. As of the date of this report, Supreme Development is interested in 306,633,000 Shares, representing approximately 51.1% of the total issued share capital of the Company.
- (3) Aura is owned as to 95% by Supreme Development and as to 5% by Mr. Xiong. As such, Supreme Development is deemed to be interested in the 58,752,000 Shares held by Aura pursuant to the SFO.
- (4) Ms. Yu Juan is the spouse of Mr. Ma Xiaohui. As such, Ms. Yu Juan is deemed under the SFO to be interested in the Shares in which Mr. Ma Xiaohui is interested. As of the date of this report, Ms. Yu Juan is deemed under the SFO to be interested in the 438,983,000 Shares, representing approximately 73.2% of the total issued share capital of the Company.
- (5) On July 12, 2022, Vast Business purchased 2,750,000 Shares. As of the date of this report, Vast Business is interested in 132,350,000 Shares, representing approximately 22.1% of the total issued share capital of the Company.



OTHER INFORMATION (Continued)

Save as disclosed above, as of June 30, 2023, the Directors were not aware of any other persons/entities (other than the Directors and chief executive of the Company) who had interests or short positions in the Shares or 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 or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

INTERIM DIVIDEND

The Board did not declare the payment of any interim dividend for the six months ended June 30, 2023.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules for the six months ended June 30, 2023 and up to the date of this report.

PUBLICATION

This report is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ujumedia.com) respectively.

By order of the Board
UJU HOLDING LIMITED
Ma Xiaohui
Chairman of the Board

Beijing, the PRC, August 30, 2023



REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of UJU HOLDING LIMITED

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 24 to 44, which comprises the interim condensed consolidated balance sheet of UJU HOLDING LIMITED (the “**Company**”) and its subsidiaries (together, the “**Group**”) as at June 30, 2023 and the interim condensed consolidated statement of profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected 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”. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion 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 International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. 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 International 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.

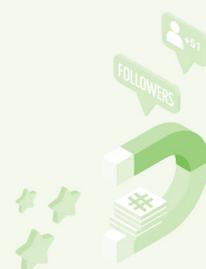
CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, August 30, 2023



INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Six months ended June 30,	
		2023	2022
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	6	3,609,923	4,229,924
Cost of services	7	(3,459,472)	(4,015,046)
Gross profit		150,451	214,878
Selling expenses	7	(10,543)	(11,689)
General and administrative expenses	7	(34,995)	(34,907)
Research and development expenses	7	(4,548)	(11,583)
Net impairment losses on financial assets	8	(32,293)	(4,561)
Other income	9	929	11,105
Other losses, net	10	(8,227)	(4,596)
Operating profit		60,774	158,647
Finance income		3,901	3,417
Finance costs		(13,468)	(10,401)
Finance costs, net		(9,567)	(6,984)
Profit before income tax		51,207	151,663
Income tax expenses	11	(9,338)	(31,715)
Profit for the period attributable to owners of the Company		41,869	119,948
Other comprehensive income/(loss)			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(17,212)	(15,395)
<i>Items that will not be reclassified to profit or loss</i>			
Exchange differences on translation of the financial statements of the Company		26,914	29,410
		9,702	14,015
Total comprehensive income for the period attributable to owners of the Company, net of tax		51,571	133,963
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
Basic earnings per share	13	0.07	0.20
Diluted earnings per share	13	0.07	0.20

The above interim condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	14	17,560	20,178
Right-of-use assets	15(a)	13,924	19,471
Deferred income tax assets		41,498	32,752
Deposits and other assets	17	2,474	1,584
Total non-current assets		75,456	73,985
Current assets			
Inventories		7,753	10,435
Accounts receivables	16	2,271,383	2,704,930
Prepayments, deposits and other assets	17	496,556	869,462
Financial assets at fair value through other comprehensive income	4.2	670	6,420
Restricted cash		10,000	35,059
Cash and cash equivalents	18	661,698	288,660
Total current assets		3,448,060	3,914,966
Total assets		3,523,516	3,988,951
LIABILITIES			
Non-current liabilities			
Lease liabilities	15(b)	7,294	11,156
Total non-current liabilities		7,294	11,156
Current liabilities			
Accounts payables	19	1,478,024	1,679,626
Other payables and accruals	20	221,378	488,723
Borrowings	21	313,295	340,113
Lease liabilities	15(b)	6,789	8,752
Contract liabilities		137,135	108,724
Current income tax liabilities		14,664	28,065
Total current liabilities		2,171,285	2,654,003
Total liabilities		2,178,579	2,665,159



INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

	Notes	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000 (Audited)
EQUITY			
Equity attributable to owners of the Company			
Share capital		38,380	38,380
Share premium		703,820	714,884
Treasury shares	22	(19,362)	—
Other reserves		67,619	57,003
Retained earnings		554,480	513,525
Total equity		1,344,937	1,323,792
Total liabilities and equity		3,523,516	3,988,951

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

The interim condensed consolidated financial information on pages 24 to 44 was approved and authorised for issue by the Board of Directors of the Company on August 30, 2023 and was signed on its behalf by:

Executive Director:
Mr. Peng Liang

Executive Director:
Ms. Luo Xiaomei



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total equity RMB'000
For the six months ended June 30, 2023 (Unaudited)							
At January 1, 2023							
Profit for the period		—	—	—	—	41,869	41,869
Other comprehensive income		—	—	—	9,702	—	9,702
Total comprehensive income		—	—	—	9,702	41,869	51,571
Transactions with owners in their capacity as owners:							
Repurchase of the Company's shares	22	—	—	(19,362)	—	—	(19,362)
Dividends declared and paid	12	—	(11,064)	—	—	—	(11,064)
Profit appropriation to statutory reserves		—	—	—	914	(914)	—
		—	(11,064)	(19,362)	914	(914)	(30,426)
At June 30, 2023 (Unaudited)		38,380	703,820	(19,362)	67,619	554,480	1,344,937
For the six months ended June 30, 2022 (Unaudited)							
At January 1, 2022							
Profit for the period		—	—	—	—	119,948	119,948
Other comprehensive income		—	—	—	14,015	—	14,015
Total comprehensive income		—	—	—	14,015	119,948	133,963
Transactions with owners in their capacity as owners:							
Dividends declared and paid	12	—	—	—	—	(50,184)	(50,184)
		—	—	—	—	(50,184)	(50,184)
At June 30, 2022 (Unaudited)		38,380	765,068	—	36,345	477,470	1,317,263

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash generated from/(used in) operations	474,937	(58,751)
Interest received	3,901	3,417
Income tax paid	(31,485)	(56,107)
Net cash from/(used in) operating activities	447,353	(111,441)
Cash flows from investing activities		
Purchases of property, plant and equipment	(678)	(1,289)
Proceeds from sale of property, plant and equipment	186	—
Net cash used in investing activities	(492)	(1,289)
Cash flows from financing activities		
Repurchase of the Company's shares	(19,362)	—
Dividends paid	(11,064)	(50,184)
Proceeds from bank and factoring borrowings	315,943	415,945
Repayment of bank and factoring borrowings	(343,111)	(435,950)
(Increase)/decrease in bank deposits restricted for borrowings	(10,000)	45,016
Deposits paid to a third party guarantee company	—	(10,000)
Refund of deposits from a third party guarantee company	10,000	—
Payment of lease liabilities	(4,439)	(7,185)
Interest paid	(12,618)	(9,148)
Net cash used in financing activities	(74,651)	(51,506)
Net increase/(decrease) in cash and cash equivalents	372,210	(164,236)
Cash and cash equivalents at beginning of the period	288,660	499,943
Exchange gains on cash and cash equivalents	828	12,852
Cash and cash equivalents at end of the period	661,698	348,559

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

UJU HOLDING LIMITED (the “**Company**”) was incorporated in the Cayman Islands on September 21, 2020 as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands. The address of the Company’s registered office is P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands.

The Company has completed its listing on the Main Board of The Stock Exchange of Hong Kong Limited (“**HKEx**”) on November 8, 2021.

The Company is an investment holding company. The Company and its subsidiaries (together referred as the “**Group**”) are principally engaged in provision of one-stop cross-media online marketing solutions through media partners to market the products and services of the Group’s advertiser customers, provision of advertisement distribution services, live streaming e-commerce services including provision of live streaming e-commerce services and sales of goods.

The interim condensed consolidated financial information is presented in Renminbi (“**RMB**”) and all amounts are rounded to the nearest thousand of Renminbi (RMB’000), unless otherwise stated.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended June 30, 2023 (the “**interim financial information**”) has been prepared in accordance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting”.

The interim financial information does not include all the notes of the type normally included in annual financial statements. Accordingly, this interim financial information is to be read in conjunction with the annual consolidated financial statements of the Company for the year ended December 31, 2022 (which have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as set out in the Company’s annual report dated March 30, 2023 and any public announcements made by the Company during the six month ended June 30, 2023 (the “**interim reporting period**”).

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of the new or amended standards as set out below.

2.1 New or amended standards adopted by the Group

The Group has applied the following new or amended standards which are effective for financial period on or after January 1, 2023 in the interim financial information:

IFRS 17	Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities from a Single Transaction
Amendments to IAS 12	International Tax Reform — Pillar Two Model Rules

The adoption of these new or amended standards did not result in any material impact on the accounting policies of the Group and the presentation of this interim financial information.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

2 BASIS OF PREPARATION (Continued)

2.2 New or amended standards issued but not yet adopted

The following amended standards have been issued but not mandatory for reporting periods commencing on January 1, 2023 and have not been early adopted by the Group:

	New or amended standards	Effective for annual periods beginning on or after
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to IAS 1	Non-current Liabilities with Covenants	January 1, 2024
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	January 1, 2024
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangement	January 1, 2024
Amendments to IAS 21	Lack of Exchangeability	January 1, 2025
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already assessed the impact of these amended standards. According to the assessment made by the directors of the Company, no significant impact on the financial performance and position of the Group is expected when the aforesaid amended standards become effective.

3 ESTIMATES AND JUDGEMENTS

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The resulting accounting estimates will, by definition, seldom equal the related actual results.

In preparing the interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements of the Company for the year ended December 31, 2022.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities may expose it to a variety of financial risks: market risk (primarily foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the senior management of the Group and approved by the executive directors of the Company.

The interim financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the consolidated financial statements of the Company for the year ended December 31, 2022.

There have been no changes in the risk management policies since December 31, 2022.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

4 FINANCIAL RISK MANAGEMENT (Continued)

4.2 Fair value estimation

(a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the interim financial information. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table presents the Group's financial assets that are measured at fair value.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At June 30, 2023 (Unaudited)				
Financial assets at fair value through other comprehensive income ("FVOCI")				
– Bank acceptance bills	—	—	670	670
At December 31, 2022 (Audited)				
Financial assets at fair value through other comprehensive income ("FVOCI")				
– Bank acceptance bills	—	—	6,420	6,420

The Group did not have any financial liabilities that were measured at fair value as of June 30, 2023 and December 31, 2022.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

4 FINANCIAL RISK MANAGEMENT (Continued)

4.2 Fair value estimation (Continued)

(b) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate.

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items of financial assets at fair value through other comprehensive income during the six months ended June 30, 2023:

	Financial assets at fair value through other comprehensive income	
	Current RMB' 000	Non-current RMB' 000
For the six months ended June 30, 2023 (Unaudited)		
Opening balance 1 January 2023	6,420	—
Increase	1,000	—
Settlement	(6,750)	—
Closing balance 30 June 2023	670	—

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

Significant unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair values
	As at June 30, 2023 (Unaudited)	As at December 31, 2022 (Audited)	
Bank acceptance bills	Discount rate 2.00%	2.00%	The higher the discount rate, the lower the fair value

For bank acceptance bills at fair value through other comprehensive income, the estimated carrying amount as of June 30, 2023 and December 31, 2022 would have been RMB3,000 and RMB5,000 lower/higher should the discount rate used in discounted cash flow analysis be higher/lower by 1% from management's estimates.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

5 SEGMENT INFORMATION

The Group is principally engaged in the provision of all-in-one online marketing solutions services (including traffic acquisition from top media platforms, content production, big data analysis and advertising campaign optimisation), advertisement distribution services (which are primarily providing traffic acquisition service only) to customers and also live streaming e-commerce marketing services in the PRC. For the purpose of resources allocation and performance assessment, the chief operating decision-maker (“**CODM**”) focuses on the operating results of the Group as a whole. As a result, the CODM considers that the Group’s business is operated and managed as a single reportable segment and accordingly no segment information is presented.

6 REVENUE FROM CONTRACTS WITH CUSTOMERS

An analysis of the Group’s revenue from contracts with customers by category for the six months ended June 30, 2023 and 2022 was as follows:

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
All-in-one online marketing solution services	3,559,688	4,149,415
Advertisement distribution services	18,269	59,283
Live streaming e-commerce businesses (note)	28,765	14,072
Provision of other services	3,201	7,154
Total	3,609,923	4,229,924

Note:

For the six months ended June 30, 2023 and 2022, live streaming e-commerce businesses mainly include provision of live streaming e-commerce services and sales of goods.

An analysis of the Group’s revenue from contracts with customers by the timing of revenue recognition for the six months ended June 30, 2023 and 2022 is as follows:

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue recognised:		
— at a point in time	3,038,088	3,524,436
— over time	571,835	705,488
Total	3,609,923	4,229,924

For the six months ended June 30, 2023, the Group has concentration of credit risk from two major customers, Customer A and Customer B, as they contributed approximately 43% (six months ended June 30, 2022: 39%) and 14% (six months ended June 30, 2022: 2%) of the Group’s total revenue for that period, respectively.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

6 REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

As at June 30, 2023, the accounts receivable balance from the abovementioned major Customer A and Customer B amounted to approximately RMB1,181,931,000 (As at December 31, 2022: RMB1,484,122,000) and RMB410,589,000 (As at December 31, 2022: RMB477,329,000), representing approximately 49% (As at December 31, 2022: 53%) and 17% (As at December 31, 2022: 17%) of the Group's gross total accounts receivables, respectively.

Except for the abovementioned major Customer A and Customer B, no other individual customer has contributed more than 10% of the Group's total revenue during the six months ended June 30, 2023 and 2022.

7 EXPENSES BY NATURE

The details of cost of services, selling expenses, general and administrative expenses and research and development expenses are as follows:

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Traffic acquisition and monitoring costs	3,398,034	3,939,908
Outsourcing short video production costs, advertising and streamer costs	8,477	7,308
Costs of goods sold	5,910	—
Employee benefit expenses	70,055	100,471
Depreciation expenses	6,781	8,646
Professional and consulting service fees	6,224	5,046
Taxes and surcharges	6,156	3,332
Office expenses	2,169	1,987
Travelling expenses	2,994	1,249
Others	2,758	5,278
Total	3,509,558	4,073,225



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

8 NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Provision for/(reversal of) impairment losses		
– accounts receivables	32,023	28,549
– other receivables	270	1,484
– financial assets at fair value through other comprehensive income (note)	–	(25,472)
Total	32,293	4,561

Note:

In May 2022, the Group had reached a settlement-in-kind arrangement with a former major customer for settling all the outstanding balances that it owed to the Group. Under the arrangement, the Group had been granted with a stored-value user account (with purchase limit of approximately RMB37,891,000) at free and the Group can utilise the purchase limit to purchase merchandises from the on-line retail platform of the former major customer for the Group's subsequent resale purpose. Upon the abovementioned stored-value user account was granted to the Group, a reversal of the loss allowance as previously recognised on the credit-impaired receivables due from the former major customers of RMB25,472,000 have been recognised during the six months ended June 30, 2022.

9 OTHER INCOME

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Government grants	166	7,451
Value-added tax additional deduction	527	3,461
Others	236	193
Total	929	11,105

10 OTHER LOSSES, NET

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net foreign exchange losses	6,662	3,979
Provision for impairment and losses on merchandises obtained in a settlement-in-kind arrangement	1,925	–
Others	(360)	617
Total	8,227	4,596



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

11 INCOME TAX EXPENSES

Income tax expense during the period comprise of:

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax expense	18,084	34,265
Deferred income tax credit	(8,746)	(2,550)
Income tax expenses	9,338	31,715

(a) Cayman Islands Income Tax

The Company was incorporated as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands and is not subject to Cayman Islands income tax.

(b) Hong Kong Profits Tax

Hong Kong profits tax rate is 16.5% up to April 1, 2018. When the two-tiered profits tax regime took effect on April 1, 2018, the applicable Hong Kong profits tax rate is 8.25% for assessable profits on the first HK\$2 million and 16.5% for any assessable profits in excess of HK\$2 million. No Hong Kong profits tax has been provided as there were no taxable profits deriving from Hong Kong during the six months ended June 30, 2023 and 2022.

(c) PRC Corporate Income Tax

Corporate income tax ("CIT") in the PRC is calculated based on the statutory profit or loss of subsidiaries incorporated in the PRC in accordance with the PRC tax laws and regulations, after adjusting certain income and expense items, which are not assessable or deductible for income tax purposes. According to the PRC Corporate Income Tax Law promulgated by the PRC government, the tax rate for the Company's PRC subsidiaries is 25% except that, Beijing Juliang Tongchuang Technology Co., Ltd., Qingdao Uju Technology Co., Ltd., Chongqing Juqing Technology Co., Ltd., Hangzhou Qingchun Uju Technology Co., Ltd., Hainan Yingliang Technology Co., Ltd., Guangzhou Juliang Technology Co., Ltd. and Beijing Yiju Technology Co., Ltd. enjoy the CIT tax rate of 20% as small and low-profit enterprises and Hainan Uju Technology Co., Ltd. enjoys the preferential CIT tax rate of 15%.

12 DIVIDEND

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Dividends declared by the Company (note)	11,064	50,184

Note:

On March 30, 2023, the Board of Directors of the Company resolved to propose a final dividend of HKD2 cents per ordinary share, totaling approximately HKD12,000,000 (equivalent to approximately RMB11,064,000), for the year ended December 31, 2022. The proposed final dividend has been approved by the shareholders of the Company at the annual general meeting held on May 31, 2023 and was fully paid as of June 30, 2023.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

13 EARNINGS PER SHARE

(a) Basic

The basic earnings per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue (excluding any ordinary shares as repurchased by the Company and held for the Company's share award scheme) during the six months ended June 30, 2023 and 2022.

	Six months ended June 30,	
	2023	2022
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company (RMB'000)	41,869	119,948
Weighted average number of ordinary shares in issue less shares held for share award scheme during the period (thousand shares)	598,869	600,000
Basic earnings per share (expressed in RMB)	0.07	0.20

(b) Diluted

Diluted earnings per share as presented is the same as the basic earnings per share as there were no potentially dilutive ordinary shares in issue as of June 30, 2023 and 2022.

14 PROPERTY, PLANT AND EQUIPMENT

	Building RMB'000	Vehicles RMB'000	Electronic equipment RMB'000	Furniture and fixtures RMB'000	Leasehold improvement RMB'000	Total RMB'000
At December 31, 2022 (Audited)						
Cost	11,855	212	11,252	507	10,925	34,751
Accumulated depreciation	(94)	(8)	(6,910)	(264)	(7,297)	(14,573)
Net book amount	11,761	204	4,342	243	3,628	20,178
Six months ended June 30, 2023 (Unaudited)						
Opening net book amount	11,761	204	4,342	243	3,628	20,178
Additions	—	—	422	2	264	688
Disposals	—	—	(186)	—	—	(186)
Depreciation charge	(237)	(32)	(1,342)	(42)	(1,467)	(3,120)
Closing net book amount	11,524	172	3,236	203	2,425	17,560
At June 30, 2023 (Unaudited)						
Cost	11,855	212	11,066	509	11,189	34,831
Accumulated depreciation	(331)	(40)	(7,830)	(306)	(8,764)	(17,271)
Net book amount	11,524	172	3,236	203	2,425	17,560



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

14 PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation was charged to profit or loss and presented in the following categories in the interim condensed consolidated statement of profit or loss and other comprehensive income:

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of services	1,926	1,795
Selling expenses	348	399
General and administrative expenses	688	617
Research and development expenses	158	191
	3,120	3,002

15 LEASES

(a) Right-of-use assets

	As at	As at
	June 30, 2023	December 31, 2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Leased properties	13,924	19,471

(b) Lease liabilities

	As at	As at
	June 30, 2023	December 31, 2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Current	6,789	8,752
Non-current	7,294	11,156
	14,083	19,908



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

15 LEASES (Continued)

(b) Lease liabilities (Continued)

The amounts recognised in profit or loss and presented in the interim condensed consolidated statement of profit or loss and other comprehensive income are summarised as below:

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation charge of right-of-use assets	3,661	5,644
Interest expense (included in finance costs)	500	465
Expense relating to short-term and low-value leases (included in general and administrative expenses)	14	133
Losses and penalties on termination of leases	638	226

16 ACCOUNTS RECEIVABLES

	As at	As at
	June 30, 2023	December 31, 2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Accounts receivables	2,394,018	2,795,542
Less: credit loss allowance	(122,635)	(90,612)
Accounts receivables – net	2,271,383	2,704,930

Accounts receivables are all dominated in RMB and due to the short-term nature of these current receivables, their carrying amounts are considered to approximate their fair values. An aging analysis of the gross accounts receivables as at June 30, 2023 and December 31, 2022, based on invoice date, is as follows:

	As at	As at
	June 30, 2023	December 31, 2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 90 days	1,961,609	2,228,757
91 days–180 days	208,353	390,365
181 days–270 days	84,868	96,054
271 days–1 year	69,340	21,282
Over 1 year	69,848	59,084
	2,394,018	2,795,542



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

17 PREPAYMENTS, DEPOSITS AND OTHER ASSETS

	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000 (Audited)
Deposits to media platforms	88,096	132,898
Receivables from a supplier	47,760	47,760
Rental and other deposits	5,759	6,521
Advances to staff	1,364	1,384
Loans to a third party	3,712	3,482
Deposits paid to a third party guarantee institution	—	10,000
Others	2,138	2,473
	148,829	204,518
Less: loss allowance for deposits and other assets	(39,036)	(38,765)
Total categorised as financial assets	109,793	165,753
Prepayments to media platforms and suppliers	269,151	320,589
Value-added tax recoverable	120,086	384,704
	389,237	705,293
Total prepayments, deposits and other assets	499,030	871,046
Less: non-current rental deposits and other assets	(2,474)	(1,584)
Total prepayments, deposits and other assets, current	496,556	869,462



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

18 CASH AND CASH EQUIVALENTS

	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000 (Audited)
Cash on hand	26	127
Cash at bank (i)	661,435	288,457
Cash equivalents (ii)	237	76
	661,698	288,660

Notes:

- (i) Cash at bank earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with credit worthy banks with no recent history of default.
- (ii) Cash equivalents represent cash balances in third party payment platform which can be withdrawn at any time at the Group's discretion.
- (iii) Cash and cash equivalents are denominated in the following currencies:

	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000 (Audited)
RMB	608,389	205,972
USD	38,669	74,815
HKD	14,640	7,873
	661,698	288,660



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

19 ACCOUNTS PAYABLES

Aging analysis of the accounts payables as at June 30, 2023 and December 31, 2022, based on the date of recognition, are as follows:

	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000 (Audited)
Less than 6 months	1,426,111	1,670,095
6 months to 1 year	44,172	1,097
Over 1 year	7,741	8,434
	1,478,024	1,679,626

Accounts payables are all denominated in RMB and the carrying amounts of which are considered to approximate their fair values due to their short-term in nature.

20 OTHER PAYABLES AND ACCRUALS

	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000 (Audited)
Cost payable to media platforms on behalf of customers (note)	40,529	40,957
Deposits from customers	33,443	30,632
Others	6,477	9,903
Total categorised as financial liabilities	80,449	81,492
Value-added tax payable	111,520	369,792
Other taxes payable	5,569	10,502
Payroll and welfare payable	23,840	26,937
	140,929	407,231
Total other payables and accruals	221,378	488,723

Note:

The amounts represented the traffic acquisition costs as prepaid by customers which the Group is providing advertising distribution services to them and the amounts as collected by the Group will be wholly settled to media platforms on behalf of these customers.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

21 BORROWINGS

	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000 (Audited)
Bank borrowings (note)	310,375	280,413
Factoring borrowings	—	49,750
Borrowings from a financial institution	2,920	9,950
	313,295	340,113

Note:

As at June 30, 2023, the bank borrowings bear interests at fixed interest rates ranging from 3.60%-5.90% (as at December 31, 2022: 3.55%-6.00%) per annum.

As at June 30, 2023, borrowings of RMB10,000,000 are guaranteed by third party guarantee companies. Borrowing of RMB160,210,000 is guaranteed by other subsidiaries within the Group. Borrowing of RMB50,054,000 is guaranteed by other subsidiaries within the Group and secured by a restricted bank deposit of RMB10,000,000. The remaining borrowing of RMB90,111,000 is an unsecured borrowing.

As at December 31, 2022, borrowing of RMB30,038,000 is guaranteed by a third party guarantee company and secured by a deposit paid to that guarantee company of RMB10,000,000 (Note 17). Borrowing of RMB160,230,000 is guaranteed by other subsidiaries within the Group. The remaining borrowing of RMB90,145,000 is an unsecured borrowing.

22 TREASURY SHARES

The Company adopted a share award scheme (“**Share Award Scheme**”) on May 22, 2023 with duration of 10 years for the granting of shares to eligible participants (the “**Selected Participants**”) who shall receive offers of shares as designated by the committee delegated by the Board of Directors.

The Company has set up a trust (the “**Trust**”) and appointed a third party as the trustee to administer and hold the Company’s shares before they are vested and transferred to the Selected Participants. The Trust purchases the Company’s shares being awarded from the open market at the market trading price using cash contributed by the Company.

In June 2023, the Trust has purchased 6,784,000 shares of the Company through the Hong Kong Stock Exchange at a total consideration of HKD20,939,040 (equivalent approximately to RMB19,362,000) for the Share Award Scheme. The carrying amounts of these repurchased shares are presented as “Treasury shares” in the interim condensed consolidated balance sheet.

As of June 30, 2023, none of these shares have been granted out to the Selected Participants under the Share Award Scheme.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

23 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family members of the Group are also considered as related parties.

Significant transactions with related parties

Except for the key management personnel compensation as disclosed below, the Group does not have any other significant transactions with related parties during the six months ended June 30, 2023 and 2022.

Key management includes executive directors and the senior management of the Group. The compensation paid or payable to these key management personnel is shown below:

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Wages and salaries	4,180	2,839
Other social security costs, housing benefits and other employee benefits	140	107
Pension costs — defined contribution plans	109	95
	4,429	3,041



DEFINITIONS

“Audit Committee”	the audit committee of the Board
“Aura”	AURA INVESTMENT HOLDINGS LIMITED, a company incorporated in the BVI with limited liability on February 3, 2004
“Board”	the board of Directors
“China” or “the PRC”	The People’s Republic of China excluding, for the purpose of this report, Hong Kong, Macau Special Administrative Region and Taiwan
“Company”	UJU HOLDING LIMITED, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of our Company
“Excluded Participant”	any Eligible Participant who is a core connected person of the Company, or is resident in a place where the grant of an Award and/or the vesting and transfer of the Awarded Interests pursuant to the terms of the Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant
“Global Offering”	has the meaning as defined in the Prospectus
“Group” or “our Group” or “we” or “us”	the Company and its subsidiaries
“HKD” or “HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“IFRSs”	International Financial Reporting Standards
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	November 8, 2021, the date of which dealing in Shares first commenced on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers, as amended from time to time
“Prospectus”	the prospectus of the Company dated October 26, 2021
“RMB” or “Renminbi”	the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time



DEFINITIONS (CONTINUED)

“Share Option Scheme”	the share option scheme conditionally adopted by the Company on October 8, 2021, details of which are described under “Statutory and General Information – Other Information – 13. Share Option Scheme” in Appendix IV to the Prospectus
“Shareholder(s)”	holder(s) of the Share(s)
“Shares”	share(s) in the share capital of the Company with a nominal or par value of US\$0.01 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supreme Development”	SUPREME Development Limited, a company incorporated in the BVI with limited liability on August 26, 2020
“Uju Beijing”	Uju Interactive (Beijing) Technology Co., Ltd* (優矩互動(北京)科技有限公司), being a company established in the PRC on November 23, 2017 and our indirect wholly-owned subsidiary
“Vast Business”	VAST BUSINESS (BVI) GLOBAL LIMITED, a company incorporated in the BVI with limited liability on August 31, 2020

