YOUZAN 有贊

06051.HK

Interim Report 2026

A Better Business with Youzan

有贊科技有限公司

YOUZAN TECHNOLOGY LIMITED

Youzan Technology Limited

有贊科技有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 6051)

HIGHLIGHTS

For the six months ended 30 June 2026, the Group recorded a revenue of approximately RMB769,381,000, representing an increase of 7.8% compared to the corresponding period of last year. Of which, the revenue from subscription solutions was approximately RMB400,666,000, representing an increase of 7.2% compared to the corresponding period of last year, and the revenue from merchant solutions was approximately RMB367,480,000, representing an increase of 8.7% compared to the corresponding period of last year.

For the six months ended 30 June 2026, the Group recorded a gross profit of approximately RMB503,708,000, representing an increase of 7.9% compared to the corresponding period of last year. Of which, the gross profit of subscription solutions was approximately RMB310,119,000, representing an increase of 7.9% compared to the corresponding period of last year, and the gross profit of merchant solutions was approximately RMB192,951,000 representing an increase of 8.2% compared to the corresponding period of last year.

For the six months ended 30 June 2026, the Group's gross profit margin increased from 65.4% in the corresponding period of last year to 65.5% for the current period. Of which, the gross profit margin of subscription solutions increased from 76.9% in the corresponding period of last year to 77.4% for the current period, and the gross profit margin of merchant solutions decreased from 52.7% in the corresponding period of last year to 52.5% for the current period.

The Group recorded a profit from operations of approximately RMB77,768,000 for the six months ended 30 June 2026, representing a decrease of 7.5% compared to a profit from operations of approximately RMB84,089,000 for the corresponding period of last year.

The Group recorded a profit for the period of approximately RMB67,121,000 for the six months ended 30 June 2026, representing a decrease of 7.5% compared to a profit of RMB72,569,000 for the corresponding period of last year.

As at 30 June 2026, the Group had total cash and cash equivalents of approximately RMB783,275,000 and a current ratio of 1.06 times.

The board of directors (the "Board") did not recommend the payment of interim dividend for the six months ended 30 June 2026.

FINANCIAL RESULTS

The Board of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2026 (the "reporting period") together with the comparative unaudited figures for the corresponding periods in 2025 as set out below:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	**2026 (Unaudited) RMB'000**	2025 (Unaudited) RMB'000
REVENUE	5	**769,381**	713,589
Cost of sales		**(265,673)**	(246,814)
Gross profit		**503,708**	466,775
Investment and other income	6	**24,810**	24,076
Other gains and losses, net		**9,898**	4,868
Selling and distribution expenses		**(290,624)**	(259,962)
Administrative expenses		**(67,455)**	(63,457)
Reversal of impairment losses on financial assets, net		**129**	1,472
Equity-settled share-based payments		**(3,748)**	(9,822)
Research and development costs		**(98,950)**	(79,861)
Profit from operations		**77,768**	84,089
Finance costs		**(8,196)**	(9,736)
PROFIT BEFORE TAX	7	**69,572**	74,353
Income tax expense	8	**(2,451)**	(1,784)
PROFIT FOR THE PERIOD		**67,121**	72,569
Attributable to:			
Owners of the parent		**67,731**	72,742
Non-controlling interests		**(610)**	(173)
		67,121	72,569
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic (RMB yuan)		**0.0022**	0.0023
Diluted (RMB yuan)		**0.0022**	0.0022

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
PROFIT FOR THE PERIOD	**67,121**	72,569
OTHER COMPREHENSIVE INCOME		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**(5,110)**	5,419
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of the Company's financial statements	**(5,683)**	(2,236)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	**(10,793)**	3,183
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**56,328**	75,752
Attributable to:		
Owners of the parent	**56,938**	75,925
Non-controlling interests	**(610)**	(173)
	56,328	75,752

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	**30 June 2026 (Unaudited) RMB'000**	31 December 2025 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	**8,709**	5,031
Right-of-use assets		**15,037**	12,659
Goodwill		**341,326**	341,326
Other intangible assets		**613,070**	613,070
Capitalised contract costs		**47,819**	47,595
Financial assets at FVTPL		**297,355**	297,419
Equity investments designated at FVTOCI		**102,801**	102,805
Deferred tax assets		**34,500**	34,500
Prepayments, other receivables and other assets		**1,585**	509
Total non-current assets		**1,462,202**	1,454,914
CURRENT ASSETS			
Inventories		**1,093**	909
Trade receivables	12	**41,501**	28,430
Factoring loan receivables		**4,165**	4,998
Prepayments, other receivables and other assets		**199,998**	218,206
Capitalised contract costs		**117,925**	114,607
Amounts due from related companies		**446**	782
Restricted bank balances		**11,196**	2,359
Balances with central bank		**2,417,901**	2,815,150
Cash and cash equivalents		**783,275**	1,080,475
Total current assets		**3,577,500**	4,265,916

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
CURRENT LIABILITIES			
Trade payables	13	**47,452**	39,036
Other payables and accruals		**266,131**	313,466
Contract liabilities		**498,178**	485,708
Settlement obligations		**2,527,850**	2,919,021
Lease liabilities		**19,580**	20,953
Tax payables		**4,737**	6,614
Amounts due to non-controlling shareholders of subsidiaries		**667**	737
Amount due to a related company		**132**	503
Total current liabilities		**3,364,727**	3,786,038
NET CURRENT ASSETS		**212,773**	479,878
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,674,975**	1,934,792
NON-CURRENT LIABILITIES			
Contract liabilities		**194,016**	188,277
Interest-bearing bank and other borrowings		**89,726**	352,105
Lease liabilities		**28,873**	36,547
Deferred tax liabilities		**92,537**	92,583
Total non-current liabilities		**405,152**	669,512
Net assets		**1,269,823**	1,265,280
EQUITY			
Equity attributable to owners of the parent			
Share capital	14	**286,938**	286,938
Treasury shares		**(49,437)**	(25,623)
Reserves		**1,034,706**	1,005,739
		1,272,207	1,267,054
Non-controlling interests		**(2,384)**	(1,774)
Total equity		**1,269,823**	1,265,280

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the parent										
	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Share option reserve RMB'000	Shares held for share award scheme RMB'000	Share award scheme reserve RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interest RMB'000	Total equity RMB'000
At 31 December 2025 (audited)	286,938	(25,623)	215,492	1,487	(2,792)	40,784	(2,290,763)	3,041,531	1,267,054	(1,774)	1,265,280
Profit/(loss) for the period	-	-	-	-	-	-	-	67,731	67,731	(610)	67,121
Other comprehensive income for the period:											
Exchange differences on translation	-	-	-	-	-	-	(10,793)	-	(10,793)	-	(10,793)
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	(10,793)	67,731	56,938	(610)	56,328
Shares repurchased	-	(23,814)	-	-	-	-	-	-	(23,814)	-	(23,814)
Equity contributions from a related party controlled by a shareholder and executive director	-	-	(31,719)	-	-	-	-	-	(31,719)	-	(31,719)
Transferred from retained profits	-	-	-	-	-	-	14,089	(14,089)	-	-	-
Equity-settled share-based payments	-	-	-	-	-	3,748	-	-	3,748	-	3,748
Fully-vested awarded shares transfer to awardees	-	-	2,243	-	228	(2,471)	-	-	-	-	-
At 30 June 2026 (unaudited)	286,938	(49,437)	186,016	1,487	(2,564)	42,061	(2,287,467)	3,095,173	1,272,207	(2,384)	1,269,823

For the six months ended 30 June 2025

	Attributable to owners of the parent										
	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Share option reserve RMB'000	Shares held for share award scheme RMB'000	Share award scheme reserve RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interest RMB'000	Total equity RMB'000
At 31 December 2024 (audited)	286,938	(10,054)	8,291,894	1,768	(10,884)	183,028	(3,018,251)	(4,647,280)	1,077,159	(1,668)	1,075,491
Profit/(loss) for the period	–	–	–	–	–	–	–	72,742	72,742	(173)	72,569
Other comprehensive income for the period: Exchange differences on translation	–	–	–	–	–	–	3,183	–	3,183	–	3,183
Total comprehensive income/(loss) for the period	–	–	–	–	–	–	3,183	72,742	75,925	(173)	75,752
Shares repurchased	–	(22,539)	–	–	–	–	–	–	(22,539)	–	(22,539)
Allotment of awarded shares to trustee	–	9,418	–	–	(9,418)	–	–	–	–	–	–
Cancellation of share premium	–	–	(8,220,434)	–	–	–	669,003	7,551,431	–	–	–
Equity-settled share-based payments	–	–	–	–	–	9,822	–	–	9,822	–	9,822
Deregistration of subsidiaries	–	–	–	–	–	–	(17)	17	–	–	–
Release upon lapse of share options	–	–	–	(245)	–	–	–	245	–	–	–
Fully-vested awarded shares transfer to awardees	–	–	2,243	–	154	(2,397)	–	–	–	–	–
At 30 June 2025 (unaudited)	286,938	(23,175)	73,703	1,523	(20,148)	190,453	(2,346,082)	2,977,155	1,140,367	(1,841)	1,138,526

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**69,572**	74,353
Adjustments for:		
Gain on disposal of items of property, plant and equipment	**(208)**	(116)
Gain on derecognition of other payables	**(3,523)**	(3,220)
Equity-settled share-based payments	**3,748**	9,822
Finance costs	**8,196**	9,736
Interest income	**(17,653)**	(16,185)
Depreciation of property, plant and equipment	**1,509**	1,290
Depreciation of right-of-use assets	**3,887**	3,944
Impairment/(reversal of impairment) of trade receivables, net	**1,201**	(64)
Impairment of financial assets included in prepayments, other receivables and other assets, net	**(1,330)**	(1,408)
Foreign exchange differences, net	**(9,297)**	3,334
	56,102	81,486
Increase in inventories	**(184)**	(205)
(Increase)/decrease in trade receivables	**(14,272)**	9,642
Decrease in factoring loan receivables	**833**	83,811
(Increase)/decrease in prepayments, other receivables and other assets excluding other receivables restricted for settling settlement obligations	**(2,779)**	32,909
Decrease/(increase) in other receivables restricted for settling settlement obligations	**21,241**	(18,825)
Increase in capitalised contract costs	**(3,542)**	(5,432)
(Increase)/decrease in restricted bank balances	**(8,837)**	1,327
Decrease/(increase) in balances with central bank	**397,249**	(223,718)
Increase in trade payables	**8,416**	11,087
Decrease in other payables and accruals	**(43,812)**	(75,561)
Increase/(decrease) in contract liabilities	**18,209**	(1,918)
(Decrease)/increase in settlement obligations	**(391,171)**	177,267
Decrease in amounts due from related companies	**336**	4
Decrease in an amount due to a related company	**(371)**	–
(Decrease)/increase in amounts due to non-controlling shareholders of subsidiaries	**(70)**	33

	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Cash generated from operations	**37,348**	71,907
Interest income received	**14,174**	15,405
Income tax paid	**(4,374)**	(782)
Net cash flows from operating activities	**47,148**	86,530
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of financial assets at FVTPL	**(1,390,758)**	(653,000)
Proceeds from disposal of financial assets at FVTPL	**1,394,237**	653,780
Purchase of items of property, plant and equipment	**(5,277)**	(887)
Proceeds from disposals of items of property, plant and equipment	**297**	202
Net cash flows (used in)/from investing activities	**(1,501)**	95
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares repurchased	**(23,814)**	(22,539)
Repayment of other borrowings from a related party	**(300,000)**	–
Principal portion of lease payments	**(15,312)**	(9,830)
Interest paid	**(2,294)**	(3,170)
Net cash flows used in financing activities	**(341,420)**	(35,539)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(295,773)**	51,086
Cash and cash equivalents at beginning of period	**1,080,475**	888,821
Effect of foreign exchange rate changes, net	**(1,427)**	(91)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**783,275**	939,816
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**783,275**	939,816
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	**783,275**	939,816

1. General information and basis of presentation

The Company is a limited liability company incorporated in Bermuda. The registered office address of the Company is Conyers Corporate Services (Bermuda) Limited, Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, Bermuda. The address of its principal place of business is Unit 1511, 15/F, Shui On Centre, No. 6-8 Harbour Road, Wanchai, Hong Kong. The Company's shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 8083) from 14 April 2000 to 16 April 2026 and are listed on the Main Board of the Stock Exchange (stock code: 6051) since 17 April 2026.

The Group was principally involved in the provision of third party payment services and merchant services in the People's Republic of China (the "PRC").

The unaudited condensed financial information of the Group is presented in Renminbi ("RMB") which is the Group's presentation currency. The functional currency of the Company is Hong Kong Dollars ("HKD"). The directors of the Company considered presenting the Group's condensed consolidated financial results and financial position in RMB can more closely reflect the Group's business operations and its business environment.

2. Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with HKAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

3. Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Annual Improvements to HKFRS Accounting Standards – Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, and HKAS 7*

The nature and impact of the amended HKFRS Accounting Standards are described below:

(a) Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) Annual Improvements to HKFRS Accounting Standards – Volume 11 set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

4. Operating segment information

Six months ended 30 June 2026

	Third party payment services RMB'000 (Unaudited)	Merchant services* RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue (note 5)			
Sales to external customers	**156,561**	**612,820**	**769,381**
Intersegment sales	**247**	**41,461**	**41,708**
Total segment revenue	**156,808**	**654,281**	**811,089**
Reconciliation:			
Elimination of intersegment sales			**(41,708)**
Revenue			**769,381**
Segment results	**64,806**	**17,417**	**82,223**
Reconciliation:			
Equity-settled share-based payments			**(3,748)**
Corporate and other unallocated income and expenses, net			**(8,903)**
Profit before tax			**69,572**

Six months ended 30 June 2025

	Third party payment services RMB'000 (Unaudited)	Merchant services* RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue (note 5)			
Sales to external customers	149,807	563,782	713,589
Intersegment sales	518	28,596	29,114
Total segment revenue	150,325	592,378	742,703
Reconciliation:			
Elimination of intersegment sales			(29,114)
Revenue			713,589
Segment results	51,741	44,838	96,579
Reconciliation:			
Equity-settled share-based payments			(9,822)
Corporate and other unallocated income and expenses, net			(12,404)
Profit before tax			74,353

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2026 and 31 December 2025.

	Third Party payment services RMB'000	**Merchant services*** RMB'000	**Total** RMB'000
Segment assets			
30 June 2026 (unaudited)	2,877,809	1,258,946	4,136,755
31 December 2025 (audited)	3,204,997	1,571,905	4,776,902
Segment liabilities			
30 June 2026 (unaudited)	2,562,025	1,104,050	3,666,075
31 December 2025 (audited)	2,958,164	1,389,831	4,347,995

* Due to the simplification of the management structure during the current period other segment has been combined into merchant services segment. Accordingly, certain comparative amounts have been reclassified to conform with the current period's presentation.

5. Revenue

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Subscription Solutions	**400,666**	373,643
Merchant Solutions	**367,480**	338,211
Others	**1,235**	1,735
Total	**769,381**	713,589

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2026

Segments	**Third Party payment services RMB'000 (Unaudited)**	**Merchant services RMB'000 (Unaudited)**	**Total RMB'000 (Unaudited)**
Geographical markets			
Mainland China	**156,561**	**609,921**	**766,482**
North America	**–**	**2,889**	**2,889**
Japan	**–**	**10**	**10**
Total	**156,561**	**612,820**	**769,381**
Timing of revenue recognition			
Goods or services transferred at a point in time	**156,561**	**213,750**	**370,311**
Services transferred over time	**–**	**399,070**	**399,070**
Total	**156,561**	**612,820**	**769,381**

For the six months ended 30 June 2025

Segments	Third Party payment services RMB'000 (Unaudited)	Merchant services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Geographical markets			
Mainland China	149,807	560,632	710,439
North America	–	2,939	2,939
Japan	–	211	211
Total	149,807	563,782	713,589
Timing of revenue recognition			
Goods or services transferred at a point in time	149,807	181,567	331,374
Services transferred over time	–	382,215	382,215
Total	149,807	563,782	713,589

6. Investment and other income

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income	**14,174**	15,405
Investment income received	**3,479**	780
Government grants	**4,449**	4,332
Others	**2,708**	3,559
Total	**24,810**	24,076

7. Profit before tax

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cost of inventories sold	**1,442**	107
Cost of services provided	**264,231**	246,707
Depreciation of property, plant and equipment	**1,509**	1,290
Depreciation of right-of-use assets	**3,887**	3,944
Amortisation of capitalised contract costs	**75,982**	64,733
Research and development expenditures*	**99,952**	81,734
Impairment/(reversal of impairment) of trade receivable, net	**1,201**	(64)
Reversal of impairment of financial assets included in prepayments, other receivables and other assets, net	**(1,330)**	(1,408)
Gain on disposal of items of property, plant and equipment	**(208)**	(116)

* Research and development expenditure is included in "Equity-settled share-based payments" and "Research and development costs" in the interim condensed consolidated statement of profit or loss.

8. Income tax

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of Bermuda, the Group is not subject to any income tax in Bermuda.

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, Hong Kong profits tax has been provided at the rate of 16.5% (2025:16.5%) on the estimated assessable profits arising in Hong Kong during the period.

The provision for Mainland China current income tax is based on the statutory rate of 25% of the assessable profits of certain PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in Mainland China which are granted tax concession and are taxed at preferential tax rates.

Two subsidiaries of the Company are qualified as a High and New Technology Enterprise and were entitled to a preferential income tax rate of 15% (2025:15%) during the period.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current – Mainland China		
Charge for the period	**2,497**	1,700
Deferred	**(46)**	84
Total tax expense for the period	**2,451**	1,784

9. Dividends

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

10. Earnings per share attributable to ordinary equity holders of the parent

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 30,968,904,000 (2025: 31,083,649,000) outstanding during the period.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares into ordinary shares arising from awarded shares and share options granted by the Company. The calculation of diluted earnings per share for the six months ended 30 June 2026 and 2025 did not assume the exercise of the Company's outstanding share options since the exercise price of the share options exceeds the average market price.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	**67,731**	72,742

	Number of shares	
	2026	2025
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation	**30,968,904,000**	31,083,649,000
Effect of dilution – weighted average number of ordinary shares:		
Awarded shares	**179,915,000**	1,588,151,000
Total	**31,148,819,000**	32,671,800,000

11. Property, plant and equipment

During the six months ended 30 June 2026, the Group acquired assets at a cost of RMB5,277,000 (30 June 2025: RMB887,000).

Assets (other than those classified as held for sale) with a net book value of RMB89,000 were disposed of by the Group during the six months ended 30 June 2026 (30 June 2025: RMB86,000), resulting in a net gain on disposal of RMB208,000 (30 June 2025: RMB116,000).

12. Trade receivables

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 3 months	**23,336**	22,366
3 to 6 months	**10,615**	2,858
6 to 9 months	**7,550**	3,206
Total	**41,501**	28,430

13. Trade payables

An ageing analysis of the trade payables as at the end of the reporting period, based on the date of receipt of goods or services, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 3 months	**37,879**	38,219
3 to 6 months	**5,523**	473
6 to 12 months	**4,047**	152
Over 12 months	**3**	192
Total	**47,452**	39,036

14. Share capital

Shares

	30 June 2026 HKD'000 (Unaudited)	31 December 2025 HKD'000 (Audited)
Authorised:		
50,000,000,000 (31 December 2025: 50,000,000,000) ordinary shares of HKD0.01 each	**500,000**	500,000

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Issued and fully paid:		
32,978,308,752 (31 December 2025: 32,978,308,752) ordinary shares of HKD0.01 each	**286,938**	286,938

15. Contingent liabilities

The Group had no material contingent liabilities as at 30 June 2026 (30 June 2025: Nil).

16. Commitments

The Group had no contractual commitments as at 30 June 2026 (30 June 2025: Nil).

17. **Related party transactions**

(a) The Group had the following transactions with related parties during the period:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Provision of services:		
Hangzhou Aiguang Network Information Service Co., Ltd. ("Aiguang Network")	**384**	483
An associate	**174**	943
Total	**558**	1,426
Commission to an associate	**689**	1,307
Administrative expenses to a non-controlling interest of a subsidiary	**111**	94

(b) Outstanding balances with related parties:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Due from related companies		
Aiguang Network	**87**	88
An associate	**359**	694
Total	**446**	782
Due to related companies		
Aiguang Network	**–**	503
An associate	**132**	–
Total	**132**	503
Due to non-controlling shareholders of subsidiaries	**667**	737
Interest-bearing bank and other borrowings		
Hangzhou Qima	**89,726**	352,105

(c) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Short-term employee benefits	**2,039**	5,165
Post-employment benefits	**64**	97
Total compensation paid to key management personnel	**2,103**	5,262

18. Fair value and fair value hierarchy of financial instruments

Management has assessed that the fair values of cash and cash equivalents, balances with central bank, restricted bank balances, trade receivables, factoring loan receivables, financial assets included in prepayments, other receivables and other assets, trade payables, financial liabilities included in other payables and accruals, settlement obligations, amounts due from related parties, amounts due to non-controlling shareholders of subsidiaries and an amount due to a related company approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the financial controller is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The financial controller reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the financial controller. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values of those financial assets and liabilities measured at fair value:

The fair values of non-current portion of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 30 June 2026 were assessed to be insignificant.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2026

	Fair value measurements using			
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	**Significant observable inputs (Level 2) RMB'000 (Unaudited)**	**Significant unobservable inputs (Level 3) RMB'000 (Unaudited)**	**Total RMB'000 (Unaudited)**
Financial assets at FVTPL	**–**	**–**	**297,355**	**297,355**
Equity investments designated at FVTOCI	**–**	**–**	**102,801**	**102,801**
Total	**–**	**–**	**400,156**	**400,156**

As at 31 December 2025

	Fair value measurements using			
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	Total RMB'000 (Audited)
Financial assets at FVTPL	–	–	297,419	297,419
Equity investments designated at FVTOCI	–	–	102,805	102,805
Total	–	–	400,224	400,224

The movements in fair value measurements within Level 3 during the period are as follows:

	Financial assets at FVTPL RMB'000	Equity investments designated at FVTOCI RMB'000	Total RMB'000
At 1 January 2026 (audited)	**297,419**	**102,805**	**400,224**
Exchange alignment	**(64)**	**(4)**	**(68)**
At 30 June 2026 (unaudited)	**297,355**	**102,801**	**400,156**

	Financial assets at FVTPL RMB'000	Equity investments designated at FVTOCI RMB'000	Total RMB'000
At 1 January 2025 (audited)	282,975	73,225	356,200
Exchange alignment	(53)	(8)	(61)
At 30 June 2025 (unaudited)	282,922	73,217	356,139

19. Events after the reporting period

Subsequent to the reporting period, the share consolidation of every 20 issued and unissued existing shares into 1 consolidated share became effective from 3 July 2026. Pursuant to the consolidation, the total number of issued shares decreased from 32,978,308,752 shares to 1,648,915,437 shares.

Business Overview

In the first half of 2026, the Group continued to vigorously advance its "AI Strategy", achieving breakthroughs in the in-depth application and commercialization of AI technologies. It launched multiple AI-native products and delivered robust year-on-year growth in AI-driven revenue.

Youzan has built an operation-focused AI-native product system of merchants, enabling AI to serve as merchants' digital employees that truly participate in operations, execute tasks and drive growth. It leverages Youzan's underlying SaaS, PaaS, Knowledge Base and operational data, and converts these capabilities into AI products that merchants can use directly.

In the first half of 2026, Youzan built AI capabilities covering the end-to-end business operation process of merchants, with AI-native Agents as the core, running through four major aspects: customer acquisition, conversion, repurchase and operation. In the public domain marketing customer acquisition aspect, it helps merchants efficiently reach potential customers through GEO (Generative Engine Optimization), content marketing services and omni-channel CRM; in the omni-channel sales conversion aspect, it helps merchants improve transaction conversion by relying on AI sales, AI coaching and AI shopping guide assistants; in the private domain operation repurchase aspect, it deepens user retention and repurchase with the help of AI customer operation, AI customer service and AI group operation; in the store operation aspect, it helps merchants complete complex tasks through the AI-native store operation agent "Youzan Claw". Meanwhile, it provides AI customization capabilities for personalized needs, including FDE services and Youzan AI Tool Kit. Youzan has deeply integrated its over ten years of accumulated merchant service experience with the capabilities of large AI models, forming a complete closed loop from customer acquisition, conversion to repurchase, while providing merchants with value-added services, such as consumer worry-free shopping, logistic solutions, distribution, payment and revenue sharing.

"Youzan Claw": An AI-native store management Agent designed for merchants. It can independently understand merchants' business objectives, generate exclusive customized business solutions for them, and execute end-to-end business tasks including event planning, content creation, product listing, scheduled tasks, customer outreach, and Data Analysis. Unlike traditional SaaS tools that require manual operations from merchants, Youzan Claw only needs merchants to set goals, then it will automatically break down tasks, call various system capabilities to complete the work, track execution effects and make continuous optimizations, so as to deliver high-quality task results. Leveraging Youzan's harness (Agent orchestration) engineering capabilities, rich model options, and rich business operation skill library, Youzan Claw has achieved rapid user growth and a healthy user retention rate, and users pay for it via subscription and top-up.

AI Customer Service & Sales Digital Employee: A digital employee launched by Youzan for customer service and sales scenarios, which integrates "customer service reception, high-quality lead mining, and sales conversion" into a single system, supporting unified reception across all channels including RedNote, Douyin, WeChat, and Mini Programs. This AI-powered customer service and sales digital employee supports three modes: "fully automatic conversation takeover, assisted reception, and AI-recommended replies"; it can intelligently learn response content by combining "product information, product detail page, price, inventory, manual customer service conversation records, and knowledge base", which can not only answer questions about product details, logistics, after-sales and other issues, but also actively recommend related products and promotions during conversations, forming an integrated processing method of "question answering + order promotion". Meanwhile, the AI Customer Service and Sales Digital Employee also serves as an intelligent sales assistant for merchants, focusing on customer conversion and repurchase scenarios. Based on the merchants' own consumer data, it automatically identifies high-intent consumers, generates personalized communication scripts, and initiates precise outreach at the optimal time. AI Customer Service & Sales Digital Employee helps merchants achieve the transformation from "passively waiting for consumers" to "active precision marketing".

Jiawo Recommendation Officer: Empowers brand merchants to achieve AI-oriented content marketing. Through Generative Engine Optimization (GEO) for large AI models, the core objective of Jiawo Recommendation Officer is to make merchants' brands and products more easily understood correctly and actively recommended by AI. Leveraging the collaborative operation of multiple intelligent agents, and relying on precise scenario problem construction and user intent distribution optimization, Jiawo Recommendation Officer helps merchants restructure the expression of their brands and products, and enhances the visibility and credibility of brands and products in the AI decision-making chain. Jiawo Recommendation Officer provides merchants with AI visibility diagnosis, brand and product knowledge structuring, and AI-friendly content optimization. Combined with the capabilities of Youzan Mall, membership and private domain operation, it further converts the traffic brought by AI recommendations into consultations, orders and repeat purchases.

Youzan promotes the AI digital employees to evolve from capability provision to business implementation through the "Forward Deployed Engineer (FDE)". Based on in-depth insights into merchant demands and thorough exploration of business scenarios, Youzan systematically integrates products, services and AI applications around merchants' real business goals to develop business solutions with stronger scenario adaptability. In this way, Youzan can more accurately address the core demands of merchants at different development stages and of different business formats, truly embed AI into merchants' business processes, involve it in their business decision-making, support their business growth, and continuously improve their operational efficiency and business quality.

In the first half of 2026, we officially launched the monetization of our AI products. Instead of paying separately for individual AI features, merchants can purchase a unified computing power package, which is shared by all AI products, with billing based on actual consumption. This model lowers the threshold for merchants to experiment with and use AI, allowing them to apply AI capabilities to a wide range of scenarios according to their daily business needs. To date, over 20,000 merchants are using Youzan's AI products.

In the first half of 2026, we continued to expand our customer base, officially launched the Youzan AI Local Service Solution, extending our service scope from e-commerce retail to local service merchants in sectors including the beauty industry, sports and fitness, leisure and entertainment, and life services. This solution covers core business scenarios such as appointment management, in-store verification, physical product retail, store cashiering, mobile ordering, mini-program mall, group buying distribution, local influencer marketing, and refined customer membership operation, helping local service merchants achieve a complete closed loop from online customer acquisition to offline consumption. The Youzan AI Local Service Solution integrates AI-native Agents, allowing merchants to activate AI digital employees as needed for intelligent and efficient operation. Through this solution, Youzan's customer base has been further significantly broadened, with the reachable merchant group expanding from retail to the broader local service market.

In the first half of 2026, Youzan achieved accelerated revenue growth. The Group's total revenue was approximately RMB769,381,000, representing a year-on-year increase of approximately 7.8%. Revenue from subscription solutions was approximately RMB400,666,000, up approximately 7.2% year-on-year; revenue from merchant solutions was approximately RMB367,480,000, up approximately 8.7% year-on-year. The Group's overall gross profit was approximately RMB503,708,000, a year-on-year increase of approximately 7.9%. Gross profit from subscription solutions was approximately RMB310,119,000, up approximately 7.9% year-on-year; gross profit from merchant solutions was approximately RMB192,951,000, up approximately 8.2% year-on-year. The Group's adjusted EBITDA was approximately RMB72,738,000, and net cash inflow from operating activities was approximately RMB47,148,000.

In the first half of 2026, the gross merchandise volume generated by the merchants through Youzan's solutions reached approximately RMB51.6 billion. The gross merchandise volume of store business was approximately RMB28.8 billion, increased approximately 13% year-on-year, accounting for 56% of the gross merchandise volume. The average sales of a single merchant were approximately RMB one million in the first half of 2026, representing an increase of approximately 8% year-on-year.

As of 30 June 2026, we had 51,633 paying merchants, of which approximately 59% were those subscribing for e-commerce products; approximately 41% were those subscribing for store products, including Youzan Store, Youzan Chain, Youzan Local Service and Youzan Beauty, etc. The number of paying merchants of store products increased approximately 6% year-on-year.

The number of new paying merchants in the first half of 2026 was 8,325, of which the new paying merchants of e-commerce products accounted for 50% of the total new paying merchants and the new paying merchants of store products accounted for 50% of the total new paying merchants. The number of new paying merchants of store products increased approximately 4% year-on-year.

As of 30 June 2026, Youzan had a total of 1,688 employees.

Business Development Strategies

1. Achieve accelerated revenue growths while maintaining profit margins.

2. Accelerated the implementation of AI applications and commercialize AI capabilities.

Financial Review

Revenue

The Group's revenue for the reporting period amounted to approximately RMB769,381,000 (six months ended 30 June 2025: approximately RMB713,589,000), representing a notable increase of approximately 7.8% as compared with the corresponding period in 2025, which was attributable to the increase in revenue from both subscription solutions and merchant solutions.

The following table sets forth the revenue breakdown by major products or service lines for the period indicated.

	For the six months ended 30 June		
	2026	2025	Changes
	(Unaudited)	(Unaudited)	
	RMB'000	RMB'000	%
Subscription solutions	**400,666**	373,643	7.2
Merchant solutions	**367,480**	338,211	8.7
Others	**1,235**	1,735	(28.8)
Total	**769,381**	713,589	7.8

Subscription Solutions

Revenue from subscription solutions primarily includes subscription fees for the Group's subscription solution packages, customised products fee and a per-transaction cloud service fee for each extra order beyond a pre-specified order number threshold that consumers made to such merchants through products. Revenue generated from subscription solutions increased by 7.2% from approximately RMB373,643,000 for the six months ended 30 June 2025 to approximately RMB400,666,000 for the reporting period, primarily driven by growth in subscription fees for subscription solution packages and customised products fee. As the Group continued to refine its customer base, average revenue per user (ARPU) improved on a sustained basis, underpinning the robust revenue growth. In addition, the initial materialisation of AI commercialisation initiatives also contributed to the increase.

Merchant Solutions

The Group offers merchant solutions which comprise comprehensive value-added services addressing merchant needs that arise in daily operations. Revenue from merchant solutions mainly includes transaction service fee charged for transaction service (also known as third-party payment service), service fees charged for Youzan Logistics Solutions, Youzan Distribution, Youzan Worry-free Shopping and contracted operation services. Transaction service fee and service fees for Youzan Logistics Solutions, Youzan Distribution and Youzan Worry-free Shopping are determined with reference to the order volume or GMV generated by merchants solutions, while service fee for contracted operation services is associated with services rendered over time.

Revenue from merchant solutions for the reporting period was approximately RMB367,480,000(six months ended 30 June 2025: approximately RMB338,211,000), representing an increase of 8.7%. Such increase was primarily attributed to (i) the higher penetration rate of Youzan Logistics Solutions, which drove an increase in the order volume processed through Youzan Logistics Solutions; and (ii) the expansion of contracted operation services as the Group continued to execute its business expansion strategy.

Others

Revenue from other businesses for the reporting period was approximately RMB1,235,000 (six months ended 30 June 2025: approximately RMB1,735,000).

Cost of Sales

The following table sets forth a breakdown of costs by nature for the periods indicated.

	For the six months ended 30 June				Changes
	2026		2025		
	(Unaudited)		(Unaudited)		
	RMB'000	**Percentage %**	RMB'000	Percentage %	%
Staff costs	**35,210**	**13.3**	50,851	20.6	(30.8)
Server and SMS costs	**25,664**	**9.7**	22,967	9.3	11.7
Transaction costs	**79,125**	**29.8**	84,562	34.3	(6.4)
Technology services expenses	**31,409**	**11.8**	15,692	6.4	100.2
Contracted operation services costs	**20,586**	**7.7**	8,643	3.5	138.2
Taxes and surcharges	**3,270**	**1.2**	4,473	1.8	(26.9)
Insurance premium costs	**11,461**	**4.3**	10,966	4.4	4.5
Logistics costs	**43,810**	**16.5**	36,055	14.6	21.5
Others	**15,138**	**5.7**	12,605	5.1	20.1
Total	**265,673**	**100.0**	246,814	100.0	7.6

The Group's cost of sales in the reporting period amounted to approximately RMB265,673,000, as compared with the corresponding period in 2025 of approximately RMB246,814,000, representing an increase of 7.6%. The increase was primarily attributable to (i) higher technology services expenses which recorded an increase of 100.2% from approximately RMB15,692,000 for the corresponding period in 2025 to approximately RMB31,409,000, in line with the robust revenue growth in customised products and the increased expenditure on artificial intelligence capabilities to enhance merchant services; (ii) growth in contracted operation services costs and logistics costs driven by continuous expansion of the respective businesses. Specifically, contracted operation services costs rose 138.2% from RMB8,643,000 in the corresponding period in 2025 to RMB20,586,000, while logistics costs increased 21.5% from RMB36,055,000 to RMB43,810,000. Meanwhile, the above increases were partially offset by (iii) a decrease of 30.8% in staff costs from approximately RMB50,851,000 to approximately RMB35,210,000, resulting from the Group's efforts in optimising its operating efficiency through the extensive adoption of AI tools; and (iv) a decrease of 6.4% in transaction costs from approximately RMB84,562,000 for the corresponding period in 2025 to approximately RMB79,125,000, driven partly by the fluctuating processing fee rates charged by upstream clearing institutions for different merchant industry segments.

Gross Profit and Gross Profit Margin

The Group recorded a gross profit for the reporting period of approximately RMB503,708,000 (six months ended 30 June 2025: approximately RMB466,775,000), representing an increase of 7.9%, underpinned by revenue expansion from both subscription solutions and merchant solutions, with revenue growth outpacing the uplift in associated costs.

The Group's gross profit margin remained relatively stable, increasing slightly from 65.4% for the corresponding period in 2025 to 65.5% for the reporting period.

	For the six months ended 30 June			
	2026 (Unaudited)		2025 (Unaudited)	
	RMB'000	**Gross profit margin %**	RMB'000	Gross profit margin %
Subscription solutions	**310,119**	**77.4**	287,318	76.9
Merchant solutions	**192,951**	**52.5**	178,323	52.7
Others	**638**	**51.7**	1,134	65.4
Total	**503,708**	**65.5**	466,775	65.4

Subscription Solutions

The gross profit of subscription solutions for the reporting period was approximately RMB310,119,000(six months ended 30 June 2025: approximately RMB287,318,000), representing an increase of 7.9%. The gross profit margin increased from 76.9% for the six months ended 30 June 2025 to 77.4% for the reporting period, primarily attributable to the revenue growth driven by business expansion, particularly in subscription fees for subscription solution packages and customised products fee, while cost of sales grew at a slower pace than revenue as a result of enhanced operating efficiency.

Merchant Solutions

The gross profit of merchant solutions for the reporting period was approximately RMB192,951,000 (six months ended 30 June 2025: approximately RMB178,323,000), representing an increase of 8.2%, while the gross profit margin decreased slightly from 52.7% for the six months ended 30 June 2025 to 52.5% for the six months ended 30 June 2026. Such change primarily resulted from the relatively rapid growth of the Group's Youzan Logistics Solutions under its merchants solutions, which has a comparably lower margin.

Others

Other gross profit for the reporting period was approximately RMB638,000 (six months ended 30 June 2025: approximately RMB1,134,000).

Expenses and Others

The Group's selling and distribution expenses recorded an increase of 11.8% to approximately RMB290,624,000, as compared with the corresponding period in 2025 of approximately RMB259,962,000. The Group intensified recruitment of sales personnel during the reporting period, leading to higher staff costs. Meanwhile, commissions paid to distributors rose in tandem with the revenue growth.

The Group's administrative expenses recorded an increase of 6.3% to approximately RMB67,455,000, as compared with approximately RMB63,457,000 for the corresponding period in 2025, primarily attributable to one-off professional service fees incurred in connection with the Group's successful transfer of listing from GEM to the Main Board of The Stock Exchange of Hong Kong Limited in April 2026.

The Group's research and development costs exhibited a notable increase of 23.9% to approximately RMB98,950,000, as compared with approximately RMB79,861,000 for the corresponding period in 2025. The Group has strategically ramped up investment in R&D manpower and increased the procurement of artificial intelligence technical services, driving up total research and development expenditure, which will enable the Group to implement its artificial intelligence development roadmap more effectively and deliver enhanced services to its merchants.

The Group's equity-settled share-based payment recorded a 61.8% decrease to approximately RMB3,748,000, as compared with the corresponding period in 2025 of approximately RMB9,822,000, which reflected the gradual expiry of vesting periods for the share awards.

The Group's investment and other income recorded an increase of 3.0% to approximately RMB24,810,000, as compared with the corresponding period in 2025 of approximately RMB24,076,000, mainly attributable to higher dividend income from investee companies.

The Group's other net gains shew an increase of 103.3% to approximately RMB9,898,000, as compared with the corresponding period in 2025 of approximately RMB4,868,000, mainly due to gains generated from foreign exchange fluctuations.

The Group recorded reversal of impairment losses on financial assets of approximately RMB129,000, as compared with the corresponding period in 2025 of approximately RMB1,472,000, which was mainly due to improved recoverability of financial assets.

The Group's finance costs recorded a 15.8% decrease to approximately RMB8,196,000, as compared with the corresponding period in 2025 of approximately RMB9,736,000, mainly stemming from the repayment of interest-bearing bank and other borrowings.

Non-HKFRS measures

To supplement our consolidated financial statements presented in accordance with HKFRS, we also use non-HKFRS measures, namely adjusted net profit (non-HKFRS measure) and adjusted earnings before interest, tax, depreciation and amortisation (non-HKFRS measure) as additional financial measures, which are not required by or presented in accordance with HKFRS.

We believe that such non-HKFRS measures facilitate comparisons of operating performance from time to time by eliminating potential impacts of items such as certain non-cash items, non-operating items and non-recurring items. Additionally, we believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of adjusted net profit (non-HKFRS measure) and adjusted earnings before interest, tax, depreciation and amortisation (non-HKFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-HKFRS measures have limitations as an analytical tool, and should not be considered in isolation or as a substitute for analysis of our results of operations or financial conditions reported under HKFRS.

Adjusted net profit (non-HKFRS measure) is herewith defined as profit for the period adjusted by adding back equity settled share-based payments. We define adjusted earnings before interest, tax, depreciation and amortisation (non-HKFRS measure) as adjusted net profit (non-HKFRS measure) further adjusted by adding back income tax expense, net finance costs, depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of intangible assets.

* The definition of adjusted earnings before interest, tax, depreciation and amortisation (non-HKFRS measure) have been adjusted to conform with Chapter 3.11 of the Guide for New Listing Applicants, and the comparative figure of adjusted earnings before interest, tax, depreciation and amortisation (non-HKFRS measure) has been re-presented accordingly.

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Profit for the period	**67,121**	72,569
– Equity-settled share-based payments Note 1	**3,748**	9,822
Adjusted net Profit (Non-HKFRS measure)	**70,869**	82,391
– Income tax expense Note 2	**2,451**	1,784
– Net finance costs Note 2, 3	**(5,978)**	(5,669)
– Depreciation of property, plant and equipment Note 2	**1,509**	1,290
– Depreciation of right-of-use assets Note 2	**3,887**	3,944
– Amortisation of intangible assets Note 2	**–**	–
Adjusted profit before interest, tax, depreciation and amortisation (Non-HKFRS measure, re-presented for prior period)	**72,738**	83,740

Notes:

1. Adjusted as it is non-cash in nature.

2. Adjusted in accordance with the definition of "earnings before interest, tax, depreciation and amortisation" (i.e., EBITDA).

3. Net finance costs equal to finance costs less interest income.

Dividends

The Board did not recommend the payment of dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

Gearing Ratio

As at 30 June 2026, the gearing ratio of the Group, which is calculated by dividing total debts (all bank and other borrowings) by total assets as of the end of the period, was 1.8%, as compared with 6.2% as at 31 December 2025, reflecting an improvement mainly attributable to the repayment of interest-bearing bank and other borrowings during the period.

Pledge of Assets

As at 30 June 2026, the Group had no pledge of assets.

Financial Resources and Liquidity

As at 30 June 2026, the Group had cash and cash equivalents of approximately RMB783,275,000 (As at 31 December 2025: approximately RMB1,080,475,000).

As at 30 June 2026, the Group had bank and other borrowings of approximately RMB89,726,000 (As at 31 December 2025: approximately RMB352,105,000).

Foreign Exchange Exposure

Since the Group's operations are mainly located in the PRC, its transactions, monetary assets and liabilities are primarily denominated in Renminbi. The Group monitors its foreign currency risks and will consider hedging significant currency exposures should the need arises.

Employees

As at 30 June 2026, the Group has approximately 1,688 employees (As at 31 December 2025: 1,675). Employees are remunerated according to their performance and work experience. In addition to basic salaries and retirement scheme, staff benefits include performance bonus, share options and share awards etc. The Directors believe that good quality of its employees is a company asset which affects growth and improves profitability. The Group recognises the importance of staff training and thus regularly provides internal and external training for its staff to enhance their skills and knowledge.

Significant Investment

The Group did not have any significant investments during the six months ended 30 June 2026.

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

During the six months ended 30 June 2026, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

Future Plans for Material Investments or Acquisition of Capital Assets

As at 30 June 2026, the Group has no specific plans for any material investments or acquisition of capital assets.

Contingent Liabilities

As at 30 June 2026, the Group has no material contingent liabilities.

Event After the Reporting Period

Subsequent to the reporting period, the share consolidation of every 20 issued and unissued existing shares into 1 consolidated share became effective from 3 July 2026. Pursuant to the consolidation, the total number of issued shares decreased from 32,978,308,752 shares to 1,648,915,437 shares.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 30 June 2026, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")), which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors and chief executive were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules, were as follows:

Interest in the Shares

		Long Position in Shares			
Directors	**Capacity**	**Interest in shares**	**Interest in underlying shares**	**Total interest in shares**	**% Shareholding**
Mr. Zhu Ning	Beneficial owner/ Founder of a discretionary trust	433,684,841 5,744,205,768 *(Note 1)*	1,000,000 *(Note 2)*	6,178,890,609	18.74
Mr. Yu Tao	Beneficial owner	363,055,968	1,000,000 *(Note 2)*	364,055,968	1.10
Dr. Fong Chi Wah	Beneficial owner	1,000,000	–	1,000,000	0.003
Mr. Li Shaojie	Beneficial owner	1,000,000	–	1,000,000	0.003
Ms. Li Qingyang	Beneficial owner	4,000	–	4,000	0.00001

Note 1: The shares are held by Whitecrow Investment Ltd. ("Whitecrow"). Whitecrow is a company incorporated in the British Virgin Islands with limited liability and is 100% beneficially owned by Mr. Zhu Ning.

Note 2: The Company granted the share options under Share Option Scheme 2019 on 20 January 2023. The share options are valid until 19 January 2028 and have an exercise price of HK$0.385.

Save as disclosed above and to the best knowledge of the Directors, as at 30 June 2026, neither the Directors nor chief executive of the Company (including their spouses and children under 18 years of age) had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors and chief executive were taken or deemed to have under such provisions of the SFO); or (ii) were required to be entered into the register required to be kept under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY

Save as disclosed below and to the best knowledge of the Directors, as at 30 June 2026, there was no other person (other than a director or chief executives of the Company) who had any interests and short positions in the shares and underlying shares of the Company which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register to be kept by the Company under Section 336 of the SFO.

Long position in Shares

Name of substantial shareholders	Capacity	Number of interest in shares	% Shareholding
Whitecrow Investment Ltd. *(Note 1)*	Beneficial owner	5,744,205,768	17.42
Double Peace Limited *(Note 1)*	Interests of controlled corporation	5,744,205,768	17.42
Tricor Equity Trustee Limited *(Note 1)*	Trustee	5,744,205,768	17.42
THE CORE TRUST COMPANY LIMITED *(Note 2)*	Trustee	1,655,291,517	5.02

Note 1: Whitecrow is a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Double Peace Limited. Mr. Zhu Ning, an executive Director, is the settlor of a discretionary trust which holds the entire issued share capital of Double Peace Limited. Tricor Equity Trustee Limited holds the entire issued share capital of Double Peace Limited as trustee of the discretionary trust.

Note 2: The shares are held through QM Teamwork Limited, Beauty Show Limited and Noble (Nominees) Limited. They are the nominee to the trustee of certain share incentive schemes of the Group. Beauty Show Limited and QM Teamwork Limited are wholly owned by TCT (BVI) Limited, which is in turn wholly owned by THE CORE TRUST COMPANY LIMITED. Noble (Nominees) Limited is wholly owned by THE CORE TRUST COMPANY LIMITED.

SHARE OPTION SCHEME AND SHARE AWARD SCHEME

Share Option Scheme

The Company adopted a share option scheme on 12 June 2019 and terminated on 29 June 2023 (the "Share Option Scheme 2019"). The termination of the Share Option Scheme 2019 will not affect the validity of the outstanding share options, which may continue to be exercised in accordance with the terms of the Share Option Scheme 2019 and the Listing Rules.

Set out below are the details of movements in the outstanding options granted under the Share Option Scheme 2019 during the six months ended 30 June 2026:

	Position held within the Company	Date of grant	As at 1.1.2026	Granted during the period	Lapsed during the period	Cancelled during the period	Exercised during the period	As at 30.6.2026	Exercise price	Exercisable from	Exercisable until
Name of selected Directors											
Mr. Zhu Ning	Executive Director and chief executive officer	20 January 2023	1,000,000	-	-	-	-	1,000,000	HK$0.385	20 January 2024 *(Note1)*	19 January 2028
Mr. Yu Tao	Executive Director	20 January 2023	1,000,000	-	-	-	-	1,000,000	HK$0.385	20 January 2024 *(Note 1)*	19 January 2028
Other employees		20 January 2023	9,600,000	-	-	-	-	9,600,000	HK$0.385	20 January 2024 *(Note 1)*	19 January 2028
Total			11,600,000	-	-	-	-	11,600,000			

Notes:

1. 100% of the options (the "Options") became vested on 20 January 2024.

2. There is no performance target attached to the Options.

3. As at 1 January 2026 and 30 June 2026, the number of share options available for grant under the Share Option Scheme 2019 were nil.

4. No service provider sublimit was set under the Share Option Scheme 2019.

On 29 June 2023, the Company was approved at the 2023 annual general meeting to adopt a new share option scheme (the "Share Option Scheme 2023") and its scheme mandate limit (the "Scheme Mandate Limit") and its service provider sublimit (the "Service Provider Sublimit"), which are the maximum number of Shares that may be allotted and issued upon the exercise of all share options, together with any share awards to be granted to eligible person(s) or service providers under the Share Option Scheme 2023 or any other share incentive scheme (including the Share Award Scheme (as defined below)) of the Company. No share options were granted, exercised, lapsed or cancelled under the Share Option Scheme 2023 since the date of adoption and during the six months ended 30 June 2026.

As at 30 June 2026, the number of options available for grant and share available for issue under the Scheme Mandate Limit and the Service Provider Sublimit were 57,960,377 and 57,960,377, respectively (as at 1 January 2026: 57,960,377 and 57,960,377, respectively).

SHARE AWARD SCHEME

The Company adopted a share award scheme (the "Share Award Scheme") on 31 May 2018 (the "Adoption Date") aimed to recognise the contributions by eligible persons and provide them with incentives in order to retain them for continuing operation and development of the Group, and to attract suitable personnel for further development of the Group. The Share Award Scheme shall be valid and effective for a period of 10 years from the Adoption Date unless early terminated by the Board.

The table below sets out details of share awards granted to various participants/ categories of participants (the "Awarded Shares") under the Share Award Scheme:

Grantee/ Category		Date of grant	Vesting period	Purchase price	Unvested Awards as at 1 January 2026	Granted during the period	Vested during the period *(Note 1)*	Forfeited/ Lapsed during the period	Cancelled during the period	Unvested Awards as at 30 June 2026
Other employee participants in aggregate										
	Seventh Awards	15 January 2023	Seventh Awards granted to employees are divided into 2 lots: 2,195,488 Awarded Shares were fully vest on 14 January 2024. Another 3,132,000 Awarded Shares are divided into 3 tranches. The first tranche representing 50% of the awards shall vest when the employees completing 1 year of continuous service to the Group from the date of grant. The second and third tranches each represent 25% of the awards and shall vest in the second and third anniversary from the date of grant, respectively.	N/A	489,000	–	489,000	–	–	–
	Eighth Awards	1 April 2023	Eighth Awards granted to Selected Participants are divided into 3 lots: (1) 2,747,800 Awarded Shares were fully vest on 31 March 2024; (2) Another 12,131,000 Awarded Shares are divided into 4 tranches. The first and second tranche each represent 20% of the awards shall vest when the Selected Participant completing 1 year of continuous service to the Group from the date of grant. The third and fourth tranches each represent 30% of the awards shall vest in the third and fourth anniversary from the date of grant, respectively; (3) The remaining 18,899,000 Awarded Shares are divided into 4 tranches. The first tranche representing 25% of the awards shall vest when the Selected Participant completing 1 year of continuous service to the Group from the date of grant. The second, third and fourth tranches each represent 25% of the awards shall vest in the second, third and fourth anniversary from the date of grant, respectively.	N/A	11,314,400	–	5,657,200	366,300	–	5,290,900

Grantee/ Category		Date of grant	Vesting period	Purchase price	Unvested Awards as at 1 January 2026	Granted during the period	Vested during the period (Note 1)	Forfeited/ Lapsed during the period	Cancelled during the period	Unvested Awards as at 30 June 2026
	Ninth Awards	1 July 2023	Ninth Awards granted to employees are divided into 4 tranches. The first tranche representing 25% of the awards would be vested when the Selected Participant completing 1 year of continuous service to the Group from the date of grant. The second, third and fourth tranches each represent 25% of the awards,and would be vested in the second, third and fourth anniversary from the date of grant, respectively.	N/A	1,073,500	–	536,740	–	–	536,760
	Tenth Awards	23 December 2024	Tenth Awards granted to employees are divided into 2 lots: (1) 1,321,441,003 Awarded Shares will be vested in 1 year from the Grant Date; and (2) 254,157,702 Awarded Shares will be vested over 1 to 5 years from the Grant Date.	N/A	172,599,635	–	11,518,600	403,375	–	160,677,660
					185,476,535	–	18,201,540	769,675	–	166,505,320

Notes:

1. The weighted average closing price of the Shares immediately before the dates on which the Awarded Shares were vested during the six months ended 30 June 2026 was HK$0.096.

2. The numbers of share awards available for grant under the Scheme Mandate Limit as at 1 January 2026 and 30 June 2026 were 57,960,377 Shares and 57,960,377 Shares, respectively.

3. The number of share awards available for grant under the Services Provider Sublimit as at 1 January 2026 and 30 June 2026 were both 57,960,377 Shares.

The total number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the six months ended 30 June 2026 divided by the weighted average number of the Shares in issue (excluding treasury shares) during the period is nil.

COMPETING INTERESTS AND CONFLICT OF INTEREST

None of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business, which competes or may compete, either directly or indirectly, with the business of the Group nor any conflict of interest which has or may have with the Group during the six months ended 30 June 2026.

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

During the six months ended 30 June 2026, the Company repurchased a total of 251,472,000 Shares at an aggregate consideration of approximately HK$27.21 million on the Stock Exchange. The details of the repurchase of such Shares are set out as follows:

Month of repurchase	Number of Shares repurchased	Number of Shares repurchased and held as treasury Shares	Highest price paid per Share (HK$)	Lowest price paid per Share (HK$)	Total consideration (HK$'000)
April 2026	58,524,000	58,524,000	0.155	0.128	8,353
May 2026	122,000,000	122,000,000	0.128	0.092	13,209
June 2026	70,948,000	70,948,000	0.085	0.074	5,644
Total	**251,472,000**	**251,472,000**			**27,206**

The Board considers that the share repurchase will demonstrate the Company's confidence in its own business outlook and prospects and would, ultimately, benefit the Company and create value to its Shareholders. The Board believes that the current financial resources of the Company would enable it to implement the share repurchase while maintaining a solid financial position.

The Company held 700,116,377 treasury Shares as of 30 June 2026. The Company intends to resell the treasury Shares or use treasury Shares for other purposes in compliance with the Listing Rules.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of treasury shares, if any) during the reporting period.

As at the date of this announcement, the Company repurchased 920,200 Shares and holds as treasury shares.

CHANGE IN DIRECTORS' INFORMATION

There has been no change in information on the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct regarding the Directors' dealings in the securities of the Company. Having made specific enquiries, all the Directors confirmed that they have strictly complied with the required standards as set out in the Model Code throughout the Reporting Period.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance to protect the interests of the shareholders of the Company. The Company's corporate governance practices are based on principles and code provisions as set out in the Corporate Governance Code (the "Code") in Appendix C1 to the Listing Rules.

The Company has complied with the provisions of the Code during the six months ended 30 June 2026, except for the deviation from code provision C.2.1 of the Code, details of which are set out in the paragraph headed "Chairman and Chief Executive Officer" of this report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to code provision C.2.1 of the Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual.

Since 19 February 2021, Mr. Zhu Ning, who has been an executive director and the chief executive officer of the Company since May 2018, has also been appointed as the chairman of the Board. Such practice deviates from the code provision C.2.1 of the Code.

Mr. Zhu Ning has been the key leadership figure since joining the Group who has primarily participated in formulation of business plans, strategies and major decisions of the Group, and has been responsible for the overall management of the Group. Taking into account the continuation of the implementation of our business plans, the Directors consider that Mr. Zhu Ning is the best candidate for both positions and this arrangement is beneficial and in the interests of the Company and the shareholders as a whole. Therefore, the Board considers the deviation from the code provision C.2.1 of the Code is appropriate in such circumstances.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") in compliance with the Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely Dr. Fong Chi Wah, Mr. Deng Tao and Mr. Li Shaojie. The Audit Committee is chaired by Dr. Fong Chi Wah. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control systems of the Group.

The Audit Committee has reviewed the Company's unaudited condensed consolidated interim results announcement for the six months ended 30 June 2026 and is of the opinion that such results have complied with the applicable accounting standards and the requirements under the Listing Rules.

By order of the Board
Youzan Technology Limited
Zhu Ning
Chairman

Hong Kong, 13 August 2026

As at the date of this report, the Board comprises the following Directors:

Executive Directors
Mr. Zhu Ning
Mr. Yu Tao

Independent Non-executive Directors
Dr. Fong Chi Wah
Mr. Deng Tao
Mr. Li Shaojie
Ms. Li Qingyang