

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

UJU HOLDING LIMITED

优矩控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 1948)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2024

The board (the “**Board**”) of directors (the “**Directors**”) of UJU HOLDING LIMITED (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (together, the “**Group**” or “**we**”) for the six months ended June 30, 2024 (the “**Reporting Period**”) together with the comparative figures for the six months ended June 30, 2023. The interim results have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

FINANCIAL RESULTS HIGHLIGHTS

	Six months ended June 30,		
	2024	2023	Change
	<i>(RMB in millions, except percentage)</i>		
Revenue	3,867.1	3,609.9	7.1%
Gross profit	150.8	150.5	0.2%
Profit before income tax	51.9	51.2	1.3%
Profit for the period attributable to owners of the Company	43.4	41.9	3.7%

BUSINESS REVIEW AND OUTLOOK

In the first half of 2024, the Chinese macroeconomy maintained a stable and positive trend, providing support for the consumer market and exerting a positive impact on internet marketing. During the Reporting Period, the Group's short video marketing business maintained stable growth momentum. Meanwhile, our live-streaming e-commerce developed steadily, leveraging the overseas monetization of the short video platform, Tiktok, with our live-streaming e-commerce operational solutions and the full-chain self-operated model successfully expanding into the North American market.

The application of AI technology in the media field is becoming more widespread, driving further refinement of content product systems in internet media. Through the use of intelligent media editing tools, virtual avatars and other applications, content production efficiency has been significantly enhanced. We believe that the current deep integration of technology-driven media products represents crucial strategic opportunity. We will collaborate with media partners to advance technology, empower brand advertising clients, reach users effectively through more personalized marketing strategies, and achieve the transformation of intelligent marketing.

In the first half of 2024, the Group achieved a total revenue of RMB3.87 billion, representing an increase of 7.1% compared to approximately RMB3.61 billion for the same period of 2023. The net profit was approximately RMB43.2 million, representing an increase of 3.1% as compared to approximately RMB41.9 million for the same period of 2023.

Short video marketing services

Short video marketing services are an important component of the Group, and we have continuously enhanced marketing effectiveness through innovative technologies. In the first half of 2024, we maintained close collaboration with 20 media entities, leveraging diverse cross-media marketing resources to provide comprehensive and efficient marketing solutions for our clients. We observed that economic growth has positively impacted the consumer market, while technological upgrades are meeting consumers' rational consumption and personalized demands. In the first half of 2024, we focused on strengthening AI technology collaboration with media partners, particularly in the realm of Artificial Intelligence content generation tools (AIGC). The application of these tools significantly boosted content creation efficiency. For instance, during the peak period of "618" shopping festival in 2024, we utilized our self-operated virtual avatars database to provide services for e-commerce industry clients. By way of achieving revenue of over RMB10,000 per advertisement, we demonstrated the effective utilization of AIGC application in the field of virtual avatars, significantly enhancing the efficiency of generating high-quality content and reducing operational costs.

Live-streaming e-commerce services

Live-streaming e-commerce has become a key driver of growth for the Group's business. Building on a successful year in achieving profitability in 2023, we further deepened our strategic positioning in the live-streaming e-commerce field. Firstly, through continuous experiment and optimization of our business model, our stable operational performance has been timetested, earning long-term support from numerous top-tier clients in the local lifestyle business sector. In addition, following the steady expansion and continued accumulation of marketing experience in our live-streaming e-commerce business in the PRC, along with the proactive implementation of our overseas market expansion plan in the first half of 2024, we have successfully introduced our live-streaming e-commerce operational solutions and full-chain self-operated e-commerce model into the North American market. The enhancement of commercialization processes on short video platforms and the growing momentum in the export of domestic goods, particularly through our successful penetration of the North American market, will create additional opportunities for international cooperation and expansion for us.

For the six months ended June 30, 2024, the Group provided integrated live-streaming operation services to 20 brand clients, mainly in mass consumption and local lifestyle sectors. The achieved gross merchandise volume (GMV) of goods amounted to approximately RMB539.2 million (six months ended June 30, 2023: approximately RMB231.9 million), of which the revenue realized from the self-operated e-commerce business is approximately RMB16.5 million.

Embracing technological change

AI technology continues to advance in the digital marketing field, especially with the development of AIGC technology, which has significantly changed our industry's practical application. This trend further strengthened and expanded in the first half of 2024. We have consistently enhanced the application of AI technology in the digital marketing field, particularly in content creation. During the Reporting Period, we successfully integrated AIGC technology into our production processes and made substantial progress in innovative collaboration with leading media in the AIGC field. Through the relentless efforts of both parties in technology co-development, combined with leading domestic large-scale model technologies, we have successfully developed advanced intelligent script technology, focusing on key industries as breakthrough points, and fully leveraging the core role of intelligent generated materials in brand and product communication. Collaborating with leading media in technology co-development not only signifies a revolutionary breakthrough in creativity, operations, and technology in the AIGC field but also, through the deep integration of AI tools and business models, positions us at the forefront of unleashing the immense potential of AI in the creative industry.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

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

	Six months ended June 30,			
	2024		2023	
	(RMB'000)	% of the total	(RMB'000)	% of the total
Online marketing solutions business ^(Note)	3,828,615	99.0	3,577,957	99.1
Live-streaming e-commerce business	36,965	0.9	28,765	0.8
Others	1,558	0.1	3,201	0.1
Total	<u>3,867,138</u>	<u>100</u>	<u>3,609,923</u>	<u>100</u>

Note: Including revenue from provision of advertisement distribution services of approximately RMB22.0 million for the six months ended June 30, 2024 (six months ended June 30, 2023: approximately RMB18.3 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 increased by 7.0% from approximately RMB3,578.0 million for the six months ended June 30, 2023 to approximately RMB3,828.6 million for the six months ended June 30, 2024. The increase in revenue is mainly due to the deeper and closer cooperation with our core clients, as well as the active expansion of our customer and media channels. For the six months ended June 30, 2024, the revenue generated from our online marketing solutions business accounted for 99.0% of our total revenue.

Our revenue from the live-streaming e-commerce businesses increased by 28.5% from approximately RMB28.8 million for the six months ended June 30, 2023 to approximately RMB37.0 million for the six months ended June 30, 2024. The live-streaming e-commerce business is growing and has become the second growth curve of the Group's development.

Revenue from online marketing solutions business by type of advertiser 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,			
	2024		2023	
	<i>(RMB'000)</i>	<i>% of the total</i>	<i>(RMB'000)</i>	<i>% of the total</i>
Advertisers	3,806,587	99.4	3,560,369	99.5
Advertising agencies	22,028	0.6	17,588	0.5
Total	<u>3,828,615</u>	<u>100</u>	<u>3,577,957</u>	<u>100</u>

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,			
	2024		2023	
	<i>(RMB'000)</i>	<i>% of the total</i>	<i>(RMB'000)</i>	<i>% of the total</i>
E-commerce	2,082,802	54.8	1,658,398	46.6
Internet services	548,834	14.4	834,347	23.4
Gaming	485,288	12.7	502,402	14.1
Financial services	443,042	11.6	476,439	13.4
Leisure & Travelling	114,166	3.0	21,550	0.6
Education	75,961	2.0	16,769	0.5
Real Estate & Home Furnishing	6,398	0.2	10,750	0.3
Others ^(note)	50,097	1.3	39,714	1.1
Total	<u>3,806,587</u>	<u>100</u>	<u>3,560,369</u>	<u>100</u>

Note: Others mainly include local lifestyle and other industries.

During the six months ended June 30, 2024, the distribution of our direct advertisers across various industries remained largely stable compared to the corresponding period in 2023. The proportions of customers from the e-commerce industries increased, contrasted by a decrease in the Internet services industry.

During the six months ended June 30, 2024, the e-commerce industry remained our largest advertiser customer group, generating approximately RMB2,082.8 million in revenue, compared to approximately RMB1,658.4 million for the corresponding period in 2023.

Cost of services

	Six months ended June 30,	
	2024	2023
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Traffic acquisition and monitoring costs	3,645,838	3,398,034
Employee benefit expenses	41,209	34,374
Outsourcing short video production, advertising and streamer costs	8,779	7,732
Costs of inventories sold	8,463	5,910
Depreciation and amortization expenses	3,173	4,215
Taxes and surcharges	5,439	6,156
Others	3,417	3,051
	<hr/>	<hr/>
Total	<u>3,716,318</u>	<u>3,459,472</u>

Our cost of services primarily consist of traffic acquisition and monitoring costs and employee benefit expenses. During the first half of 2024, 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, 2024 and 2023, our traffic acquisition and monitoring costs amounted to approximately RMB3,645.8 million and RMB3,398.0 million, respectively, representing approximately 98.1% and 98.2%, respectively, of our total cost of services for the respective periods. For the six months ended June 30, 2024 and 2023, our employee benefit expenses amounted to approximately RMB41.2 million and RMB34.4 million, respectively, accounting for approximately 1.1% and 1.0%, respectively, of our total cost of services for the respective periods. Such increase in our employee benefit expenses was attributable to the growth in our business.

Gross profit and gross profit margin

Our gross profit consists of our revenue less cost of services. The Group recorded gross profit of approximately RMB150.8 million for the six months ended June 30, 2024, representing an increase of 0.2% as compared to the gross profit of approximately RMB150.5 million for the six months ended June 30, 2023.

Gross profit margin represents gross profit divided by total revenue, expressed as a percentage. Gross profit margin decreased from 4.2% for the six months ended June 30, 2023 to 3.9% for the six months ended June 30, 2024, as the proportion of the increase in revenue was slightly lower than the proportion of the increase in our cost of services.

Selling expenses

Our selling expenses primarily consist of (i) employee benefit expenses; (ii) live-streaming expenses for the self-operating e-commerce business; and (iii) travelling expenses for the transportation and accommodation of business travels.

Our selling expenses increased from approximately RMB10.5 million for the six months ended June 30, 2023 to approximately RMB16.1 million for the six months ended June 30, 2024, which was mainly attributable to higher live-streaming expenses associated with the expansion of our self-operated e-commerce business.

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 general and administrative expenses increased by approximately 19.7% from approximately RMB35.0 million for the six months ended June 30, 2023, to approximately RMB41.9 million for the six months ended June 30, 2024, which was mainly attributable to the increase in employee benefit expenses and professional fees.

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 remained stable at approximately RMB4.4 million for the six months ended June 30, 2024 compared to approximately RMB4.5 million for the six months ended June 30, 2023.

Net impairment losses on financial assets

Our net impairment losses on financial assets comprise the provision for impairment losses on accounts receivables and other receivables, net of any reversal. Our net impairment losses on financial assets remained stable from approximately RMB32.3 million for the six months ended June 30, 2023 to approximately RMB30.9 million for the six months ended June 30, 2024.

Other income

Our other income decreased by approximately 82.9%, from approximately RMB0.9 million for the six months ended June 30, 2023 to approximately RMB0.2 million for the six months ended June 30, 2024, which was mainly attributable to the decrease in government grants and the income arising from the value-added tax additional deduction.

Other losses, net

Our other losses, net decreased by approximately 6.7%, from approximately RMB8.2 million for the six months ended June 30, 2023 to approximately RMB7.7 million for the six months ended June 30, 2024, which was mainly attributable to the decrease in net foreign exchange losses, partially offset by the increase in provision for an onerous contract (see note 8 on page 20 for more details).

Finance income/(costs), net

Our finance costs, net decreased from approximately RMB9.6 million for the six months ended June 30, 2023 to financial income, net of approximately RMB1.9 million for the six months ended June 30, 2024. The decrease in finance costs, net was mainly due to the decrease in interest expenses and increase in interest income comparing with the six months ended June 30, 2023.

Income tax expenses

Our income tax expenses decreased from approximately RMB9.3 million for the six months ended June 30, 2023 to approximately RMB8.7 million for the six months ended June 30, 2024, which was mainly due to the decrease in the effective income tax rate. Our effective income tax rate decreased from 18.2% for the six months ended June 30, 2023 to 16.8% for the six months ended June 30, 2024, 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) (“**Hainan Uju**”), a subsidiary of the Group which enjoyed a preferential income tax rate of 15.0%, and hence lowering the average effective income tax rate for the six months ended June 30, 2024.

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 increased by approximately 3.7% from approximately RMB41.9 million for the six months ended June 30, 2023 to approximately RMB43.4 million for the six months ended June 30, 2024.

Our net profit margin is 1.1% for the six months ended June 30, 2024 (six months ended June 30, 2023: 1.2%).

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.

During the six months ended June 30, 2024, we financed our capital expenditure and working capital requirements mainly by our cash and cash equivalents on hand (including the unutilized IPO proceeds).

As of June 30, 2024, we did not have any bank borrowings (as of December 31, 2023: approximately RMB10.0 million).

The Group's gearing ratio as of June 30, 2024, calculated based on total borrowings (including bank and other borrowings and lease liabilities) divided by total equity, was 0.01 (December 31, 2023: 0.02) time.

Our cash and cash equivalents decreased from approximately RMB719.4 million as of December 31, 2023, to approximately RMB409.3 million as of June 30, 2024, which was mainly attributable to the net cash outflows for our daily operations.

The table below sets out our liquidity as of June 30, 2024 and December 31, 2023, respectively:

	As of June 30, 2024 <i>RMB in millions</i> (Unaudited)	As of December 31, 2023 <i>RMB in millions</i> (Audited)
Cash and cash equivalents denominated in:		
RMB	179.8	454.9
USD	227.6	247.8
HKD	1.9	16.7
	409.3	719.4

Key Financial Ratios

	Six months ended June 30,	
	2024	2023
	(<i>%</i>)	(<i>%</i>)
Profitability ratios		
Gross profit margin ⁽¹⁾	3.9	4.2
Net profit margin ⁽²⁾	1.1	1.2
Return on equity ⁽³⁾	6.2	6.2
Return on assets ⁽⁴⁾	2.2	2.4

	As of June 30, 2024	As of December 31, 2023
	(<i>%</i>)	(<i>%</i>)
Liquidity ratios		
Current ratio ⁽⁵⁾	1.5	1.6
Capital adequacy ratio		
Gearing ratio ⁽⁶⁾	0.01	0.02

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.

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

	<i>Note</i>	Six months ended June 30,	
		2024	2023
		<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Unaudited)
Revenue	5	3,867,138	3,609,923
Cost of services	6	<u>(3,716,318)</u>	<u>(3,459,472)</u>
Gross profit		150,820	150,451
Selling expenses	6	(16,069)	(10,543)
General and administrative expenses	6	(41,873)	(34,995)
Research and development expenses	6	(4,429)	(4,548)
Net impairment losses on financial assets	7	(30,912)	(32,293)
Other income		159	929
Other losses, net	8	<u>(7,673)</u>	<u>(8,227)</u>
Operating profit		50,023	60,774
Finance income		10,142	3,901
Finance costs		(8,274)	(13,468)
Finance income/(costs), net		<u>1,868</u>	<u>(9,567)</u>
Profit before income tax		51,891	51,207
Income tax expenses	9	<u>(8,738)</u>	<u>(9,338)</u>
Profit for the period		<u>43,153</u>	<u>41,869</u>

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

	Six months ended June 30,	
<i>Note</i>	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other comprehensive income/(loss)		
<i>Items that may be subsequently reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	<u>(4,052)</u>	<u>(17,212)</u>
<i>Items that will not be reclassified to profit or loss</i>		
Exchange differences on translation of the financial statements of the Company	<u>5,769</u>	<u>26,914</u>
	<u>1,717</u>	<u>9,702</u>
Total comprehensive income for the period	<u>44,870</u>	<u>51,571</u>
Profit/(loss) attributable to:		
Owners of the Company	43,414	41,869
Non-controlling interests	<u>(261)</u>	<u>—</u>
	<u>43,153</u>	<u>41,869</u>
Total comprehensive income/(loss) for the period attributable to:		
Owners of the Company	45,131	51,571
Non-controlling interests	<u>(261)</u>	<u>—</u>
	<u>44,870</u>	<u>51,571</u>
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)		
Basic earnings per share	<i>11</i> <u>0.07</u>	<u>0.07</u>
Diluted earnings per share	<i>11</i> <u>0.07</u>	<u>0.07</u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	As at June 30, 2024	As at December 31, 2023
<i>Note</i>	RMB'000 (Unaudited)	RMB'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	13,710	15,372
Right-of-use assets	9,431	10,874
Intangible assets	1,121	1,282
Deferred income tax assets	39,003	32,985
Long-term loan receivable	6,694	—
Financial assets at fair value through other comprehensive income	3,568	—
Deposits and other assets	1,734	2,183
	75,261	62,696
Current assets		
Inventories	5,717	10,729
Accounts receivables	3,149,280	2,210,071
Prepayments, deposits and other assets	351,234	425,387
Restricted cash	14,026	13,081
Cash and cash equivalents	409,272	719,445
	3,929,529	3,378,713
Total current assets	3,929,529	3,378,713
Total assets	4,004,790	3,441,409

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
(CONTINUED)**

		As at June 30, 2024	As at December 31, 2023
	<i>Note</i>	RMB'000 (Unaudited)	RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities		<u>2,383</u>	<u>4,723</u>
Total non-current liabilities		<u>2,383</u>	<u>4,723</u>
Current liabilities			
Accounts payables	13	1,920,578	1,433,800
Notes payables		298,000	150,000
Other payables and accruals		230,937	302,637
Borrowings		—	10,012
Lease liabilities		6,588	6,320
Contract liabilities		124,254	127,335
Current income tax liabilities		12,612	20,702
Provision		<u>5,705</u>	<u>—</u>
Total current liabilities		<u>2,598,844</u>	<u>2,050,806</u>
Total liabilities		<u><u>2,601,227</u></u>	<u><u>2,055,529</u></u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		38,380	38,380
Share premium		676,633	703,820
Shares held for Share Award Scheme		(25,762)	(25,762)
Other reserves		73,095	71,272
Retained earnings		<u>638,430</u>	<u>595,122</u>
Capital and reserves attributable to owners of the Company		1,400,776	1,382,832
Non-controlling interests		<u>2,787</u>	<u>3,048</u>
Total equity		<u><u>1,403,563</u></u>	<u><u>1,385,880</u></u>
Total liabilities and equity		<u><u>4,004,790</u></u>	<u><u>3,441,409</u></u>

NOTES:

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 and live-streaming e-commerce services (which include the 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, 2024 (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, the interim financial information is to be read in conjunction with the annual consolidated financial statements of the Company for the year ended December 31, 2023 (which have been prepared in accordance with IFRS Accounting Standards) as set out in the Company’s annual report dated March 28, 2024.

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, 2024 in the interim financial information:

Amendments to IAS 1	Classification of Liabilities as Current or Non-Current
Amendments to IAS 1	Non-Current Liabilities with Covenants
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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

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, 2024 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to IAS 21	Lack of Exchangeability	January 1, 2025
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Annual improvements project	Annual improvements to IFRS Accounting Standards – volume 11	January 1, 2027
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
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 new or amended standards and annual improvements. 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 new or 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 material 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, 2023.

4 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.

5 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, 2024 and 2023 was as follows:

	Six months ended June 30,	
	2024 <i>RMB'000</i> (Unaudited)	2023 <i>RMB'000</i> (Unaudited)
All-in-one online marketing solution services	3,806,587	3,559,688
Advertisement distribution services	22,028	18,269
Live-streaming e-commerce services (<i>note</i>)	36,965	28,765
Provision of other services	1,558	3,201
Total	3,867,138	3,609,923

Note:

For the six months ended June 30, 2024 and 2023, 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, 2024 and 2023 is as follows:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue recognised:		
— at a point in time	3,341,482	3,038,088
— over time	525,656	571,835
Total	<u>3,867,138</u>	<u>3,609,923</u>

For the six months ended June 30, 2024, the Group has concentration of credit risk from a major Customer A as the customer contributed approximately 51% and 43% of the Group's total revenue for the six months ended June 30, 2024 and 2023, respectively.

As at June 30, 2024 and December 31, 2023, the accounts receivable balance due from the abovementioned major Customer A amounted to approximately RMB1,870,954,000 and RMB1,245,135,000, representing approximately 57% and 54% of the Group's gross total accounts receivables, respectively.

Except for the abovementioned major Customer A, no other individual customer has contributed more than 10% of the Group's total revenue during the six months ended June 30, 2024 and 2023.

6 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,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Traffic acquisition and monitoring costs	3,645,838	3,398,034
Outsourcing short video production, advertising and streamer costs	13,231	8,477
Costs of inventories sold	8,463	5,910
Employee benefit expenses	82,671	70,055
Depreciation and amortisation expenses	5,368	6,781
Professional and consulting service fees	10,020	6,224
Taxes and surcharges	5,439	6,156
Office expenses	2,042	2,169
Travelling expenses	2,772	2,994
Transportation costs	1,610	1,179
Others	1,235	1,579
Total	<u>3,778,689</u>	<u>3,509,558</u>

7 NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Provision for impairment losses		
— accounts receivables	26,769	32,023
— other receivables	4,143	270
	<u> </u>	<u> </u>
Total	<u>30,912</u>	<u>32,293</u>

8 OTHER LOSSES, NET

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net foreign exchange losses	216	6,662
Provision for impairment and losses on merchandises obtained in a settlement-in-kind arrangement	2,729	1,925
Provision for an onerous contract (<i>note</i>)	5,705	—
Others	(977)	(360)
	<u> </u>	<u> </u>
Total	<u>7,673</u>	<u>8,227</u>

Note:

The provision is relating to an one-year contract with a third party maturing on December 31, 2024 and the associated loss is caused by certain unexpected one-off events. The provision amount is estimated based on the unavoidable costs which are the least net cost of exiting from the contract.

9 INCOME TAX EXPENSES

Income tax expense during the period comprise of:

	Six months ended June 30,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current income tax expense	14,756	18,084
Deferred income tax credit	(6,018)	(8,746)
Income tax expenses	8,738	9,338

(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, 2024 and 2023.

(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 principal PRC subsidiaries is 25% except that, Hainan Uju enjoys the preferential CIT tax rate of 15%. Certain of the remaining subsidiaries enjoy the CIT tax rate of 20% as a small and low-profit enterprise.

10 DIVIDEND

	Six months ended June 30,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Dividends declared by the Company	27,187	11,064

On March 28, 2024, the Board of Directors of the Company has resolved to propose a final dividend of HKD5 cents per ordinary share, totaling approximately HKD30,000,000 (equivalent to approximately RMB27,186,600), for the year ended December 31, 2023 to be distributed from the Company's share premium account. The proposed final dividend has been approved by the shareholders of the Company at the annual general meeting held on May 31, 2024 and was all fully paid as of June 30, 2024.

11 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, 2024 and 2023.

	Six months ended June 30,	
	2024	2023
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company (<i>RMB'000</i>)	43,414	41,869
Weighted average number of ordinary shares in issue less shares held for share award scheme during the period (<i>thousand shares</i>)	590,919	598,869
Basic earnings per share (<i>expressed in RMB</i>)	<u>0.07</u>	<u>0.07</u>

(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, 2024 and 2023.

12 ACCOUNTS RECEIVABLES

	As at June 30, 2024	As at December 31, 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Accounts receivables	3,267,798	2,301,820
Less: credit loss allowance	<u>(118,518)</u>	<u>(91,749)</u>
Accounts receivables — net	<u>3,149,280</u>	<u>2,210,071</u>

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, 2024 and December 31, 2023, based on invoice date, is as follows:

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
Within 90 days	2,743,015	2,134,696
91 days – 180 days	398,661	42,767
181 days – 270 days	30,030	24,015
271 days – 1 year	6,918	6,980
Over 1 year	89,174	93,362
	<u>3,267,798</u>	<u>2,301,820</u>

13 ACCOUNTS PAYABLES

Aging analysis of the accounts payables as at June 30, 2024 and December 31, 2023, based on the date of recognition, are as follows:

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
Less than 6 months	1,911,053	1,424,445
6 months to 1 year	4,463	1,643
Over 1 year	5,062	7,712
	<u>1,920,578</u>	<u>1,433,800</u>

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

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 Group's operations are primarily based in the PRC, with most transactions conducted and settled in Renminbi, while a small portion of the media traffic acquisition costs is related to overseas media and paid in US dollars. The payables for overseas media in US dollars are hedged with foreign exchange options.

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 November 8, 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, 2024 and December 31, 2023.

Charge on the Group's assets

As of June 30, 2024, restricted cash balance of approximately RMB14.0 million (as of December 31, 2023: approximately RMB13.1 million) were pledged primarily for the Group's issue of notes payables.

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. For the six months ended June 30, 2024, 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, 2024 (HKD million)	Remaining net proceeds as of June 30, 2024 (HKD million)	Expected time to utilize the remaining net proceeds in full
Upgrading the U-Engine platform 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	17.0	—	By the end of the year ending December 31, 2023
Developing the digitalization services platform of the U-Engine platform	2.0%	14.8	13.4	1.4	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	24.4	—	By the end of the year ending December 31, 2024
Enhancing the content production capacities with AI technologies	6.6%	49.6	45.4	4.2	By the end of the year ending December 31, 2024
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	25.2	—	By the end of the year ending December 31, 2024
Enlarging media base	15.6%	117.0	117.0	—	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, 2025
Working capital and general corporate purposes	9.9%	74.1	74.1	—	By the end of the year ending December 31, 2022
Total		<u>748.5</u>	<u>623.0</u>	<u>125.5</u>	

As of June 30, 2024, the entire portion designated for strategic investments and acquisitions had remained unutilized. The delay in utilizing the proceeds was mainly due to more severe and complicated than expected pandemic development and its impact on market conditions since the Global Offering. Considering the unstable market environment, the Group has been cautious in conducting its strategic investments and acquisitions, and resulted in the delay in the utilization of the relevant proceeds.

As of June 30, 2024, the Group had utilized HK\$623.0 million of the net proceeds from the Global Offering, and the remaining net proceeds of HK\$125.5 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.

SIGNIFICANT INVESTMENTS HELD

During the six months ended June 30, 2024, 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 announcement, the Group did not have plan for material investments and capital assets as of the date of this announcement.

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, 2024.

SUBSEQUENT EVENTS

As of the date of this announcement, the Group had no material events subsequent to June 30, 2024.

INTERIM DIVIDEND

The Board did not declare the payment of any interim dividend for the six months ended June 30, 2024.

INFORMATION ON EMPLOYEES

During the six months ended June 30, 2024, the Group had 645 employees (as of December 31, 2023: 576), including the executive Directors. Total staff costs (including Directors' emoluments) for the six months ended June 30, 2024 were approximately RMB82.7 million (six months ended June 30, 2023: approximately RMB70.1 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. The Group also operates a share option scheme adopted by the Company on October 8, 2021 and a share award scheme on May 22, 2023. None of these shares have been granted under the scheme as of June 30, 2024.

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 "CG Code") in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the six months ended June 30, 2024, except for the deviation from code provision C.2.1 of the CG Code due to the reason below.

According to code provision C.2.1 of the CG Code, the roles of chairman (“**Chairman**”) and chief executive officer (“**CEO**”) should be separate and should not be performed by the same individual. Mr. Peng Liang, who has been the CEO since November 5, 2021, was appointed as the Chairman on March 28, 2024. Considering Mr. Peng Liang’s experience and in-depth knowledge of the Company’s operations, the Board is of the view that it is appropriate and in the best interests of the Company at the present stage for Mr. Peng Liang to hold both positions, which facilitates more effective planning and execution of business strategies. Furthermore, the current composition of the Board, including three independent non-executive Directors, will play an active role in ensuring a balance of power and authority.

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

MODEL CODE FOR SECURITIES TRANSACTION

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 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 during the six months ended June 30, 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended June 30, 2024, none of the Company or any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury shares (as defined under the Listing Rules)) of the Company, and the trustee of the Share Award Scheme, pursuant to the terms of the rules and trust deed of the Share Award Scheme, did not purchase any shares of the Company. As of June 30, 2024, the Company did not hold any treasury shares

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, 2024, 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, 2024 and this announcement. 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.

REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION

The interim condensed financial information for the six months ended June 30, 2024 are unaudited, but have been reviewed by the auditor of the Company in accordance with International Standard on Review Engagements 2410 “Review of interim financial information performed by the independent auditor of the entity” issued by the International Auditing and Assurance Standards Board (“**ISRE 2410**”), and the Audit Committee. The Audit Committee has, together with the management, reviewed the accounting policies adopted by the Group. They also discussed risk management, internal controls of the Group and financial reporting matters, including having reviewed and agreed to the unaudited interim condensed consolidated financial information during the Interim Reporting Period.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND 2023 INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ujumedia.com). The interim report of the Company for the six months ended June 30, 2024 containing all the information required by the Listing Rules will be published on the above websites in due course.

By order of the Board
UJU HOLDING LIMITED
Peng Liang

Chairman of the Board and Executive Director

Beijing, August 29, 2024

As of the date of this announcement, the Board of the Company comprises Mr. Peng Liang and Ms. Luo Xiaomei as executive Directors, and Mr. Zhang Peiao, Ms. Lin Ting and Mr. Wang Wenping as independent non-executive Directors.