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# EASTBUY

## 东 方 甄 选

### East Buy Holding Limited 東方甄選控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1797)

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 NOVEMBER 2024

The Board of East Buy Holding Limited is pleased to announce the unaudited consolidated interim results of our Group for the Reporting Period. These interim results have been reviewed by the Audit Committee.

In this announcement: (a) “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group; and (b) unless the context otherwise suggests or it is otherwise stated, our condensed consolidated financial statements are presented in Renminbi, which is our Group’s primary functional currency, and presented figures are approximations that are rounded to the nearest whole number or one decimal place, as appropriate.

### KEY FINANCIAL HIGHLIGHTS

	Six months ended 30 November 2024 (unaudited)			Six months ended 30 November 2023 (unaudited) (restated)		
	Continuing RMB'000	Discontinued RMB'000	Combined total RMB'000	Continuing RMB'000	Discontinued RMB'000	Combined total RMB'000
Revenue	2,186,636	-	2,186,636	2,411,323	383,723	2,795,046
Gross Profit	735,143	-	735,143	794,150	299,926	1,094,076
(Loss)/Profit before tax	(72,481)	-	(72,481)	285,628	92,500	378,128
(Loss)/Profit for the period <sup>(1)</sup>	(96,503)	-	(96,503)	160,699	88,492	249,191
(Loss)/Profit for the period attributable to:						
- Owners of our Company	(96,799)	-	(96,799)	160,699	88,492	249,191
- Non-controlling interests	296	-	296	-	-	-
(Loss)/Earnings per share						
- Basic (RMB)	(0.09)	-	(0.09)	0.17	0.08	0.25
- Diluted (RMB)	(0.09)	-	(0.09)	0.16	0.07	0.23
Non-IFRS measure: Adjusted (loss)/profit for the period (unaudited) <sup>(2)</sup>	(1,609)	-	(1,609)	434,288	89,203	523,491
Non-IFRS measure: Adjusted (LBITDA)/EBITDA (unaudited) <sup>(3)</sup>	(68,223)	-	(68,223)	500,128	95,069	595,197

- (1) If we excluded the financial impact from the disposal of Time with Yuhui on 25 July 2024 (the “**Disposal of Time with Yuhui**”), which are the one-off expense incurred and profit generated by Time with Yuhui, the net profit from continuing operations was RMB32.7 million in the Reporting Period. For details of the Disposal of Time with Yuhui, please refer to the announcement of the Company dated 25 July 2024.
- (2) Adjusted (loss)/profit (“**Adjusted (Loss)/Profit**”) for the period represents profit for the period less (loss)/gain on fair value changes of financial assets at FVTPL (non-current) plus share-based compensation expenses for the period.
- (3) Adjusted (LBITDA)/EBITDA (“**Adjusted (LBITDA)/EBITDA**”) (or (loss)/earnings before interest, taxes, depreciation, and amortisation) represents profit for the period plus income tax expenses, share-based compensation expenses, finance costs, impairment losses recognised under expected credit loss model, net, depreciation of property and equipment, depreciation of right-of-use assets, less other income, gains and losses for the period.

## **BUSINESS OVERVIEW AND OUTLOOK**

### **Our business**

We have positioned ourselves as a private label products and livestreaming e-commerce platform that focuses on carefully selecting premium products for our customers, an outstanding product and technology company that continually provides agricultural products as its core product under our private label brand, “East Buy” (東方甄選), and a cultural communication company that provides customers with pleasant experience. Through the provision of high-quality products and services, the promotion of traditional Chinese culture and positive values, we hope to contribute and provide every customer and viewer with a better, healthier, and high-quality life.

Since 2021, we have expanded our businesses in private label products and livestreaming e-commerce and established “East Buy”, which has become a well-known online platform for selling top-quality and good value for money agricultural and other products. Not only does the platform offer an alternative channel for farmers and local companies to sell high-quality agricultural and other products to a broader customer base, it also provides consumers with a platform which offers a wide range of high-quality products with transparency in pricing. Leveraging our deep understanding of customers’ needs, we select quality agricultural and other products for our customers through our integrated supply chain management and diversified cooperation with various third parties. We create value for consumers by providing various private label products under the “East Buy” brand, which are designed to be healthy and high-quality with good value for money, including fresh foods, juice, coffee, tea, bedding, etc. Through direct cooperation with producers and local enterprises, we aspire to promote quality products that have traditionally lacked sales channels and to improve the operational efficiency of the industry supply chain, so as to accelerate rural revitalisation and contribute long-term value to the relevant upstream and downstream industry.

Being consistent with our Company’s history, we continue to stand by a “customer-centric” long-term development strategy. Through innovative livestreaming activities and providing premium services, we provide our customers with a unique and entertaining shopping experience that involves the sharing of knowledge, wisdom and Chinese culture and history. We have an established team of talented livestreamers and have adopted a multi-channel strategy to reach a wider consumer base. We have set up various livestreaming channels, including East Buy Beautiful Life (東方甄選美麗生活) and East Buy Private Label (東方甄選自營產品) on Douyin (抖音), which focus on different product categories to continually create positive, unique and interesting content to attract and retain user viewership, while at the same time, promote traditional Chinese culture and share knowledge with consumers. During the Reporting Period, we have adopted a multi-platform strategy and sold our private label products on various platforms, such as Taobao (淘寶), JD.com (京東), Pinduoduo (拼多多), REDnote (小紅書), Mini program (微信小程序), Wechat Mini store (微信小店) and our own APP. Our Company has also established a membership system which has provided members with unique and exclusive membership services and offered members with lower prices on a limited selection of nationally-branded and private label products in a wide range of merchandise categories on our own APP since October 2023. The “East Buy” brand has become increasingly prominent in the industry, quickly becoming synonymous with “quality, accessibility, and lifestyle culture” in China, particularly as related to agricultural and other daily necessities products, and thereby, our brand is gaining millions of loyal viewers/followers and returning customers.

The key operating metrics in the livestreaming e-commerce business for the periods indicated are summarised below:

	<b>For the six months ended 30 November 2024</b>	For the six months ended 30 November 2023
<b>Key operating data</b>		
GMV (RMB) (billion) <sup>(1)</sup>	<b>4.8</b>	5.7
Number of followers on Douyin (million) <sup>(2)</sup>	<b>46.0</b>	45.8
Number of paid orders on Douyin (million)	<b>50.1</b>	59.6
Number of paid membership subscriptions on East Buy’s APP (thousand)	<b>228.3</b>	123.8

*Notes:*

- (1) Include the paid GMV from all sales channels such as Douyin, Taobao and our own APP, etc.
- (2) Exclude the number of followers from the livestreaming channel of Time with Yuhui (與輝同行) on Douyin.

## **Business developments**

### ***Our financial performance***

With the conclusion of FY2024, we are embracing a new beginning and continue to be committed to providing users with high-quality products and services. Total net revenues from continuing operations (private label products and livestreaming e-commerce businesses) decreased by 9.3% from RMB2.4 billion for the six months ended 30 November 2023 to RMB2.2 billion for the six months ended 30 November 2024. The GMV from private label products and livestreaming e-commerce segment decreased by 16.2% from RMB5.7 billion for the six months ended 30 November 2023 to RMB4.8 billion for the six months ended 30 November 2024. The net loss from continuing operations was RMB96.5 million for the six months ended 30 November 2024 as compared to a net profit of RMB160.7 million for the six months ended 30 November 2023. As there was the Disposal of Time with Yuhui during the Reporting Period, if we excluded the financial impact from the Disposal of Time with Yuhui, which are the one-off expense incurred and profit generated by Time with Yuhui, the net profit from continuing operations was RMB32.7 million for the six months ended 30 November 2024.

The Company has continued to adopt the multi-platform, multi-matrix strategy to expand its reach for a wider consumer base and increase brand awareness and influence. While continuing enriching the products and services in livestreaming channels, we also opened online shop channels in different platforms e.g. Mini program, Wechat Mini store, Tmall, JD.com, Pinduoduo, REDnote. The Company's multi-channel strategy has driven the rapid growth of the private label products. In terms of livestreaming channels, the daily GMV of the Douyin account of "East Buy Fresh Food" (東方甄選生鮮號) which was newly opened has exceeded RMB2 million for several consecutive months. In the field of shelf E-commerce, East Buy's stores on Tmall, Wechat, Pinduoduo and other platforms have also achieved steady growth. At the same time, we began to explore offline channels and sell products by vending machines in New Oriental's Learning Centers.

The layout and development in the Company's APP strategy have been advancing at a rapid pace. Currently, East Buy's APP includes multiple categories, which cover almost all daily necessities. In each product categories, we have carefully selected at least one to two high-quality products to ensure that the needs of consumers at different levels can be met. Besides, the average contribution per individual user has also been steadily increasing, which fully demonstrates the high stickiness and loyalty of our users. We have started to hold a variety of marketing activities to continuously increase the number of members and their activity levels, such as offering discounts on membership days, organizing offline member meet-up, launching exclusive new products on the APP, and providing cashback rewards for members.

East Buy has always been adhering to its initial brand philosophy which focuses on “health, high quality and good value for money” (健康、高品質、高性價比), while maintaining our consumer-centric approach. We have continued to launch a larger variety of private label products and have developed and launched 600 SKUs in private label products as of 30 November 2024, thereby expanding our product lines across multi-category (FY2024: 488 SKUs). We have expanded our product categories from the initial category of fresh food and snacks to a more diversified product range. During the Reporting Period, East Buy has successfully launched several private label products lines, such as healthcare foods, pet foods, and new Chinese-style clothing, which are highly competitive in the market, and has achieved excellent performance and results. We are pleased that our private label products have become a major growth driver and contributed approximately 37% of total GMV for the six months ended 30 November 2024.

We have spared no effort to strengthen the distribution service system. On the one hand, by optimising logistics routes and integrating logistics resources, we strive to find the most suitable routes which shorten the geographical distance with consumers and ensure that products can be delivered to consumers as quickly as possible. On the other hand, we have continued to increase investment in branch warehouses, comprehensively improve their service capabilities, strengthen systematic management and implement a dynamic inventory management model. We monitor inventory levels in real time, accurately predict the trend of user needs, replenish and transfer goods in a timely manner to avoid decline in sales conversion rate caused by out-of-stock situations. Moreover, we have further reduced the delivery time so that consumers can enjoy a more efficient and convenient shopping experience, thereby enhancing the Company’s brand image and market competitiveness in all aspects.

With the continuous strengthening of the Company’s supply chain management capabilities and a richer product portfolio, we are able to expand our cooperation with more e-commerce platforms and build our product portfolio according to the needs of target consumers of different channels. This would ensure that consumers are provided with consistently high-quality products, brand experience and services through different channels.

Further, we have built a more comprehensive organisational structure to support the rapid development of our new businesses, and cultivated more excellent talents in the professional field. As of 30 November 2024, the total number of personnel in our private label products and livestreaming e-commerce team reached 1,733, of which 1,264 were full time employees and 469 were part time employees. We also had 852 personnel dedicated to our supply chain and product, of which 591 were full time employees and 261 were part time employees. We have emphasised on talent training, strengthening organisational structure building, and advocating a unified set of values to ensure that our employees can maximise their potential in their respective positions and collectively contribute to the Company’s long-term development.

As a result of the above strategic implementation, our GMV for the six months ended 30 November 2024 was RMB4.8 billion. While the GMV from Douyin represented a large majority of our GMV, our GMV from APP represented 13.6% of total GMV. The total number of paid orders from our third-party products and our private label products on Douyin for the six months ended 30 November 2024 has achieved 50.1 million.

## **FUTURE OUTLOOK BEYOND THE REPORTING PERIOD**

### **Future plans for the private label products and livestreaming e-commerce business**

Our strategic positioning is clear and concise. In the future, we will continue to strive to become a livestreaming platform that focuses on carefully selecting premium products for our customers, an outstanding product and technology company that continually provides agricultural products as its core product under our private label, “East Buy”, and a cultural communication company that provides customers with pleasant experience. We firmly believe in our mission of promoting public welfare and creating value for society.

Going forward, we will focus our efforts in the following key areas:

#### ***Focusing on product quality***

In 2025, we will unswervingly continue to focus on our major product strategy and make all-round efforts to increase the number of popular products. We have always focused on the three core elements, namely, “high repeated purchase, high quality and good value for money” (高複購、高品質、高性價比). Starting from product strength to quality assurance and price setting, we have intrinsically explored the potential of our products, meticulously considered and explored the product details, and effectively increased the desirable must-have attributes of the products, such that the products can accurately meet the increasingly diversified and demanding needs of the consumers, and stand out in the fierce market competition.

At the same time, we will focus more in regions with rich specialty products, such as Xinjiang. In-depth exploration of local high-quality products, with the help of local industrial supply chains, transforms these specialty products into popular products favored by the market, which not only brings unique consumption experience to consumers, but also injects strong impetus into local economic development.

Quality is the primary focus of East Buy. We will continue to adhere to high standards of product selection and strictly control the quality of each product. Whether it is our private label products or co-branded products, we will implement a stringent review mechanism to ensure that every product received by consumers meets or exceeds expectations of individuals. Especially in basic categories related to people’s livelihood, we will continue to strengthen quality control and win the long-term trust of consumers.



### ***The core position of APP strategy***

Since its establishment, our APP has been committed to providing users with high-quality products and services. To date, it has become an important bridge connecting loyal users group with high-quality products, with more than 200,000 paid members. We hope that the number of paid members will continue to increase in the long term. In order to achieve this goal, we will continue to optimise user experience and ensure that every user can enjoy satisfactory services.

In the APP, the GMV and average order value of private label products are increasing rapidly. The proportion of the private label products from our APP in the total GMV of such private label products has grown from 16.8% in the first half of FY2024 to 28.9% in the first half of FY2025. This not only reflects our progress in supply chain management, but also proves the trust that users, especially paying members, have in our East Buy brand. In the future, we will further expand the variety and number of our private label products and continue to improve the satisfaction and repeated purchase rate of our private label products.

By continuously enriching the product portfolio (including external brands and our private label products) and providing personalised shopping experience, East Buy's APP user satisfaction has reached a height – 98.6% (FY20241H: 96.6%). We expect to offer not only products, but also one-stop shopping solutions for families which recommend the most suitable products based on customers' purchasing habits and hobbies. We believe such online supermarket model based on user trust is particularly valuable in the current market environment.

### ***Innovative livestreaming e-commerce model and content ecology***

In addition to traditional sales methods, we are also actively exploring new livestreaming e-commerce formats. For example, small-scale livestreaming e-commerce teams such as Fresh Food Account (生鮮號) and Youthful Days account (少年時光號) present cost-effective products in the form of traceable livestreaming (溯源直播); while rural life and variety show livestreaming brings users a more diversified interactive experience. These innovative attempts not only increase users' sense of participation, but also inject fresh vitality into the platform.

### ***Focusing on household needs and tapping into new markets***

Compared with our past focus on traffic-oriented needs, in the future we will pay more attention to the actual needs of families and concentrate resources on those business areas with high user access frequency and stable demand, such as daily consumer goods, food and household items. Through in-depth analysis of user behavior data, we can accurately locate high-frequency consumption scenarios, optimise product display and recommendation algorithms, and improve user conversion and repurchase rates. This will help consolidate existing market share while tapping potential growth points.

We have noticed that some outstanding peers, such as large offline retailers, have already achieved success in certain mass consumer goods, which has given us great confidence. There are still many demand areas in the market that have not been fully exploited and are waiting to be filled. In the future, we will increase our investment in basic and high-quality household necessities such as rice, flour, cooking oil and grain, greatly enrich the product varieties and better serve the consumption needs in household scenarios.

### ***Reducing unnecessary expenses, controlling costs and increasing efficiency***

In order to cope with the complex and ever-changing market environment, we will take a series of measures to reduce unnecessary expenses and improve operational efficiency. We will re-examine various cost structures, optimise resource allocation, simplify processes, and reduce expenditures. At the same time, through the application of refined operations and intelligent tools, work efficiency and service levels are further improved. We believe that these measures can not only effectively control costs, but also lay a solid foundation for the Company's sustainable development.

### ***Strengthening food safety and social responsibility***

Fiscal year 2025 is a year full of drastic changes. Amid the transformation of the business landscape, we will continue to strive with great effort. We will always bear in mind the original aspiration and mission of the establishment of East Buy, and constantly select and create high-quality products and ultimate services for our users. In view of the widespread social concern over food safety in consumption market in recent years, East Buy understands its responsibility for ensuring food safety. We will continue to adhere to the principle of high standards in product selection and strive to address social pain points, especially stand out in basic categories related to people's livelihood. We believe that through unremitting efforts, East Buy will become one of the most trusted brands of Chinese families, leading the healthy development of the industry.

“A better life is all in East Buy” (“美好生活，盡在東方甄選”). This is our commitment and our motivation to move forward. Looking to the future, East Buy will continue to uphold its original aspirations, continue to innovate, provide users with better products and services, and work together to create a better life.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Revenue**

Our total revenues from continuing operations decreased by 9.3% from RMB2.4 billion in the six months ended 30 November 2023 to RMB2.2 billion in the six months ended 30 November 2024. If excluding the revenue amount generated by the livestreaming channel of Time with Yuhui, our total revenues from continuing operations decreased by 18.0% from RMB2.4 billion in the six months ended 30 November 2023 to RMB2.0 billion in the six months ended 30 November 2024.

### ***Private label products and livestreaming e-commerce business***

Revenue from our private label products and livestreaming e-commerce segment decreased by 9.3% from RMB2.4 billion in the six months ended 30 November 2023 to RMB2.2 billion in the six months ended 30 November 2024, among which revenue from our private label products amounted to approximately RMB1.7 billion. During the Reporting Period, we have been working on strengthening the supply chain management system, expanding our product categories, and increasing the number of products and SKUs, especially our private label products.

### **Cost of revenue, gross profit and gross margin**

Our total cost of revenue from continuing operations decreased by 10.2% from RMB1.6 billion in the six months ended 30 November 2023 to RMB1.5 billion in the six months ended 30 November 2024, primarily due to the decrease in cost of inventories and logistics cost for private label products as a result of decrease in the GMV.



Our gross profit from continuing operations decreased by 7.4% from RMB794.2 million in the six months ended 30 November 2023 to RMB735.1 million in the six months ended 30 November 2024. Our gross profit margin from continuing operations increased from 32.9% in the six months ended 30 November 2023 to 33.6% in the six months ended 30 November 2024, primarily due to the healthy development of our private label products and livestreaming e-commerce business.

### **Other income, gains and losses**

Our other income, gains and losses from continuing operations increased by 83.0% from RMB62.3 million in the six months ended 30 November 2023 to RMB113.9 million in the six months ended 30 November 2024, primarily due to the changes in fair value of FVTPL and increase in exchange gain.

### **Selling and marketing expenses**

Our selling and marketing expenses from continuing operations increased by 24.3% from RMB369.6 million in the six months ended 30 November 2023 to RMB459.3 million in the six months ended 30 November 2024, primarily due to the increase in staff costs.

### **Research and development expenses**

Our research and development expenses from continuing operations increased by 11.9% from RMB60.8 million in the six months ended 30 November 2023 to RMB68.0 million in the six months ended 30 November 2024, primarily due to an increase in staff costs as we invested in the internet technology system and application for private label and livestreaming e-commerce business during the Reporting Period.

### **Administrative expenses**

Our administrative expenses from continuing operations increased by 180.7% from RMB139.6 million in the six months ended 30 November 2023 to RMB391.9 million in the six months ended 30 November 2024, primarily due to the distribution of all remaining undistributed profits from Time with Yuhui as disclosed in the announcement of the Company dated 25 July 2024.

### **Share of result of associates**

Our share of result of associates decreased from a gain of RMB1.9 million in the six months ended 30 November 2023 to a loss of RMB0.6 million in the six months ended 30 November 2024, primarily due to the change from profit to loss in Beijing Shidai Yuntu Book Co., Ltd. (北京時代雲圖圖書有限責任公司).

### **Income tax expenses**

Our income tax expenses were RMB24.0 million in the six months ended 30 November 2024, compared to RMB124.9 million in the six months ended 30 November 2023, primarily due to the net loss during the Reporting Period.

## Net loss for the period

As a result of the above, our net loss from continuing operations was RMB96.5 million in the six months ended 30 November 2024, compared with a net profit of RMB160.7 million in the six months ended 30 November 2023. If we excluded the financial impact from the Disposal of Time with Yuhui, which are the one-off expense incurred and profit generated by Time with Yuhui, the net profit from continuing operations was RMB32.7 million during the Reporting Period.

## Non-IFRS measures

To supplement our financial information presented in accordance with IFRS, we also use Adjusted (Loss)/Profit for the period and Adjusted (LBITDA)/EBITDA as non-IFRS measures, which are not required by, or presented in accordance with IFRS. We believe that these non-IFRS measures facilitate comparison of operating performance from period to period by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance. We also believe these measures provide useful information to investors and others in understanding and evaluating our consolidated statements of profit or loss in the same manner as they have assisted our management. Please note, however, our presentation of Adjusted (Loss)/Profit and Adjusted (LBITDA)/EBITDA may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our consolidated statements of profit or loss or financial condition as reported under IFRS.

We define Adjusted (Loss)/Profit for the period represents profit for the period less loss on fair value changes of financial assets at FVTPL (non-current) and add share-based compensation expenses for the period. We define Adjusted (LBITDA)/EBITDA as profit for the period plus income tax expense, share-based compensation expenses, finance costs, impairment losses recognised under expected credit loss model, net, depreciation of property and equipment, depreciation of right-of-use assets, less other income, gains and losses for the period.

The following table reconciles our net (loss)/profit from continuing operations for the period to Adjusted (Loss)/Profit from continuing operations for the period:

	<b>Six months ended 30 November 2024 RMB'000 (unaudited)</b>	Six months ended 30 November 2023 RMB'000 (unaudited) (restated)
<b>Reconciliation of (loss)/profit for the period to Adjusted (Loss)/Profit for the period:</b>		
Net (loss)/profit from continuing operations	<b>(96,503)</b>	160,699
Less:		
Loss on fair value changes of financial assets at FVTPL (non-current)	<b>(2,430)</b>	(28,578)
Add:		
Share-based compensation expenses	<b>92,464</b>	245,011
<b>Adjusted (Loss)/Profit from continuing operations for the period</b>	<b>(1,609)</b>	434,288

The following table reconciles our (loss)/profit from continuing operations for the period to Adjusted (LBITDA)/EBITDA from continuing operations for the period:

	<b>Six months ended 30 November 2024 RMB'000 (unaudited)</b>	Six months ended 30 November 2023 RMB'000 (unaudited) (restated)
<b>Reconciliation of net (loss)/profit from continuing operations for the period to Adjusted (LBITDA)/EBITDA</b>		
Net (loss)/profit for the period	<b>(96,503)</b>	160,699
Add:		
Income tax expense	<b>24,022</b>	124,929
Share-based compensation expenses	<b>92,464</b>	245,011
Finance costs	<b>1,697</b>	1,067
Impairment losses recognised under expected credit loss model, net of reversal	<b>–</b>	1,583
Depreciation of property and equipment	<b>7,068</b>	9,410
Depreciation of right-of-use assets	<b>16,937</b>	19,688
Less:		
Other income, gain and losses	<b>113,908</b>	62,259
<b>Adjusted (LBITDA)/EBITDA from continuing operations for the period</b>	<b>(68,223)</b>	500,128

## **OTHER INFORMATION ABOUT OUR FINANCIAL PERFORMANCE**

### **Liquidity and capital resources**

During the Reporting Period, we met our cash requirements primarily from cash and cash equivalents and proceeds from the 2020 Subscription. We had cash and cash equivalents of RMB1.7 billion as at 30 November 2024 compared to RMB2.3 billion as at 31 May 2024 and RMB1.3 billion as at 30 November 2023. We had term deposits of RMB1.4 billion as at 30 November 2024, compared to RMB1.1 billion as at 31 May 2024 and RMB991.5 million as at 30 November 2023. We also had financial assets (current) at FVTPL of RMB1.7 billion as at 30 November 2024, compared to RMB1.3 billion as at 31 May 2024 and RMB1.2 billion as at 30 November 2023. Cash and cash equivalents were represented by bank balances and cash; and bank balances and cash comprised of cash and short-term deposits with an original maturity of three months or less. Financial assets (current) at FVTPL comprised of wealth management products.

During the Reporting Period, we primarily used cash to fund required working capital and other recurring expenses to support the expansion of our operations. Going forward, we believe that our liquidity requirements will be satisfied by using funds from a combination of internally generated cash and net proceeds from our 2020 Subscription.

As at 30 November 2024, our gearing ratio was 17.4%, compared with 30.3% as at 30 November 2023 and 24.0% as at 31 May 2024, calculated as total liabilities divided by total assets.

## Capital expenditure

The following table sets forth our capital expenditure for the period indicated:

	<b>Six months ended 30 November 2024 RMB'000 (unaudited)</b>	Six months ended 30 November 2023 RMB'000 (unaudited)
Purchase of property and equipment	<b>23,408</b>	18,954

Our capital expenditures were primarily for purchases of property and equipment in the six months ended 30 November 2023 and 2024, respectively. Our purchases of property and equipment were RMB19.0 million and RMB23.4 million for the six months ended 30 November 2023 and 2024, respectively.

## Off-balance sheet commitments and arrangements

As of 30 November 2024, we had not entered into any off-balance sheet transactions.

## Future plans for material investments and capital assets

As of 30 November 2024, we did not have any other foreseeable plans for material investments and capital assets.

## Material acquisitions and/or disposals of subsidiaries and affiliated companies

On 25 July 2024, Beijing Xuncheng entered into a disposal agreement with Mr. Dong and the Target Company pursuant to which Beijing Xuncheng's 100% equity interest in the Target Company was transferred to Mr. Dong at a consideration of RMB76,585 thousand, and thereafter, the Target Company ceased to be a consolidated affiliated company of the Group. For further details, please refer to the announcement of the Company dated 25 July 2024.

Save as disclosed above, during the Reporting Period, we did not have any other material acquisitions and/or disposals of subsidiaries and affiliated companies.

## Significant Investments Held

Save as disclosed above, the Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of 30 November 2024) during the six months ended 30 November 2024.

## Employees and remuneration policy

As at 30 November 2024, we had 1,264 full-time employees and 469 part-time employees (30 November 2023: 1,785 full-time employees and 720 part-time employees). The number of employees employed by the Group varies from time to time depending on needs and employees are remunerated based on industry practice.

Our success depends on our ability to attract, retain and motivate qualified personnel. The remuneration policy and package of the Group's employees are periodically reviewed. Apart from pension funds and in-house training programmes, discretionary bonuses, share awards and share options may be awarded to employees according to assessment of individual performance.

The total remuneration expenses, including share based compensation expense incurred by the Group for the six months ended 30 November 2024 was RMB532.8 million, representing a period-on-period decrease of 14.7% from RMB624.8 million for the six months ended 30 November 2023.

### **Foreign exchange risk**

Foreign exchange risk arises when commercial transactions or recognised assets and liabilities are denominated in a currency that is not the functional currency of our operating entities. We operate in the PRC with most of the transactions settled in RMB. During the Reporting Period, we had assets and liabilities denominated in United States dollars and Hong Kong dollars. We continuously monitor changes in currency exchange rates and will take necessary measures to mitigate exchange rate impact.

### **Indebtedness**

During the Reporting Period, we did not incur any bank loan or other borrowings. Our Directors consider that we have adequate cash and capital resources considering our bank balances and cash, term deposits and our financial assets at FVTPL, wealth management products generated from our operating activities and the net proceeds from the share subscriptions to fund our operations and expansion, therefore, we do not plan to incur any borrowing in the 12 months from the date of this announcement.

### **Pledge of assets**

As at 30 November 2024, none of our Group's assets were pledged.

### **Contingent liabilities**

As of 30 November 2024, we did not have any material contingent liabilities.

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **Compliance with Corporate Governance Code**

Our Company was incorporated in the Cayman Islands on 7 February 2018 as an exempted company with limited liability, and our Shares were listed on the Main Board of the Stock Exchange on 28 March 2019.

We are committed to maintaining and promoting stringent corporate governance. The principle of our Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all shareholders of our Company. During the Reporting Period, the Company has complied with all the applicable code provisions as set out in Part 2 of the Corporate Governance Code except for the following deviations:

Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of the chairman of the Board and the chief executive should be segregated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The Company does not have separate chairman of the Board and chief executive officer, and Mr. Yu Minhong, our executive Director, currently performs these two roles (since his redesignation as an executive Director and appointment as chief executive officer on 16 December 2023). The Board believes that vesting the roles of both chairman of the Board and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Under the code provision F.2.2 of the Corporate Governance Code, the chairman of the Board should attend the annual general meeting. Mr. Yu Minhong, the executive Director and the chairman of the Board, was unable to attend the Company's annual general meeting held on 1 November 2024 ("AGM") due to other business commitment. Mr. Yin Qiang, the executive Director, who was elected by Directors and acted as the AGM chairman, together with all other Board members who attended AGM, were of sufficient calibre for answering questions from and communicating with the stakeholders at AGM.

We will continue to regularly review and monitor our corporate governance practices to ensure compliance with the Corporate Governance Code, and maintain a high standard of corporate governance practices of the Company.

### **Compliance with the Model Code for Securities Transactions by Directors**

We have adopted the Model Code as the code of conduct regulating our Directors' dealings in our Company's securities. To the best of our Directors' knowledge and belief, all our Directors confirm that they have complied with the required standards set out in the Model Code during the Reporting Period.

### **Audit Committee**

Our Board has established an Audit Committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code (as amended from time to time). The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system (including risk management) of our Group, to review and approve connected transactions (as defined in the Listing Rules) and to provide advice and comments to the Board. During the Reporting Period, the Audit Committee consisted of three members: Mr. TONG Sui Bau (as the Audit Committee's chairperson), Mr. KWONG Wai Sun Wilson and Mr. LIN Zheyang.

The Audit Committee, together with our external Auditor, Deloitte Touche Tohmatsu, have reviewed our Group's unaudited condensed consolidated financial statements for the six months ended 30 November 2024. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by our Company and internal control measures with senior management members.



## Other Board Committees

In addition to our Audit Committee, our Company has also established a nomination committee and a remuneration committee.

## Purchase, Sale or Redemption of our Listed Securities

During the Reporting Period, the Company repurchased approximately 5,883,000 Shares (the “**Repurchased Shares**”) on the Stock Exchange at an aggregate consideration of HK\$98,742,235. Particulars of the Repurchased Shares are as follows:

<b>Month of repurchase</b>	<b>Number of Repurchased Shares</b>	<b>Highest price paid (HK\$)</b>	<b>Lowest price paid (HK\$)</b>	<b>Total consideration paid (HK\$)</b>
August 2024	74,500	12.10	11.34	877,190
September 2024	2,982,000	13.20	11.60	36,896,880
October 2024	2,826,500	26.00	15.34	60,968,165

As at the date of this announcement, all the Repurchased Shares have been cancelled. The Company considered that the above repurchases demonstrated the Company’s confidence in its own business outlook and prospects and would, ultimately, benefit the Company and create value to Shareholders.

Save as disclosed above, neither our Company nor any of its subsidiaries purchased, sold or redeemed any of our Company’s securities listed on the Stock Exchange (including sale of treasury shares (as defined in the Listing Rules)) during the Reporting Period. As of 30 November 2024, the Company did not hold any treasury shares (as defined in the Listing Rules).

## Material Litigation

During the Reporting Period, our Company was not involved in any material litigation or arbitration; nor were our Directors aware of any material litigation or claims that were pending or threatened against our Company as at 30 November 2024.

## Interim Dividend

Our Board does not recommend the distribution of an interim dividend for the Reporting Period (six months ended 30 November 2023: nil).

## NET PROCEEDS FROM 2020 SUBSCRIPTIONS AND UPDATE ON EXPECTED TIMELINE FOR USE OF PROCEEDS

### 2020 Subscription

The 2020 Subscription was completed on 24 December 2020 and raised approximately HK\$1.783 billion in net proceeds. Subsequent to the 2020 Subscription, our Group had used the net proceeds from the 2020 Subscription in the manner and according to the intended uses set out in the circular of the Company dated 14 October 2020. On 21 January 2022, the Board has resolved to change the use of the remaining net proceeds as at the same date and the Group had used the net proceeds in accordance with the intended use as set out in the announcement of the Company dated 21 January 2022 (the “**Announcement**”). The unutilised balance amounted to approximately HK\$514.2 million as of 30 November 2024. As of the date of this announcement, the unutilised amount remained as approximately HK\$512.1 million.

The utilisation of the net proceeds for the six months ended 30 November 2024 and the expected timeline of full utilisation as disclosed in the Announcement and the updated expected timeline are summarised as follows:

	Unutilised amount as at 1 June 2024	Utilised during the six months ended 30 November 2024	Unutilised amount as at 30 November 2024	Unutilised amount as at this announcement	Expected timeline of full utilisation	Updated expected timeline of full utilisation
<i>HK\$ million</i> <sup>(1)</sup>						
Sales and marketing	250.4	6.5	243.9	243.5	Three years from 21 January 2022	Three years from 21 January 2025
Technology infrastructure	3.9	-	3.9	3.9	Three years from 21 January 2022	Three years from 21 January 2025
Business related staff	105.6	7.2	98.4	96.7	Three years from 21 January 2022	Three years from 21 January 2025
Working capital	168.0	-	168.0	168.0	Three years from 21 January 2022	Three years from 21 January 2025
<b>Total</b>	<b>527.9</b>	<b>13.7</b>	<b>514.2</b>	<b>512.1</b>		

#### Notes:

- (1) The amounts “utilised during the six months ended 30 November 2024” are based on the exchange rate of HK\$1.0828:RMB1.
- (2) The figures presented in this table are approximations and subject to currency exchange rate fluctuation and rounding.
- (3) The updated expected timeline for utilisation of the unutilised net proceeds above is based on the Group’s best estimation as of the date of this announcement and is subject to change based on the future development of market conditions.

## **Reasons for extending the expected timeline for use of net proceeds**

As set out in the Announcement, on 21 January 2022, the Company has changed the use of proceeds as our Group shifted its business focus to livestreaming e-commerce due to the New Regulations (as defined in the Announcement) and the cessation of the K-9 business. In the past three years, the business performance of the livestreaming e-commerce and private label products segments have achieved outstanding results and hence, the proceeds obtained from these two segments are able to support the operating costs of our Group. Further, the Group has taken a prudent approach in light of the uncertainty surrounding the global macroeconomic outlook and has proactively implemented various measures of reducing costs and enhancing efficiency to reduce its internal management related expenses. As a result, the Group has not fully utilised the net proceeds allocated to each of the purposes set out in the table above on or before the initial expected timeline. Notwithstanding the foregoing, the Group is committed to using the unutilised net proceeds towards its various business objectives as set out above. Accordingly, the Board decided to extend the initial expected timeline for the unutilised net proceeds as stated above.

The Board considers that the extension of the expected timeline will not have any material adverse impact on the existing business and operations of the Group and is in the best interest of the Company and its Shareholders as a whole. Save as disclosed in this announcement, there are no other changes to the plan for utilising the net proceeds.

The Board will continuously assess the plans for the use of the unutilised net proceeds and may revise or amend such plans where necessary to cope with the changing market conditions in order to strive for a better performance of the Group.

## **EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed in this announcement, no significant events affecting our Company have occurred since the end of the Reporting Period to the date of this announcement.

## **PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our Company's website at [ir.eastbuy.com](http://ir.eastbuy.com). Our Group's interim report for the six months ended 30 November 2024 will be published on the same websites of the Stock Exchange and our Company and will be made available to our Shareholders in due course.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2024**

		<b>Six months ended</b>	
		<b>30 November</b>	
	<i>NOTES</i>	<b>2024</b>	2023
		<b>RMB'000</b>	<b>RMB'000</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
			<b>(restated)</b>
<b>Continuing operations</b>			
Revenue	3	<b>2,186,636</b>	2,411,323
Cost of revenue		<b>(1,451,493)</b>	(1,617,173)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>735,143</b>	794,150
Other income, gains and losses	5	<b>113,908</b>	62,259
Impairment losses recognised under expected credit loss model, net of reversal		–	(1,583)
Selling and marketing expenses		<b>(459,304)</b>	(369,634)
Research and development expenses		<b>(68,000)</b>	(60,753)
Administrative expenses		<b>(391,916)</b>	(139,610)
Share of results of associates		<b>(615)</b>	1,866
Finance costs		<b>(1,697)</b>	(1,067)
		<hr/>	<hr/>
<b>(Loss)/Profit before tax</b>		<b>(72,481)</b>	285,628
Income tax expense	6	<b>(24,022)</b>	(124,929)
		<hr/>	<hr/>
<b>(Loss)/Profit for the period from continuing operations</b>	8	<b>(96,503)</b>	160,699
		<hr/> <hr/>	<hr/> <hr/>
<b>Discontinued operations</b>			
Profit for the period from discontinued operations		–	88,492
<b>(Loss)/Profit and total comprehensive (expense)/income for the period</b>		<b>(96,503)</b>	249,191
		<hr/> <hr/>	<hr/> <hr/>

		<b>Six months ended</b>	
		<b>30 November</b>	
	<i>NOTES</i>	<b>2024</b>	2023
		<b>RMB'000</b>	<b>RMB'000</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
			<b>(restated)</b>
(Loss)/Profit for the period attributable to owners of the Company			
– from continuing operations		<b>(96,799)</b>	160,699
– from discontinued operations		–	88,492
		<b>(96,799)</b>	249,191
Profit for the period attributable to non-controlling interests			
– from continuing operations		<b>296</b>	–
		<b>296</b>	–
		<b>(96,503)</b>	249,191
<b>(Loss)/Earnings per share</b>			
From continuing and discontinued operations			
– Basic (RMB)	<i>9</i>	<b>(0.09)</b>	0.25
– Diluted (RMB)	<i>9</i>	<b>(0.09)</b>	0.23
From continuing operations			
– Basic (RMB)	<i>9</i>	<b>(0.09)</b>	0.17
– Diluted (RMB)	<i>9</i>	<b>(0.09)</b>	0.16

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 30 NOVEMBER 2024**

	<i>NOTES</i>	<b>30 November 2024 RMB'000 (unaudited)</b>	31 May 2024 RMB'000 (audited)
<b>Non-current Assets</b>			
Property and equipment		<b>38,996</b>	43,202
Right-of-use assets		<b>67,879</b>	98,972
Interests in associates		<b>72,610</b>	73,225
Financial assets at fair value through profit or loss	<i>11</i>	<b>92,459</b>	94,889
Deposits for acquisition of property and equipment		<b>2,235</b>	1,480
Refundable rental deposits		<b>8,930</b>	11,143
Deferred tax assets		<b>4,958</b>	54,721
		<u><b>288,067</b></u>	<u>377,632</u>
<b>Current Assets</b>			
Inventories	<i>12</i>	<b>407,050</b>	422,341
Trade and other receivables	<i>13</i>	<b>241,899</b>	893,582
Prepayments		<b>140,457</b>	133,613
Financial assets at fair value through profit or loss	<i>11</i>	<b>1,688,489</b>	1,250,338
Term deposits		<b>1,397,948</b>	1,079,420
Restricted cash		<b>116,919</b>	122,129
Cash and cash equivalents		<b>1,705,703</b>	2,262,464
		<u><b>5,698,465</b></u>	<u>6,163,887</u>
<b>Current Liabilities</b>			
Lease liabilities		<b>31,865</b>	36,710
Contract liabilities	<i>14</i>	<b>51,316</b>	49,595
Refund liabilities		<b>3,535</b>	4,410
Trade payables	<i>15</i>	<b>492,253</b>	611,886
Accrued expenses and other payables		<b>365,441</b>	688,219
Income tax payables		<b>60,000</b>	122,079
		<u><b>1,004,410</b></u>	<u>1,512,899</u>
<b>Net Current Assets</b>		<u><b>4,694,055</b></u>	<u>4,650,988</u>
<b>Total Assets less Current Liabilities</b>		<u><b>4,982,122</b></u>	<u>5,028,620</u>



	<i>NOTES</i>	<b>30 November 2024 RMB'000 (unaudited)</b>	31 May 2024 RMB'000 (audited)
<b>Capital and Reserves</b>			
Share capital		133	133
Reserves		<u>4,946,850</u>	<u>4,969,083</u>
<b>Equity attributable to owners of the Company</b>		<b>4,946,983</b>	4,969,216
Non-controlling interests		<u>701</u>	<u>405</u>
<b>Total equity</b>		<b><u>4,947,684</u></b>	<b><u>4,969,621</u></b>
<b>Non-current Liabilities</b>			
Deferred tax liabilities		988	900
Lease liabilities		<u>33,450</u>	<u>58,099</u>
		<u>34,438</u>	<u>58,999</u>
<b>Net Assets</b>		<b><u>4,947,684</u></b>	<b><u>4,969,621</u></b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2024

## 1. GENERAL INFORMATION

East Buy Holding Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 7 February 2018 under the Companies law, Cap 22 (law 3 of 1961, as consolidated and revised) of the Cayman Islands. New Oriental Education & Technology Group Inc. (“**New Oriental Group**”) is the ultimate controlling shareholder of the Company.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (the “**Group**”) are operating livestreaming e-commerce business for sales of private label products to individual customers and provision of commission services.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 28 March 2019.

The condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

On 21 November 2023, The board of directors of the Company approved the proposed disposal of the education business to New Oriental Group. The disposal of the education business is part of a business re-delineation by New Oriental Group to more clearly separate its business lines and better align its business segments with the environment in which it operates. The disposal of the education business was approved by the shareholders on 18 January 2024 and was completed on 1 March 2024, and the education business were presented as discontinued operations in the Group’s annual financial statement for the year ended 31 May 2024 with comparative figures being restated to re-present the education business as a discontinued operation. Accordingly, the comparative figures of the interim financial statements have also been represented in order to disclose the discontinued operation separately from continuing operations.

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of amendments to International Financial Reporting Standards (“**IFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 November 2024 are the same as those presented in the Group’s annual financial statements for the year ended 31 May 2024.

### Application of new and amendments to IFRSs

In the current interim period, the Group has applied the following new and amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group’s annual period beginning on or after 1 June 2024 for the preparation of the Group’s condensed consolidated financial statements:

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

The application of the new and amendments to IFRSs in the current interim period has had no material impact on the Group’s financial position and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

### 3. REVENUE

Disaggregation of revenue from contracts with customers from continuing operations

	Six months ended 30 November	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited) (restated)
<b>Timing of revenue recognition</b>		
At a point in time	2,161,058	2,410,165
Over time	25,578	1,158
Total	<u>2,186,636</u>	<u>2,411,323</u>
<b>Type of revenue</b>		
Sales of products	1,652,389	1,865,607
Service revenue and others	534,247	545,716
Total	<u>2,186,636</u>	<u>2,411,323</u>

All revenues of the Group from continuing operations were generated from sales of products, livestreaming e-commerce and other related service.

There were no adjustments or eliminations between the revenue from contracts with customers and the amount disclosed in the segment information.

### 4. SEGMENT INFORMATION

Information reported to the executive directors, being the chief operating decision maker (the “CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services provided.

Operating segments regarding the online education service targeted to college and above students and adults (“College Education”) and online education service targeted to institutional customers (“Institutional Customers”) were discontinued during the year ended 31 May 2024. Other than the discontinued business, the Group mainly operates online live commerce with private label products sold to individual customers and provision of commission services for the six months ended 30 November 2024 and 30 November 2023, the CODM assesses the operating performance and allocates resources of continuing operations of the Group as a whole, as all of the Group’s continuing activities are considered to be online live commerce business. Accordingly, the Directors consider there is only one operating segment under the requirements of IFRS 8.

The Company is domiciled in the PRC and all of the Group’s revenues from continuing operations were generated from external customers in the PRC. The Group’s non-current assets are all located in the PRC. Therefore, no geographical information is presented.

No service or product provided to a single customer exceeds 10% or more of the total revenue of the Group from continuing operations for the period ended 30 November 2024 (Six months ended 30 November 2023: Nil).

## 5. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 November	
	2024 <i>RMB'000</i> <i>(unaudited)</i>	2023 <i>RMB'000</i> <i>(unaudited)</i> <i>(restated)</i>
<b>Continuing operations</b>		
Interest income	42,545	35,271
VAT input deduction and exemption	29,868	274
Net foreign exchange gain	24,293	9,274
Gain/(loss) on fair value changes of financial assets at fair value through profit or loss (“FVTPL”)	20,651	(14,334)
Government grants	2,257	30,948
Loss on disposal of a subsidiary ( <i>Note 7</i> )	(7,566)	–
Others	1,860	826
	<b>113,908</b>	<b>62,259</b>
	<b>113,908</b>	<b>62,259</b>

## 6. INCOME TAX EXPENSE

	Six months ended 30 November	
	2024 <i>RMB'000</i> <i>(unaudited)</i>	2023 <i>RMB'000</i> <i>(unaudited)</i> <i>(restated)</i>
<b>Continuing operations</b>		
Current tax:		
PRC enterprise income tax	13,933	113,177
Deferred tax	10,089	11,752
	<b>24,022</b>	<b>124,929</b>
	<b>24,022</b>	<b>124,929</b>

## 7. DISPOSAL OF A SUBSIDIARY

On 25 July 2024, Mr. Dong Yuhui (“**Mr. Dong**”), an employee of the Company and senior management of Time With Yuhui, a subsidiary of the Company before 10 August 2024, resigned from his current roles within the Group. Apart from the payment to Mr. Dong of the promised benefits and compensations, the Directors also approved to distribute all remaining undistributed profits of Time with Yuhui as of 30 June 2024, which was approximately RMB129,688,000, to Mr. Dong.

On 25 July 2024, Beijing Xuncheng, Mr. Dong and Time With Yuhui entered into a disposal agreement, pursuant to which Beijing Xuncheng agreed to sell, and Mr. Dong agreed to acquire, 100% equity interest in Time With Yuhui at a consideration of RMB76,585,460. The consideration has been settled in October 2024.

The net assets of Time With Yuhui at the date of disposal were as follows:

	<b>10 August 2024</b> <i>RMB'000</i>
Property, plant and equipment	12,873
Right-of-use assets	16,318
Trade and other receivables	104,397
Other current assets	11,449
Deferred tax assets	39,762
Financial assets at FVTPL	70,000
Cash and cash equivalents	185,978
Other current liabilities	(17,594)
Trade payables	(21,755)
Accrued expenses and other payables	(268,479)
Income tax payables	(48,798)
	<hr/>
Net assets disposed of	84,151
Loss on disposal	(7,566)
	<hr/>
Total consideration	76,585
	<hr/>
Net cash outflow arising on disposal:	
Total cash consideration received	76,585
Cash and cash equivalents disposed of	(185,978)
	<hr/>
	<b>(109,393)</b>
	<hr/> <hr/>

#### 8. (LOSS)/PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS

(Loss)/Profit for the period from continuing operations has been arrived at after charging the following items:

	<b>Six months ended 30 November</b>	
	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b><i>(unaudited)</i></b>	<i>(unaudited)</i>
		<i>(restated)</i>
Depreciation of property and equipment	<b>7,068</b>	9,410
Depreciation of right-of-use assets	<b>16,937</b>	19,688
Cost of sales of products	<b>1,060,120</b>	1,113,521
Share-based payment expenses	<b>92,464</b>	245,011
	<hr/> <hr/>	<hr/> <hr/>

## 9. (LOSS)/EARNINGS PER SHARE

### For continuing operations

The calculation of the basic and diluted (loss)/earnings per share from continuing operation attributable to owners of the Company is based on the following data:

	<b>Six months ended 30 November</b>	
	<b>2024</b> <i>RMB'000</i> <i>(unaudited)</i>	<b>2023</b> <i>RMB'000</i> <i>(unaudited)</i> <i>(restated)</i>
<b>(Loss)/Earnings:</b>		
(Loss)/Earnings for the period attributable to owners of the Company	<b>(96,799)</b>	249,191
Less:		
Profit for the period from discontinued operations attributable to owners of the Company	—	75,410
(Loss)/Earnings for the purpose of calculating basic and diluted earnings per share from continuing operations	<b>(96,799)</b>	<b>173,781</b>

### Number of shares:

	<b>Six months ended 30 November</b>	
	<b>2024</b> <i>(unaudited)</i>	<b>2023</b> <i>(unaudited)</i>
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	<b>1,032,195,755</b>	1,014,522,650
Effect of dilutive potential ordinary shares:		
Share options and share awards	—*	68,100,183
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	<b>1,032,195,755</b>	<b>1,082,622,833</b>

\* The computation of diluted loss per share for the six months ended 30 November 2024 did not assume the exercise of the share options and vest of the share awards since their assumed exercise and vest would result in a decrease in loss per share. Accordingly, diluted loss per share for the six months ended 30 November 2024 is the same as basic loss per share of the period.

### From continuing and discontinued operations

The calculation of the basic and diluted (loss)/earnings per share from continuing and discontinued operations attributable to owners of the Company is based on the following data:

	<b>2024</b> <i>RMB'000</i>	<b>2023</b> <i>RMB'000</i>
<b>(Loss)/Earnings:</b>		
(Loss)/Earnings for the period attributable to owners of the Company for the purpose of calculating basic and diluted earnings per share	<b>(96,799)</b>	249,191



The denominators used to calculate (loss)/earnings per share of continuing and discontinued operations are the same as those detailed above for both basic and diluted (loss)/earnings per share.

## 10. DIVIDENDS

No dividends were paid, declared or proposed during the six months ended 30 November 2024 (six months ended 30 November 2023: nil). The Directors has determined that no dividend will be paid in respect of the six months ended 30 November 2024 (six months ended 30 November 2023: nil).

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 November 2024</b> <i>RMB'000</i> <i>(unaudited)</i>	31 May 2024 <i>RMB'000</i> <i>(audited)</i>
<b>Non-current assets</b>		
Financial assets at FVTPL		
– unlisted equity investments <sup>(a)</sup>	<u>92,459</u>	<u>94,889</u>
<b>Current assets</b>		
Financial assets at FVTPL		
– wealth management products <sup>(b)</sup>	<u>1,688,489</u>	<u>1,250,338</u>

- (a) The unlisted equity investments as at 31 May 2024 and 30 November 2024 are the Group's investments in ordinary shares with preferential rights of East Buy (Henan) Food Technology Co., Ltd. (“**Henan Oriental**”) and preferred shares of EEO Education Technology Co., Ltd. (“**EEO**”) incorporated in the PRC and the Cayman Islands respectively.

During the six months ended 30 November 2024, the Group did not make any sales or purchases from EEO (six months ended 30 November 2023: nil). During the six months ended 30 November 2024, the Group made sales of products to, and purchases of products from Henan Oriental amounting to RMB13,794,000 and RMB40,552,000 respectively (six months ended 30 November 2023: nil and RMB76,593,000, respectively).

- (b) Wealth management products are purchased from various banks with expected rate of return ranging from 1.81% to 4.56% (31 May 2024: 2.70% to 3.99%) per annum, and maturity period ranging from 1 day to 365 days (31 May 2024: 1 day to 365 days) as at 30 November 2024. The principals and returns of these wealth management products are not guaranteed.

## 12. INVENTORIES

	<b>30 November 2024</b> <i>RMB'000</i> <i>(unaudited)</i>	31 May 2024 <i>RMB'000</i> <i>(audited)</i>
Products	369,738	370,530
Products in transit	<u>37,312</u>	<u>51,811</u>
	<u>407,050</u>	<u>422,341</u>

### 13. TRADE AND OTHER RECEIVABLES

	<b>30 November 2024</b> <i>RMB'000</i> <i>(unaudited)</i>	31 May 2024 <i>RMB'000</i> <i>(audited)</i>
Trade and note receivables	35,228	37,723
Less: allowance for credit losses	<u>6,030</u>	<u>6,030</u>
	29,198	31,693
Other receivables		
Receivables from third-party payment platforms	126,428	260,659
Others <sup>(i)</sup>	<u>86,273</u>	<u>601,230</u>
Trade and other receivables	<u><u>241,899</u></u>	<u><u>893,582</u></u>

*Note:*

- (i) The deferred consideration of RMB527,678,000 for the disposal of education business in March 2024 recorded in others has been settled in cash by New Oriental Group in September 2024.

The following is an analysis of trade receivables by age, presented based on the invoice date, net of allowance for credit losses:

	<b>30 November 2024</b> <i>RMB'000</i> <i>(unaudited)</i>	31 May 2024 <i>RMB'000</i> <i>(audited)</i>
1 – 90 days	1,993	6,435
91 – 180 days	6,234	719
181 days – 365 days	108	159
over 365 days	<u>20,863</u>	<u>24,380</u>
	<u><u>29,198</u></u>	<u><u>31,693</u></u>

### 14. CONTRACT LIABILITIES

	<b>30 November 2024</b> <i>RMB'000</i> <i>(unaudited)</i>	31 May 2024 <i>RMB'000</i> <i>(audited)</i>
Contract liabilities in relation to:		
Membership fees	30,468	19,513
Membership points	12,541	14,658
Customers for livestreaming e-commerce service	3,077	8,391
Customers for advertising service	2,386	4,836
Others	<u>2,844</u>	<u>2,197</u>
	<u><u>51,316</u></u>	<u><u>49,595</u></u>

The following table shows the unsatisfied contracts at the end of the reporting period and the expected timing of recognising revenue.

	<b>30 November 2024</b> <i>RMB'000</i> <i>(unaudited)</i>	31 May 2024 <i>RMB'000</i> <i>(audited)</i>
<b>Expected to be recognised within one year</b>		
Membership fees	30,468	19,513
Membership points	12,541	14,658
Customers for livestreaming e-commerce service	3,077	8,391
Customers for advertising service	2,386	4,836
Others	2,844	2,197
	<hr/>	<hr/>
Total	<b>51,316</b>	49,595
	<hr/> <hr/>	<hr/> <hr/>

## 15. TRADE PAYABLES

The following is an analysis of trade payables by age, presented based on the invoice date.

	<b>30 November 2024</b> <i>RMB'000</i> <i>(unaudited)</i>	31 May 2024 <i>RMB'000</i> <i>(audited)</i>
1 – 90 days	407,402	451,753
91 – 180 days	45,917	144,900
181 days – 1 year	38,831	14,478
1 year – 2 years	16	755
> 2 years	87	–
	<hr/>	<hr/>
	<b>492,253</b>	611,886
	<hr/> <hr/>	<hr/> <hr/>

## DEFINITIONS

Unless otherwise stated or set out below, capitalised terms have the same meaning as defined below.

<b>“2020 Subscription”</b>	the subscription of an aggregate of 59,432,000 Shares by the Subscribers for a subscription price of HK\$30.00 per subscription share, which was completed on 24 December 2020, the further details of which are contained in the Company’s circular dated 14 October 2020
<b>“APP”</b>	software that causes a computer, smartphone, or electronic mobile device to perform tasks, specifically in our Company’s context, it refers to private label products and livestreaming e-commerce application
<b>“Audit Committee”</b>	the audit committee of the Board
<b>“Auditor”</b>	Deloitte Touche Tohmatsu
<b>“Beijing Xuncheng”</b>	Beijing New Oriental Xuncheng Network Technology Inc. (北京新東方迅程網絡科技有限公司), a consolidated affiliated entity of the Company
<b>“Board”</b>	the board of Directors
<b>“China” or the “PRC”</b>	the People’s Republic of China
<b>“Company”, “we”, “us”, “our” or “East Buy”</b>	East Buy Holding Limited 東方甄選控股有限公司, an exempted company with limited liability incorporated under the laws of the Cayman Islands on 7 February 2018
<b>“Corporate Governance Code”</b>	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, as amended from time to time
<b>“Director(s)”</b>	the director(s) of our Company
<b>“FVTPL”</b>	fair value through profit or loss
<b>“FY2024”</b>	the financial year ended 31 May 2024
<b>“FY2025”</b>	the financial year ending 31 May 2025
<b>“GMV”</b>	gross merchandise volume

<b>“Group”</b>	the Company and its subsidiaries from time to time or, where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
<b>“HK\$”</b>	Hong Kong dollars, lawful currency of Hong Kong
<b>“Hong Kong”</b>	The Hong Kong Special Administrative Region of the PRC
<b>“IFRS(s)”</b>	the International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
<b>“Model Code”</b>	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
<b>“Mr. Dong”</b>	Mr. Dong Yuhui
<b>“New Oriental”</b>	New Oriental Education & Technology Group Inc., a company incorporated under the Laws of the Cayman Islands on 16 March 2006, the American depository shares of which are listed on the New York Stock Exchange under the symbol “EDU”
<b>“Reporting Period”</b>	the six months ended 30 November 2024
<b>“RMB” or “Renminbi”</b>	Renminbi, the lawful currency of China
<b>“Share(s)”</b>	ordinary share(s) in the share capital of the Company, currently with a par value of US\$0.00002 each
<b>“Shareholder(s)”</b>	holder(s) of our Share(s)
<b>“SKU”</b>	stock-keeping units
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Subscribers”</b>	New Oriental Group and Tigerstep
<b>“Target Company” or “Time with Yuhui”</b>	Time with Yuhui (Beijing) Technology Ltd (與輝同行(北京)科技有限公司)

“ <b>Tigerstep</b> ”	Tigerstep Developments Limited, a company incorporated under the Laws of the British Virgin Islands, and a connected person of the Company
“ <b>United States</b> ” or “ <b>U.S.</b> ”	United States of America, its territories, its possessions and all areas subject to its jurisdiction
“ <b>US\$</b> ”	United States dollars, the lawful currency of the United States
“ <b>%</b> ”	per cent

By order of the Board of  
**East Buy Holding Limited**  
**YU Minhong**  
*Chairman of our Board*

Hong Kong, 21 January 2025

*As at the date of this announcement, our Board comprises Mr. YU Minhong and Mr. YIN Qiang, as executive Directors; Ms. SUN Chang, as non-executive Director; and Mr. LIN Zheyang, Mr. TONG Sui Bau and Mr. KWONG Wai Sun Wilson, as independent non-executive Directors.*