



友和集團控股有限公司

Yoho Group Holdings Limited

**Yoho Group Announces 2023/24 Interim Results  
Net Profit Soars 921.2% to Approximately HK\$10.3 million  
Promotes Steady Development of Three Core Businesses**

(Hong Kong, 23 November 2023) – **Yoho Group Holdings Limited** (“Yoho” or the “Group”; Stock Code: 2347), a leading e-commerce platform in Hong Kong, is pleased to announce its unaudited condensed consolidated interim results for the six months ended 30 September 2023 (the “Reporting Period” or “1H23/24”). During the Reporting Period, the global economic recovery lagged behind expectations and the performance of Hong Kong’s real estate and stock markets remained lackluster amidst the high interest rate environment and local retail sales were far from returning to pre-pandemic levels. Under the cloud of economic uncertainty, consumers are more reluctant to make major expenditures. In addition, the revival of outbound tourism by Hong Kong residents, coupled with their increased spending in mainland China, and the shift in the consumption pattern of mainland visitors from shopping to experiential travel have added hurdles to the local retail sector’s path to recovery. Given the external volatility, the Group strategically moderated its development pace during the Reporting Period, emphasizing the steady development of its direct-to-consumer platform (“1P Business Model”) and marketplace platform (“3P Business Model”), while maintaining robust profitability and demonstrating solid business resilience.

**Overall Performance**

During 1H23/24, the Group’s sales were inevitably impacted by the volatile global economic environment and the overall weakened local consumer sentiment. Its gross merchandise value<sup>1</sup> (“GMV”) and revenue amounted to approximately HK\$434.7 million and HK\$396.3 million, respectively, representing a year-on-year decrease of approximately 10.0% and 11.6%. The Group’s gross profit amounted to HK\$58.9 million with a gross profit margin of approximately 14.9%. While the sluggish retail market put pressure on the Group’s sales in the short term, the Group remains unwaveringly focused on the pursuit of long-term and sustainable profitability. By implementing stringent and effective working capital management strategies, the Group ensured continued profitability and maintained a healthy financial performance against the odds. Net profit for the Reporting Period increased significantly by approximately 921.2% to HK\$10.3 million. In terms of operational data, the number of registered members of the Yoho e-commerce platform (“Yoho Platform”) further increased to approximately 1.05 million as at 30 September 2023. During the Reporting Period, the number of orders<sup>2</sup> intake reached approximately 235,000 with a basket value<sup>3</sup> per order of HK\$1,849.

**Business Review and Outlook**

**1P Business Model**

During the Reporting Period, the business environment in Hong Kong was challenging and highly uncertain. In response, the Group recalibrated its development strategy to focus on further strengthening its core competencies. Leveraging its position as a leading B2C e-commerce enterprise in Hong Kong, the Group actively capitalized on its long-standing supply chain advantages to continuously refine its product portfolio to meet the ever-evolving needs of consumers and market trends.

In addition, the Group devoted significant resources to enhancing the customer experience throughout the online shopping journey, including continuous refinement of Yoho Platform’s user interface design and functionality, improving the efficiency of logistics and fulfillment rates, and enhancing the quality of after-sales services and customer support, to facilitate the structural shift of consumers from offline to online shopping.

For FY23/24, the Group’s strategic focus will continue to be to strengthen its online presence, complemented by its offline retail outlets, to provide consumers with an enhanced and seamless OMO shopping journey. On the digital front, the Group will further refine the Yoho Platform’s functionalities by emphasizing user-centricity. On the offline front, the Group has been evaluating the feasibility of establishing two additional retail stores in New Territories East and West. However, given the prevailing market uncertainties, the Group remains committed to carefully monitoring market trends and changes in consumer behavior to ensure the alignment of its operational strategies with evolving market dynamics.

Meanwhile, the Group is actively planning the development of its mobile application (“Yoho App”), with an aim to launch in the near future. With the introduction of its 3P Business Model, the total number of Stock Keeping Units (“SKUs”) now stands at approximately 46,000. This diverse product offering has increased customer engagement and provided a solid foundation for the launch of the Yoho App. Additionally, the Group is proactively exploring strategic acquisitions as a means to amplify growth. Its acquisition targets include, but are not limited to, e-commerce platforms, vertical businesses, and proprietary brands. Through acquisitions, the Group aims to rapidly expand its operational scale, fortify its customer base, enhance supply chain efficiency, and realize synergistic cost improvements and business integrations.

1. The “GMV” for a particular financial period is equivalent to the total gross sales dollar value of all relevant orders intake for products and services during that financial period, regardless of whether the products and services are delivered, returned or cancelled; before deductions for discounts offered by the Group and set-offs by virtue of conversion of membership points; and inclusive of shipping and handling charges, duty and taxes.

2. The “number of orders intake” for a particular financial period consists of orders placed with the Group, orders made by its customers at its retail stores, and orders from consumers received via online redemption platform(s) of third-party reward scheme(s) and third-party online marketplaces during that financial period.

3. The “basket value” for a particular financial period is calculated by dividing the Group’s GMV by the number of orders intake during that financial period.

### **3P Business Model**

During the Reporting Period, the Group leveraged its strong financial position to successfully attract high-quality third-party merchants to the Yoho Platform through a more flexible commission mechanism, enabling them to adopt more competitive pricing strategies for their products. As at 30 September 2023, more than 440 registered merchants have been onboarded to the Yoho Platform, introducing approximately 20,000 SKUs. In a strategic move, the Group invited renowned merchants to establish flagship stores on the Yoho Platform. By having these merchants on the Yoho Platform, the Group provides consumers with the assurance of genuine products and further enhances their shopping confidence. Typically, these merchants have already established a solid customer base with significant market visibility, which will help drive new customer traffic to the Yoho Platform through their flagship stores.

Looking ahead, the Group's 1P Business Model and 3P Business Model will continue to serve as collaborative pillars, consistently working to expand its product range and deepen brand engagement. This dual-engine approach is poised to drive its growth trajectory forward. The Group expects the 3P Business Model to remain in the ramp-up phase of its development in the near term and it is keen to onboard a diverse array of quality merchants, particularly those offering beauty and skincare products, lifestyle goods, health and wellness items, household essentials, and electronic peripherals to further enrich the diversity of the Yoho Platform. This expansion will not only provide consumers with a broader selection of products, but also create additional up-sell and cross-sell opportunities for the Group.

Additionally, the Group will focus on promoting its digital advertising solutions to high-potential merchants. Leveraging its robust data analytics capabilities and insights into consumer behavior, the Group offers merchants precise marketing services to ensure that they effectively reach their target audience, resulting in optimized conversion rates. Furthermore, the Group plans to offer comprehensive fulfillment services to key merchants in the near future. By managing storage, packaging, and delivery, the Group aims to help merchants reduce costs and increase efficiency, while enabling them to intricately manage and improve the overall user experience. The Group believes that such value-driven services will strengthen its ties with existing merchants while enhancing its ability to attract new partnerships, thereby fueling its sustainable growth and reinforcing its competitive edge.

### **Cross-border E-commerce Business**

Given the cultural, linguistic, and lifestyle similarities that most of the cities in the Greater Bay Area ("GBA") share with Hong Kong, the Group designates the cities within the GBA as its preferred gateway to venture into the mainland market. Despite the intense competition in the mainland e-commerce sector, dominated by renowned e-commerce giants, there remains an undeniable appeal among mainland customers for premium goods imported from Hong Kong. The absence of major Hong Kong e-commerce players in the GBA signals a huge developmental potential. The Group plans to focus on the affluent middle-class segment in mainland China, harnessing its robust supply chain capabilities by introducing high-quality overseas products and exclusive distribution brands to capture market share.

In FY23/24, the Group will continue to focus on its 1P Business Model and 3P Business Model. It plans to establish a dedicated China business team in the coming years to focus on understanding local market dynamics, customer preferences and emerging trends, and localizing marketing strategies. The Group anticipates that the number of unique SKUs on the Yoho Platform will continue to grow exponentially, offering a diverse product selection to comprehensively meet the diverse needs of the GBA consumer base.

**Mr. Franz Wu, Chairman and Chief Executive Officer of Yoho Group**, said, "Both the global economy and the Hong Kong retail sector are currently facing numerous challenges. The high interest rate environment and changing consumer habits have hindered a rapid market rebound, making the growth outlook for the retail sector less optimistic than anticipated at the beginning of the year. Amidst this heightened market uncertainty, many retailers, including Yoho, are adopting more cautious business strategies and moderating their expansion plans. During the Reporting Period, the Group swiftly adjusted its development direction, reinforcing its core competitive strengths and enhancing the customer experience. Despite the current market downturn, we remain optimistic about the extensive growth opportunities in Hong Kong's retail sector. We aim to navigate these turbulent economic times with flexible and effective business strategies, continuously advancing the Group's three key business areas and seizing every opportunity for growth in this rapidly changing market landscape."

Please click here to watch a one-minute highlight video of Yoho Group's 2023/24 interim results:  
<https://youtu.be/v2gCzQZKfcU>

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### **About Yoho Group Holdings Limited (Stock Code: 2347)**

Yoho Group Holdings Limited, Hong Kong's first B2C e-commerce company listed on the HKEX main board, operates on the online-merge-offline (OMO) business model. It has approximately 1,050,000 registered users and offers a diverse product portfolio covering approximately 46,000 SKUs (with a focus on consumer electronics and home appliances). According to Frost & Sullivan 2020/21 data, Yoho ranked first as an e-commerce platform with a primary focus on consumer electronics and home appliances in Hong Kong in terms of website traffic and recorded the highest online retail sales of consumer electronics and home appliances among all Hong Kong e-commerce platforms.

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