Softcare 乐舒适

Softcare Limited
樂舒適有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2698)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026

FINANCIAL HIGHLIGHTS

	For the six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Revenue	**332,748**	254,632
Gross profit	**119,138**	87,152
Profit for the period	**75,819**	51,932
Adjusted net profit (non-IFRS measure) for the period	**78,605**	51,329
Earnings per share (in US cents)		
– Basic	**12.2**	10.2
– Diluted	**12.2**	10.1
Dividends per share (in US cents)		
– Interim	**8.00**	–
	As at June 30, 2026	As at December 31, 2025
	US$'000	*US$'000*
	(unaudited)	(audited)
Total assets	**783,197**	762,746
Total equity	**662,129**	637,290
Cash and cash equivalents	**414,514**	445,456

Note:

Adjusted net profit (non-IFRS measure) for the period after excluding the effects of: (1) listing expenses, (2) foreign exchange losses (gains), net, (3) share-based payment expense, and (4) income tax effects of non-IFRS adjustments.

INTERIM RESULTS

The board of directors (the "**Board**") of Softcare Limited (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively the "**Group**" or "**we**", "**our**", "**us**") for the six months ended June 30, 2026 (the "**Reporting Period**"), prepared in accordance with IFRS Accounting Standards (the "**IFRS**") together with comparative figures for the corresponding period of 2025, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2026

		For the six months ended June 30,	
	NOTES	**2026**	2025
		US$'000	*US$'000*
		(unaudited)	(unaudited)
Revenue	*3*	**332,748**	254,632
Cost of sales		**(213,610)**	(167,480)
Gross profit		**119,138**	87,152
Other income	*4*	**6,832**	231
Other gains and losses, net	*4*	**1,639**	584
Selling and distribution expenses		**(13,109)**	(8,851)
Administrative expenses		**(20,234)**	(17,797)
Research expenses		**(330)**	(533)
Foreign exchange (losses) gains, net		**(2,697)**	3,916
Listing expenses		**–**	(2,559)
Finance costs		**(291)**	(683)

		For the six months ended June 30,	
	NOTES	**2026**	2025
		US$'000	*US$'000*
		(unaudited)	(unaudited)
Profit before taxation		**90,948**	61,460
Taxation	*5*	**(15,129)**	(9,528)
Profit for the period	*6*	**75,819**	51,932
Other comprehensive income			
Item that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**3,431**	3,334
Other comprehensive income for the period		**3,431**	3,334
Total comprehensive income for the period attributable to owners of the Company		**79,250**	55,266
Earnings per share (in US cents)	*8*		
– Basic		**12.2**	10.2
– Diluted		**12.2**	10.1

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	NOTES	**As at June 30, 2026** ***US$'000*** **(unaudited)**	As at December 31, 2025 *US$'000* (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**107,373**	103,247
Right-of-use assets		**11,747**	13,853
Investment properties		**4,676**	4,767
Prepayments		**2,590**	211
Deferred tax assets	*15*	**9,656**	11,122
		136,042	133,200
CURRENT ASSETS			
Inventories		**183,449**	142,902
Trade receivables	*10*	**15,112**	9,722
Other receivables, deposits and prepayments	*11*	**29,717**	29,897
Financial assets at fair value through profit or loss	*12*	**108**	–
Prepaid income tax		**1,722**	1,569
Pledged bank deposits		**2,533**	–
Cash and cash equivalents		**414,514**	445,456
		647,155	629,546
CURRENT LIABILITIES			
Trade payables	*13*	**53,639**	52,941
Other payables and accruals		**16,922**	19,152
Contract liabilities		**16,867**	13,253
Tax liabilities		**12,680**	7,743
Lease liabilities		**2,823**	3,229
Borrowings	*14*	**5,185**	14,290
		108,116	110,608
NET CURRENT ASSETS		**539,039**	518,938
TOTAL ASSETS LESS CURRENT LIABILITIES		**675,081**	652,138

	NOTES	As at June 30, 2026 US$'000 (unaudited)	As at December 31, 2025 US$'000 (audited)
NON-CURRENT LIABILITIES			
Lease liabilities		**1,801**	3,699
Deferred tax liabilities	*15*	**11,151**	11,149
		12,952	14,848
NET ASSETS		**662,129**	637,290
CAPITAL AND RESERVES			
Share capital	*16*	**62**	62
Reserves		**662,067**	637,228
TOTAL EQUITY		**662,129**	637,290

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2026

	Paid-up registered capital/ share capital *US$'000*	Share premium *US$'000*	Share-based payment reserve *US$'000*	Other reserve *US$'000* *(Note a)*	Statutory surplus reserves *US$'000* *(Note b)*	Exchange reserve *US$'000*	Retained profits *US$'000*	Total *US$'000*
At January 1, 2026 (audited)	62	368,721	1,218	(1,826)	231	3,324	265,560	637,290
Profit for the period	–	–	–	–	–	–	75,819	75,819
Other comprehensive income for the period	–	–	–	–	–	3,431	–	3,431
Total comprehensive income for the period	–	–	–	–	–	3,431	75,819	79,250
Exercise of share options *(Note 17)*	–	375	–	–	–	–	–	375
Recognition of equity settled share-based payments *(Note 17)*	–	–	342	–	–	–	–	342
Dividend declared *(Note 7)*	–	–	–	–	–	–	(55,128)	(55,128)
At June 30, 2026 (unaudited)	62	369,096	1,560	(1,826)	231	6,755	286,251	662,129
At January 1, 2025 (audited)	50	–	–	(2,878)	128	(1,914)	144,500	139,886
Profit for the period	–	–	–	–	–	–	51,932	51,932
Other comprehensive income for the period	–	–	–	–	–	3,334	–	3,334
Total comprehensive income for the period	–	–	–	–	–	3,334	51,932	55,266
Cancellation of ordinary shares *(Note 16(a)(iii))*	(17)	17	–	–	–	–	–	–
Issue of new ordinary shares *(Note 16(a)(iv))*	17	–	–	–	–	–	–	17
Recognition of equity settled share-based payments *(Note 17)*	–	–	956	–	–	–	–	956
Issue of new ordinary shares, together with put option and certain special rights *(Note 16(b))*	2	29,998	–	–	–	–	–	30,000
Recognition of other financial liability	–	–	–	(30,763)	–	–	–	(30,763)
At June 30, 2025 (unaudited)	52	30,015	956	(33,641)	128	1,420	196,432	195,362

Notes:

a. Other reserve mainly represents the net deemed distribution arising from (i) contribution of certain principal assets (such as property, plant and equipment and inventories) for the manufacture and sale of baby diapers, baby pants, sanitary pads and wet wipes (the "**Relevant Business**") which were owned by the predecessor companies, (comprising of Sunda Enterprise Limited, Guangzhou Sunda Trading Co., Ltd. and their respective subsidiaries from time to time, excluding Softcare Limited and its subsidiaries (the "**Sunda Group**") in The Republic of Ghana ("**Ghana**"), The Republic of Kenya ("**Kenya**"), The United Republic of Tanzania ("**Tanzania**") and The Republic of Senegal ("**Senegal**"), net of the consideration payable liability. The Relevant Business in Ghana, Kenya, Tanzania and Senegal were transferred to the respective newly incorporated operating subsidiaries of the Group in these countries (the "**Transfer**") pursuant to the respective agreements for business transfer between these predecessor companies and the respective newly incorporated operating subsidiaries of the Group in these countries under merger accounting in accordance with the group reorganization; (ii) deemed distribution to predecessor companies of the Sunda Group for earnings generated from Tanzania, Kenya and Senegal, as well as certain trading arms of the Relevant Business in The Republic of Côte d'Ivoire ("**Côte d'Ivoire**"), The Republic of Uganda ("**Uganda**") and The Republic of Peru ("**Peru**") retained by the predecessor companies prior to the Transfer and the taken up of sales activities by the Group; and (iii) recognition of other financial liability of US$30,763,000 upon issuance of 15,000,000 new ordinary shares to International Finance Corporation (the "**Pre-IPO Investor**"), together with put option and certain special rights that imposed an obligation to the Company to repurchase the shares at a cash purchase amount equivalent to an annual internal rate of return on the amount invested by the Pre-IPO Investor.

b. The statutory surplus reserves are composed of the mandatory allocations made by the Company's subsidiaries established in the People's Republic of China (the "**PRC**") and other relevant overseas jurisdictions. Pursuant to the relevant laws in the PRC and respective local jurisdictions, each of the Company's subsidiaries established therein is required to transfer 10% of its profit after taxation as per financial statements to the statutory surplus reserves (including the general reserve fund and enterprise development fund, where appropriate). The general reserve fund is discretionary when the fund balance reaches 20% (for subsidiaries in overseas jurisdiction) or 50% (for subsidiaries in the PRC) of the registered capital of the respective company and can be used to make up for previous years' losses, expand the existing operations or can be converted into additional capital of the entity.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

	For the six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
	(unaudited)	(unaudited)
OPERATING ACTIVITIES		
Profit before taxation	**90,948**	61,460
Adjustments for:		
Finance costs	**291**	683
Bank interest income	**(6,613)**	(231)
Fair value changes of financial assets at fair value through profit or loss	**(502)**	(347)
Depreciation of property, plant and equipment	**7,747**	4,272
Depreciation of right-of-use assets	**1,739**	408
Depreciation of investment properties	**64**	–
Gain on disposal of property, plant and equipment, net	**(129)**	(41)
Gain on early termination of lease	**(78)**	–
Recognition of equity-settled share-based payments	**342**	956
Operating cash flows before movements in working capital	**93,809**	67,160
(Increase) decrease in inventories	**(38,380)**	5,698
Increase in trade receivables	**(5,365)**	(2,233)
Decrease (increase) in other receivables, deposits and prepayments	**65**	(3,786)
Increase in trade payables	**1,036**	3,269
Increase in contract liabilities	**4,117**	3,438
Decrease in other payables and accruals	**(1,925)**	(1,761)
Net cash generated from operations	**53,357**	71,785
Income taxes paid	**(9,705)**	(8,344)
NET CASH FROM OPERATING ACTIVITIES	**43,652**	63,441

	For the six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
	(unaudited)	(unaudited)
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	**(13,883)**	(16,709)
Placement of pledged bank deposits	**(2,533)**	–
Purchases of leasehold lands	**(150)**	(249)
Bank interest received	**6,613**	231
Net purchase and proceeds from disposals of financial assets at fair value through profit or loss	**394**	347
Proceeds from disposal of property, plant and equipment	**738**	183
NET CASH USED IN INVESTING ACTIVITIES	**(8,821)**	(16,197)

	For the six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
	(unaudited)	(unaudited)
FINANCING ACTIVITIES		
Dividends paid	**(55,128)**	(10,000)
Repayments of borrowings	**(9,413)**	(10,000)
Borrowings raised	**–**	10,953
Repayments of lease liabilities	**(1,522)**	(311)
Interest paid	**(291)**	(160)
Proceeds from exercise of share options	**375**	–
Repayments to related parties	**–**	(1,001)
Proceeds from issuance of new ordinary shares, together with put option and certain special rights	**–**	30,017
Share issue costs paid	**–**	(155)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	**(65,979)**	19,343
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(31,148)**	66,587
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**445,456**	31,112
Effect of foreign exchange rate changes	**206**	1,202
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by bank deposits, bank balances and cash	**414,514**	98,901

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

1. BASIS OF PREPARATION

The condensed consolidated financial statements of Softcare Limited and its subsidiaries have been prepared in accordance with IAS 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (the "**IASB**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss, which are measured at fair values, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2026 are the same as those presented in the Group's consolidated financial statements for the year ended December 31, 2025.

Application of amendments to IFRS Accounting Standards

In the Reporting Period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11

The application of the amendments to IFRS Accounting Standards in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Information is reported to directors of the Company, who are also the chief operating decision makers ("**CODM**") of the Group, for the purposes of resource allocation and performance assessment. The CODM reviews the overall results and financial performance of the Group as a whole. No analysis of the Group's assets or liabilities and no other discrete financial information is regularly provided to the CODM. Accordingly, only entity-wide disclosures on revenue, major customers and geographical information are presented in accordance with IFRS 8 "Operating Segment".

(i) Disaggregation of revenue of the Group from contracts with customers was disclosed as follows:

	For the six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Types of revenue		
Baby care	**261,876**	198,831
Feminine care	**55,999**	46,047
Family care	**14,873**	9,754
Total revenue arising from sale of products	**332,748**	254,632
Timing of revenue recognition		
At point in time	**332,748**	254,632

(ii) Geographical information

Information about the Group's revenue based on the location of customers and non-current assets (except for deferred tax assets) based on the geographical location of the assets is presented below:

3. REVENUE AND SEGMENT INFORMATION (Continued)

(ii) Geographical information (Continued)

Revenue by customers' location

	For the six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
	(unaudited)	(unaudited)
West Africa:		
Ghana	**52,161**	38,980
Côte d'Ivoire	**27,967**	20,798
Senegal	**17,250**	22,729
Others	**29,614**	19,572
	126,992	102,079
East Africa:		
Kenya	**55,498**	47,288
Uganda	**29,851**	24,575
Tanzania	**26,997**	22,678
The Republic of Zambia ("**Zambia**")	**20,931**	13,348
Others	**18,145**	9,188
	151,422	117,077
Central Africa:		
The Republic of Cameroon ("**Cameroon**")	**20,314**	16,835
Others	**14,167**	9,807
	34,481	26,642
Latin America:		
Peru	**11,909**	7,583
Others	**7,477**	1,122
	19,386	8,705
Others	**467**	129
Total	**332,748**	254,632

3. REVENUE AND SEGMENT INFORMATION (Continued)

(ii) Geographical information (Continued)

	As at June 30, 2026	As at December 31, 2025
	US$'000	*US$'000*
	(unaudited)	(audited)
Non-current assets by geographical location (except for deferred tax assets)		
Kenya	**25,176**	25,792
Uganda	**20,256**	20,519
Peru	**17,305**	17,903
Zambia	**15,643**	12,370
Tanzania	**14,031**	15,117
Ghana	**13,809**	12,804
Cameroon	**6,986**	7,334
Others	**13,180**	10,239
	126,386	122,078

4. OTHER INCOME AND OTHER GAINS AND LOSSES, NET

	For the six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Other income		
Rental income (net of outgoing expenses)	**219**	–
Interest income	**6,613**	231
	6,832	231
Other gains and losses, net		
Gain on disposal of plant and equipment, net	**129**	41
Gain on disposal of scrap materials, net	**1,092**	325
Fair value changes for financial assets at fair value through profit or loss	**502**	347
Gain on early termination of lease	**78**	–
Others	**(162)**	(129)
	1,639	584

5. TAXATION

	For the six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Current tax	**14,288**	9,589
Deferred tax *(Note 15)*		
– corporate income tax	**1,124**	(61)
– withholding tax	**(283)**	–
	15,129	9,528

No provision for corporate income tax of the Company has been made as it did not have assessable profit which arose in, or was derived from the Cayman Islands. The Group's profit is subject to taxation from the place of its operations where its profit is generated and is calculated at the rates prevailing in the relevant jurisdictions as follows:

Jurisdictions	**Applicable tax rates**
Cameroon	38.5%
The Republic of El Salvador ("**El Salvador**"), Kenya, Senegal, Tanzania, Uganda, Zambia	30%
Peru	29.5%
Benin, Côte d'Ivoire, PRC	25%
Ghana	25% and 8% on assessable profits attributable to local and export businesses, respectively
The Republic of Kazakhstan	20%
Hong Kong SAR	16.5%
The United Arab Emirates	9% and 0% on qualifying income for qualified free zone person according to local rules and regulations

5. TAXATION (Continued)

Tax exemption of each country of operation:

- Softcare (U) Ltd enjoys tax holidays for 10 years commencing from year ended December 31, 2022.

- Softcare Benin Limited enjoys tax holidays for 8 years commencing from year ended December 31, 2023.

- Softcare Cameroon Limited enjoys preferential tax rates of 9.625% from years ending December 31, 2023 to 2027, and 19.25% from years ending December 31, 2028 to 2032.

- Softcare Industrial Zambia Limited enjoys preferential tax rates of 0% from years ending December 31, 2021 to 2030, 15% from years ending December 31, 2031 to 2033 and 22.5% from years ending December 31, 2034 to 2035, on its assessable profits attributable to export business.

The deferred tax arising on withholding tax is provided on the distributable profits of entities in Latin America, the PRC and African countries at withholding tax rates ranging from 5% to 15%.

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective. However, as the Group's ultimate holding company's consolidated annual revenue is expected to be less than EUR 750 million (equivalent to US$873 million) in at least two of the four fiscal years preceding the tested year, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

6. PROFIT FOR THE PERIOD

	For the six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Profit for the period	**75,819**	51,932
Profit for the period has been arrived at after charging:		
Staff costs (including the directors' remuneration)		
– Salaries, allowances and other benefits	**16,719**	11,652
– Contributions to retirement benefits schemes	**1,803**	1,433
– Share-based payments	**342**	956
Less: Amount capitalized in inventories	**(7,334)**	(4,956)
Staff costs recognised as expenses	**11,530**	9,085
Depreciation of property, plant and equipment	**7,747**	4,272
Depreciation of right-of-use assets	**1,739**	408
Depreciation of investment properties	**64**	–
Less: Amount capitalized in inventories	**(8,077)**	(4,138)
Depreciation recognized as an expense	**1,473**	542
Short-term leases in respect of leased properties	**725**	2,033
Cost of inventories recognized as an expense	**213,610**	167,480

7. DIVIDENDS

	For the six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Dividends declared and recognized as distribution:		
– 2025 final dividend: 8.88 US cents per share (2024: Nil)	**55,128**	–

On August 19, 2026, an interim dividend in respect of the six months ended June 30, 2026 of 8.00 US cents per ordinary share, in an aggregate amount of approximately US$49.7 million, has been declared by the directors of the Company.

8. EARNINGS PER SHARE

The calculation of the earnings per share attributable to owners of the Company is based on the following data:

	For the six months ended June 30,	
	2026	2025
	(unaudited)	(unaudited)
Earnings (US$'000)		
Earnings for the purpose of the basic and diluted earnings per share (profit for the period attributable to owners of the Company)	**75,819**	51,932
Number of shares ('000)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**620,374**	510,856
Effect of dilutive potential ordinary shares:		
Share options granted under the Pre-IPO Share Option Scheme (as defined in Note 17)	**1,284**	1,172
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**621,658**	512,028
Earnings per share (in US cents)		
– Basic	**12.2**	10.2
– Diluted	**12.2**	10.1

8. EARNINGS PER SHARE (Continued)

The weighted average number of ordinary shares for the six months ended June 30, 2025 was determined assuming the Subdivision of Shares, Surrender of Shares, and Shares Allotment (as defined in Note 16) had been effective since January 1, 2025, while the computation of diluted earnings per share for the same period did not assume the exercise of the put option from other financial liabilities as it would result in an anti-dilutive effect. There is no put option in issue during the six months ended June 30, 2026.

9. PROPERTY, PLANT AND EQUIPMENT

During the Reporting Period, the Group made additions to property, plant and equipment amounted to US$11.5 million (six months ended June 30, 2025: US$17.4 million) mainly relating to the construction of production facilities in Ghana, Tanzania, Kenya, Uganda and Peru.

10. TRADE RECEIVABLES

	As at June 30, 2026 ***US$'000*** **(unaudited)**	As at December 31, 2025 *US$'000* (audited)
Trade receivables	**15,469**	10,064
Less: Allowance for credit losses	**(357)**	(342)
	15,112	9,722

10. TRADE RECEIVABLES (Continued)

The Group grants credit terms to customers for up to 90 days from the invoice date for trade receivables. An ageing analysis of the trade receivables, net of allowance for credit losses, presented based on the invoice dates at the end of each reporting period is as follows:

	As at June 30, 2026 *US$'000* **(unaudited)**	As at December 31, 2025 *US$'000* (audited)
Within 1 month	**11,662**	7,763
In 2-3 months	**2,697**	1,721
In 4-6 months	**656**	159
In 7-12 months	**46**	79
Over 1 year	**51**	–
	15,112	9,722

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at June 30, 2026 *US$'000* **(unaudited)**	As at December 31, 2025 *US$'000* (audited)
Other receivables and deposits	**3,165**	1,768
Other taxes recoverable	**16,860**	19,728
Prepayments	**12,282**	8,612
	32,307	30,108
Less: Prepayments for purchases of property, plant and equipment that classified as non-current assets	**(2,590)**	(211)
Current portion	**29,717**	29,897

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

During the Reporting Period, the Group entered into foreign exchange forward contracts with the bank to sell an aggregate of EUR29,900,000 and buy an aggregate of USD34,694,000 on relevant settlement dates.

As at June 30, 2026 the Group's financial assets at fair value through profit and loss are foreign exchange forward contracts classified as Level 2. The fair value of the investments is derived from the observable spot and forward exchange rates, the yield curves of the respective currencies and credit risk of the counterparty.

13. TRADE PAYABLES

The credit period on trade payables to third parties is generally up to 90 days. The following is an ageing analysis of trade payables of the Group presented based on the invoice date at the end of each reporting period:

	As at June 30, 2026	As at December 31, 2025
	US$'000	*US$'000*
	(unaudited)	(audited)
Within 3 months	**53,081**	50,815
In 4-6 months	**128**	1,689
Over 7 months	**430**	437
	53,639	52,941

Included in trade payables as at June 30, 2026 are amounts due to related companies, which are under common control by the Company's shareholders, amounting to US$2,359,000 (December 31, 2025: US$2,317,000). These amounts due to related companies are trade-nature, unsecured and interest-free.

14. BORROWINGS

During the Reporting Period, the Group repaid bank loans of US$9.4 million (six months ended June 30, 2025: obtained new bank loans of US$11.0 million and repaid bank loans of US$10.0 million).

15. DEFERRED TAXATION

	As at June 30, 2026	As at December 31, 2025
	US$'000	*US$'000*
	(unaudited)	(audited)
Deferred tax assets	**9,656**	11,122
Deferred tax liabilities	**(11,151)**	(11,149)
	(1,495)	(27)

The following is the deferred tax assets (liabilities) recognized and movements thereon during the current and preceding periods.

		Deferred tax assets (liabilities), net			
	Accelerated depreciation	**Unrealized profits in inventories**	**Distributable profits of subsidiaries**	**Others**	**Total**
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
At January 1, 2025 (audited)	(521)	4,494	–	655	4,628
(Charge) credit to profit or loss for the period *(Note 5)*	(1,523)	1,607	–	(23)	61
Exchange realignment	360	–	–	(72)	288
At June 30, 2025 (unaudited)	(1,684)	6,101	–	560	4,977
At January 1, 2026 (audited)	(3,439)	7,828	(5,470)	1,054	(27)
(Charge) credit to profit or loss for the period *(Note 5)*	(2,012)	(44)	283	932	(841)
Exchange realignment	(316)	–	(264)	(47)	(627)
At June 30, 2026 (unaudited)	(5,767)	7,784	(5,451)	1,939	(1,495)

16. CAPITAL

During the six months ended June 30, 2026, the movements of the Group's capital, representing the Company's share capital, are as follows:

	Number of ordinary shares	Par value	Share capital
	'000	*US$*	*US$'000*
Authorised:			
At January 1, 2025 (audited)	50	1.0000	50
Subdivision of ordinary shares *(Note (a)(i))*	499,950	N/A	–
Increase of authorized ordinary share capital *(Note (a)(ii))*	500,000	0.0001	50
At June 30, 2025 (unaudited), January 1, 2026 (audited) and June 30, 2026 (unaudited)	1,000,000	0.0001	100
Issued and paid-up:			
At January 1, 2025 (audited)	50	1.0000	50
Subdivision of ordinary shares *(Note (a)(i))*	499,950	N/A	–
Cancellation of ordinary shares *(Note (a)(iii))*	(168,261)	0.0001	(17)
Issue of new ordinary shares *(Note (a)(iv))*	168,261	0.0001	17
Issue of new ordinary shares, together with put option and certain special rights *(Note (b))*	15,000	0.0001	2
At June 30, 2025 (unaudited)	515,000	0.0001	52
At January 1, 2026 (audited)	619,517	0.0001	62
Exercise of share options	1,298	0.0001	–*
At June 30, 2026 (unaudited)	620,815	0.0001	62

* *Less than US$1,000*

16. CAPITAL (Continued)

Notes:

(a) Pursuant to the then sole shareholder's written resolutions of the Company passed on January 15, 2025:

(i) each of the Company's issued and unissued ordinary shares of US$1.00 each was subdivided into 10,000 ordinary shares of US$0.0001 each, such that following the subdivision ("**Subdivision of Shares**"), (1) the authorized share capital of the Company was changed from US$50,000 divided into 50,000 ordinary shares of a par value of US$1.00 each to US$50,000 divided into 500,000,000 ordinary shares of a par value of US$0.0001 each; and (2) the issued ordinary share capital of the Company was changed to US$50,000 divided into 500,000,000 Shares of a par value of US$0.0001 each;

(ii) the authorized ordinary share capital of the Company was increased from US$50,000 divided into 500,000,000 ordinary shares of a par value of US$0.0001 each to US$100,000 divided into 1,000,000,000 ordinary shares of a par value of US$0.0001 each;

(iii) a total of 168,260,500 ordinary shares of US$0.0001 each were surrendered by Century BVI Limited at nil consideration, which were immediately canceled by the Company (the "**Surrender of Shares**") and a total amount of US$17,000 was credited to share premium of the Company;

(iv) a total of 168,260,500 ordinary shares were allotted and issued to the delegates of certain existing and former employees and senior management of the Group (the "**Shares Allotment**") at par, credited as fully paid.

(b) On February 20, 2025, the Company issued 15,000,000 new ordinary shares of the Company, together with put option and certain special rights, to the Pre-IPO Investor for a total cash consideration of US$30,000,000, the excess of the cash consideration received for the issuance of the new ordinary shares over their par value amounting to US$29,998,000 is credited to share premium of the Company.

17. SHARE OPTION SCHEME

(i) Pre-IPO Share Option Scheme

The pre-IPO share option scheme (the "**Pre-IPO Share Option Scheme**") was adopted on January 15, 2025, and is valid for a period of twelve calendar months from the adoption date (both dates inclusive) but in any event shall be no later than the day before November 10, 2025 (the "**Listing Date**"). After which no further options shall be offered but the provisions of the Pre-IPO Share Option Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Pre-IPO Share Option Scheme and options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the Pre-IPO Share Option Scheme. The scheme aims to incentivize eligible employees and directors for their contributions to the Group. The maximum number of shares that may be granted under the scheme is 0.55% of the total shares in issue immediately upon completion of the listing of the Company's shares on the Stock Exchange (the "**Listing**"). On February 28, 2025, options over an aggregate of 2,218,200 shares were granted to 19 participants at an exercise price of HK$2.26 per share, with vesting schedules ranging from one to three years based on service duration and annual performance appraisals. An additional grant of 121,500 options was made to an employee on June 17, 2025. During the six months ended June 30, 2026, the Group recognized share-based payments expense of US$342,000 (six months ended June 30, 2025: US$956,000).

(ii) Post-IPO Share Option Scheme

The post-IPO share option scheme (the "**Post-IPO Share Option Scheme**") was adopted on October 27, 2025, and is valid for 10 years from the Listing Date. The scheme is designed to recognize the contributions of directors and employees of the Group. Under the scheme, the Board of the Company may grant options to subscribe for shares up to a maximum of 10% of the total number of shares in issue (excluding treasury shares) immediately following the completion of the Listing, being 60,588,400 shares (assuming that the over-allotment option is not exercised and without taking into account any shares which may be issued upon the exercise of any options which have been granted under the Pre-IPO Share Option Scheme). Since the date of adoption of the Post-IPO Share Option Scheme and up to June 30, 2026, no share options were granted, exercised, cancelled or lapsed under the Post-IPO Share Option Scheme.

18. RELATED PARTY TRANSACTIONS

(a) Save as disclosed elsewhere in these condensed consolidated financial statements, the Group had the following material related party transactions and balances with subsidiaries and associates of the Company's controlling shareholders during both periods:

(i) Transactions

	For the six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Purchases of materials, spare parts and equipment	**311**	462
Integrated support services fees in respect of agency, water and utilities, logistics, warehousing and handling services and labour support services	**8,805**	6,669
Information technology services fee	**847**	1,082
Interest expenses on lease liabilities	**144**	–
Short-term leases expenses	**–**	1,367
Sales of materials, spare parts, products and equipment	**2**	40
Royalty income for trademarks use	**2**	2
Rental income	**299**	–

All of these transactions were conducted in accordance with terms of agreements with the related companies.

(ii) Balance

	As at June 30, 2026	As at December 31, 2025
	US$'000	*US$'000*
	(unaudited)	(audited)
Lease liabilities	**3,663**	5,062

18. RELATED PARTY TRANSACTIONS (Continued)

(b) Compensation of key management personnel

The remuneration of the directors of the Company and other members of key management of the Group during both periods was as follows:

	For the six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Short-term benefits	**572**	879
Post-employment benefits	**15**	22
Share-based payments	**169**	606
	756	1,507

19. CAPITAL COMMITMENTS

	As at June 30, 2026	As at December 31, 2025
	US$'000	*US$'000*
	(unaudited)	(audited)
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided	**6,439**	5,625

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Macroeconomic and Industry Environment

The Group commenced the sale of hygiene products in West Africa in 2009 and has since expanded its business into a number of African countries, establishing a presence across various regions in Africa. Historically, the Group's sales footprint has covered more than 30 African countries across West Africa, East Africa and Central Africa. Leveraging its operational experience and track record in Africa, the Group has also expanded its business into Latin American countries, including Peru and El Salvador, in recent years.

Adhering to its "consumer-centric" business philosophy, the Group continues to deepen its presence in emerging markets in Africa and Latin America, and strengthen its core operating model of "localized production + global supply chain + deep distribution". The Group continued to optimize its production capacity layout in key regions such as Africa, Latin America, and promote the upgrading of its intelligent production lines and quality control systems, thereby further consolidating the Group's leading position in the hygiene products sector in emerging markets. Leveraging its stable supply chain, efficient manufacturing capabilities and cost-effective products, the Group actively seized market opportunities, laying a solid foundation for the Group's sustained growth and achieving steady growth in business scale and profitability.

Note:

"East Africa", "Central Africa", "West Africa", "Latin America" have the meanings ascribed to them in the United Nations publication "Standard Country or Area Codes for Statistical Use" (originally published as M Series No. 49, now commonly referred to as the M49 standard).

Our Products

Our products include baby diapers focusing on Baby Care, sanitary pads focusing on Feminine Care, and wet wipes focusing on Family Care. The following table sets forth the revenue breakdown by the above business categories for the first half of 2025 ("**1H 2025**") and the first half of 2026 ("**1H 2026**"):

	For the six months ended June 30,					
	2026			2025		
	Revenue US$'000	***% of total***	***Gross profit margin (%)***	*Revenue US$'000*	*% of total*	*Gross profit margin (%)*
Baby Care	**261,876**	**78.7%**	**35.1%**	198,831	78.1%	33.5%
Feminine Care	**55,999**	**16.8%**	**37.5%**	46,047	18.1%	35.2%
Family Care	**14,873**	**4.5%**	**41.4%**	9,754	3.8%	44.5%
Total revenue	**332,748**	**100.0%**	**35.8%**	254,632	100.0%	34.2%

i) BABY CARE

In terms of Baby Care, we provide baby diapers and other products in a full range of sizes, designs and functionalities, specially designed for infants and children from newborns up to five years old, to keep babies dry and fresh. We proactively implemented a "One Country, One Strategy" approach. Based on market demand, we launched customised products across multiple dimensions including scenarios, user groups, functions and user experience. In 1H 2026, the number of stock keeping unit ("**SKUs**") of our baby care products sold reached 520.

In 1H 2026, products under this business category recorded sales of US$261.9 million, representing a period-on-period increase of 31.7% and accounting for 78.7% of total revenue and remaining the core revenue driver of the Group. The growth was underpinned by the synergistic increase in sales volume and average selling price.

In terms of sales volume, sales volume of products under this business category was 2,951.9 million pieces, representing an increase of 26.1% as compared with the sales volume of 2,340.4 million pieces in 1H 2025. The growth momentum mainly came from the two major markets of Africa and Latin America.

Among them, sales volume in Africa increased by 23.7% period-on-period, benefiting from a birth rate notably higher than other continents, and the continuous expansion of the market scales in East Africa, Central Africa and West Africa. Sales volume in the Latin American market increased by 121.3% period-on-period as the Group's channel expansion quickly captured market share with strong performance. To effectively adapt market demand, the Group added several new production lines for baby diapers and baby pants in 1H 2026.

ii) FEMININE CARE

In terms of Feminine Care, we offer sanitary pads and other products of various designs and specifications. Female consumers are able to select products suiting their personal needs and preferences in terms of sizes, shapes, thicknesses, top-sheet materials and absorption capacities, enabling them to feel comfortable and confident during menstrual periods. In 1H 2026, the total number of SKUs of Feminine Care products we sold was 68.

In 1H 2026, products in this business category recorded sales of US$56.0 million, representing a period-on-period increase of 21.6% and accounting for 16.8% of total revenue, with a relatively strong growth rate.

In terms of sales volume, sales volume of this business reached 1,067.1 million pieces, representing a period-on-period increase of 14.6% as compared with the sales volume of 931.2 million pieces in 1H 2025. Taking Africa as an example, the increasing size of the female population in the target age group within the region, together with increased promotion and awareness of women's health in certain countries and rising urbanization rates, has continuously expanded the underlying demand for sanitary pads and driven sales growth.

iii) FAMILY CARE

In terms of Family Care, we offer wet wipes and other products with mild formulations mainly for daily cleansing and disinfection, which are also suitable for delicate baby skin. In 1H 2026, this product category covered a total of 31 SKUs.

In 1H 2026, products in this business category recorded sales of US$14.9 million, representing a period-on-period increase of 52.5% and accounting for 4.5% of total revenue, making it the fastest-growing business.

Amid rising health awareness and the trend towards refined infant care, the demand scenarios for the products have been further expanded. Sales volume of this business category achieved 1,511.1 million pieces in 1H 2026, representing a period-on-period increase of 49.2% as compared with the sales volume of 1,012.7 million pieces in 1H 2025.

In response to the differentiated needs of various consumer groups for daily cleansing and on-the-go portability, we have continued to promote product diversification and focused on core scenarios to strengthen the fundamental business.

Revenue by regions

	For the six months ended June 30,			
	2026		2025	
	Revenue		*Revenue*	
	US$'000	***% of total***	*US$'000*	*% of total*
East Africa	**151,422**	**45.5%**	117,077	46.0%
West Africa	**126,992**	**38.2%**	102,079	40.1%
Central Africa	**34,481**	**10.4%**	26,642	10.5%
Latin America	**19,386**	**5.8%**	8,705	3.3%
Others	**467**	**0.1%**	129	0.1%
Total revenue	**332,748**	**100.0%**	254,632	100.0%

Revenue by channels

	For the six months ended June 30,			
	2026		2025	
	Revenue		*Revenue*	
	US$'000	***% of total***	*US$'000*	*% of total*
Wholesalers	**201,331**	**60.5%**	157,820	62.0%
Distributors	**114,147**	**34.3%**	86,943	34.1%
Supermarkets and other retailers	**14,833**	**4.5%**	9,130	3.6%
Others	**2,437**	**0.7%**	739	0.3%
Total revenue	**332,748**	**100.0%**	254,632	100.0%

Revenue by brands

	For the six months ended June 30,			
	2026		2025	
	Revenue		*Revenue*	
	US$'000	***% of total***	*US$'000*	*% of total*
SOFTCARE	**247,453**	**74.4%**	202,246	79.4%
CUETTIE	**60,510**	**18.2%**	42,074	16.5%
VEESPER	**12,152**	**3.7%**	7,586	3.0%
MAYA	**11,566**	**3.5%**	2,402	0.9%
Others	**1,067**	**0.2%**	324	0.2%
Total revenue	**332,748**	**100.0%**	254,632	100.0%

Financial Review

Revenue

The Group's total revenue increased by 30.7% from US$254.6 million in the six months ended June 30, 2025 to US$332.7 million in the same period of 2026, mainly attributable to the combined growth in sales volume and average selling price in the Reporting Period. By deepening its sales channels, optimizing its production layout and expanding into new markets, the Group maintained its leading position in core operating countries in East and West Africa and major African hygiene products markets, exported its products to adjacent countries, and actively expanded into hygiene products markets in Latin America, thereby driving growth in sales volume. In addition, the average selling prices of all product categories increased as the exchange rates of most operating currencies against the US dollar, including the Ghanaian Cedi, the Zambian Kwacha, the West CFA franc and the Central CFA franc, strengthened during the Reporting Period as compared with the corresponding rates for the six months ended June 30, 2025.

Cost of Sales

The Group's cost of sales increased by 27.5% from US$167.5 million in the six months ended June 30, 2025 to US$213.6 million in the same period of 2026, which was in line with the growth in sales volume.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by 36.6% from US$87.2 million in the six months ended June 30, 2025 to US$119.1 million in the same period of 2026, primarily driven by revenue growth. The gross profit margin improved from 34.2% in the six months ended June 30, 2025 to 35.8% in the same period of 2026, mainly driven by a combination of higher average selling prices and changes in product portfolio compared to the six months ended June 30, 2025.

Other Income

The Group's other income increased significantly from US$0.2 million for the six months ended June 30, 2025 to US$6.8 million in the same period of 2026, primarily due to an increase in interest income generated from bank deposits. The increase in bank interest income was primarily due to the higher bank balances maintained by the Group during the Reporting Period as compared with those for the six months ended June 30, 2025, as a result of the proceeds received from the Listing in November 2025.

Other Gains and Losses, Net

The Group's net other gains increased from US$0.6 million for the six months ended June 30, 2025 to US$1.6 million in the same period of 2026 mainly due to higher gains from scrap sales and gains on financial assets during the Reporting Period.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by 47.2% from US$8.9 million for the six months ended June 30, 2025 to US$13.1 million in the same period of 2026. The increase was primarily attributable to higher transportation costs, salaries for sales-related employees, integrated support service fees (including logistics, warehousing and loading and unloading services), advertising and marketing expenses, driven by the growth in the Group's sales volume and market coverage.

Administrative Expenses

The Group's administrative expenses increased by 13.5% from US$17.8 million for the six months ended June 30, 2025 to US$20.2 million in the same period of 2026. The increase was primarily due to higher staff costs arising from recruitment of management personnel to support business expansion and increased depreciation charges in respect of newly acquired office premises and staff quarters. This increase was partially offset by the decrease in professional fees (including consultancy, legal and audit fees).

Listing Expenses

Listing expenses primarily comprised non-underwriting-related expenses, including professional service fees payable to the joint sponsors, legal advisors and reporting accountants, as well as other fees and expenses. These expenses are one-off and non-recurring in nature. The Group incurred no listing expenses for the six months ended June 30, 2026, compared with US$2.6 million in the same period of 2025.

Foreign Exchange Gains (Losses), Net

The Group recorded a net foreign exchange loss of US$2.7 million for the six months ended June 30, 2026, compared with a net foreign exchange gain of US$3.9 million for the corresponding period in 2025, representing a turnaround from gain to loss. This was mainly attributable to foreign exchange losses arising from the depreciation of the Euro and other currencies against the US dollar on assets denominated in such currencies held by the Group during the Reporting Period.

Finance Costs

The Group's finance costs decreased from US$0.7 million for the six months ended June 30, 2025 to US$0.3 million in the same period of 2026. The reduction was primarily due to the settlement of other financial liabilities in 2025, resulting in no related interest expenses incurred in the Reporting Period. Such other financial liabilities arose from the put options granted to the Group's pre-listing investors, which were classified as financial liabilities and subsequently measured at amortised cost. The related interest expenses accrued over time and were recognised in profit or loss.

Non-IFRS Measure Indicators

We believe that the presentation of non-IFRS measure indicators, namely adjusted net profit (non-IFRS measure indicators) and adjusted net profit margin (non-IFRS measure indicators), facilitates comparisons of operating performance from period-to-period, and provides useful information for investors and others to understand and evaluate the consolidated results of operations of the Group in the same manner as they help the Company's management by eliminating the impact of certain items. However, such non-IFRS financial indicators the Group presented may not be directly comparable to similar indicators presented by other companies. The use of adjusted net profit (non-IFRS measure indicators) and adjusted net profit margin (non-IFRS measure indicators) has limitations as analytical tools, and should not be considered in isolation from, or as a substitute for analysis of, results of operations or financial condition of the Group as prepared under IFRS Accounting Standards.

We define adjusted net profit (non-IFRS measure indicators) for the period after excluding the effects of: (1) listing expenses, (2) foreign exchange losses (gains), net, (3) share-based payment expense, and (4) income tax effects of non-IFRS adjustments. We define adjusted net profit margin (non-IFRS measure indicators) as adjusted net profit (non-IFRS measure indicators) divided by revenue for the period and multiplied by 100%.

The following table reconciles the Group's adjusted net profit (non-IFRS measure indicators) for the periods presented to profit for the periods prepared in accordance with IFRS Accounting Standards:

	For the six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
Reconciliation of profit for the period to adjusted net profit (non-IFRS measure)		
Profit for the period	**75,819**	51,932
Add:		
Listing expenses	**–**	2,559
Foreign exchange losses (gains), net	**2,697**	(3,916)
Share-based payment expenses	**342**	956
Income tax effects of non-IFRS adjustments	**(253)**	(202)
Adjusted net profit (non-IFRS measure indicators) for the period	**78,605**	51,329
Adjusted net profit margin (non-IFRS measure indicators)	**23.6%**	20.2%

Notes:

(1) Listing expenses are generated from listing-related activities.

(2) Share-based payment expense is generated from share options granted to employees under the Pre-IPO Share Option Scheme of the Company and is a non-cash item.

Liquidity, Financial Resources and Bank Borrowings

The Group's bank balances and cash decreased slightly from US$445.5 million as at December 31, 2025 to US$414.5 million as at June 30, 2026, primarily due to increased working capital requirements and capital expenditure incurred for production capacity expansion.

As at June 30, 2026, the Group had outstanding bank borrowings of US$5.2 million (December 31, 2025: US$14.3 million). Such borrowings arose from supplier financing arrangements under which the Group issued letters of credit to suppliers for inventory purchases. The borrowings were unsecured and unguaranteed.

Financial ratio

	As at June 30, 2026	As at December 31, 2025
Inventory turnover days	**138**	132
Current ratio (current assets/current liabilities)	**6.0**	5.7
Debt ratio (total liabilities/total assets)	**15.5%**	16.4%
Equity-debt ratio ((interest-bearing borrowings + lease liabilities)/total equity)	**1.5%**	3.3%

Foreign Currency Risk Management

The Group has foreign currency sales and purchases, which are transactions denominated in currencies other than the respective functional currencies of the subsidiaries. The major foreign currency denominated monetary assets and liabilities, including trade and other receivables, amounts due from/to intra-group companies, deposits, bank balances and cash, trade and other payables and borrowings, expose the Group to foreign currency risk arising from US dollars, Renminbi, Euros, Ghanaian Cedi and West CFA franc.

The Group will continue to closely monitor exchange rate fluctuations, optimize the structure of foreign currency assets and liabilities, and adopt effective risk management measures such as currency exchange and global fund transfers to reduce the impact of exchange rate fluctuations on operating results.

Capital Expenditure

For the period ended June 30, 2026, the Group's capital expenditure amounted to approximately US$14.0 million, which was attributable to the acquisition and construction of property, plant and equipment. As of June 30, 2026, the Group has 10 factories and 73 production lines in operation, representing a net increase of one factory and seven production lines respectively as compared to the year end of 2025

	As at June 30, 2026	**As at December 31, 2025**	**Number of net increase**
Number of factories	10	9	1
Number of production lines in operation	73	66	7

Pledge On/Charge of Assets

As of June 30, 2026, save as disclosed in condensed consolidated financial statements, the Group had no other pledged/charged assets.

Contingent Liabilities

As of June 30, 2026, the Group had no material contingent liabilities.

Significant Events after the Reporting Period

No event has taken place subsequent to June 30, 2026 and up to the date of this announcement that may have a material impact on the Group's operating and financial performance that needs to be disclosed.

Significant Investment, Material Acquisition and Disposal

During the Reporting Period, the Company did not have any significant investments held, or any material acquisition or disposal of any relevant subsidiaries, associates and joint ventures.

Future Plan for Material Investments or Capital Assets

As of the date of this announcement, save for the investment plans disclosed in the section headed "Future Plans and Use of Proceeds" in the prospectus issued by the Company on October 31, 2025 (the "**Prospectus**"), the Company did not have any concrete plan for acquiring other material investments or capital assets.

Human Resources and Remuneration Policy

As at June 30, 2026, the Group had a total of 3,470 employees. The aggregate expenditure on staff costs (including directors' remuneration) for the Reporting Period amounted to approximately US$18.9 million. The Group remains committed to a people-oriented and diversified talent management philosophy, continuously upgrading its human resources control mechanisms. Management enhancement initiatives have been implemented across three dimensions, namely talent pipeline development, market-based remuneration benchmarking, and refined performance management.

The Group has broadened global talent acquisition channels, attracting experienced managerial personnel, technical experts and core staff for innovative businesses from both domestic and overseas markets. In parallel, the Group has formally launched an internal mentor-apprentice training system, establishing mechanisms for internal talent rotation and development, and building a proprietary platform for internal talent cultivation. At the same time, the Group has piloted overseas training programs on cross-cultural integration and equal workplace communication, thereby leveraging the advantages of multicultural collaboration and fostering an employer ecosystem characterized by autonomous talent incubation, fairness, humanistic care and market competitiveness.

The Group continues to advance its localized talent strategy by standardizing management practices, expanding cross-functional and cross-border rotation opportunities, and enhancing the competitiveness of local remuneration and benefits. These measures strengthen local employees' sense of identity and belonging, improve retention, and release endogenous team development momentum. As of June 30, 2026, 3,183 employees were locally recruited, representing approximately 91.7% of our total workforce.

The Group has adopted a tiered remuneration structure, implementing a distribution logic of performance-driven, value co-creation and benefit sharing. Remuneration benchmarks are adjusted in light of internal and external survey data, thereby establishing a comprehensive and competitive remuneration and benefits system. The Company adopted the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme. As of June 30, 2026, options to subscribe for an aggregate of 2,339,700 ordinary shares of the Company were granted to 20 eligible participants (all are employees of the Group, including a Director and certain key management of the Group) under the Pre-IPO Share Option Scheme, and no option had been granted or agreed to be granted under the Post-IPO Share Option Scheme. During the Reporting Period, grantees under the Pre-IPO Share Option Scheme exercised options resulting in the issuance and allotment of an aggregate of 1,297,700 ordinary shares of the Company. The Group will further optimize incentive mechanisms to attract and retain outstanding employees, thereby aligning the long-term interests of key talent with the sustainable value of the Group.

The Group will continue to refine its human resources management systems and remuneration frameworks, enhance employee rights protection, increase investment in talent development and capability building, and strengthen organizational competitiveness, thereby providing solid support for the Group's high-quality and sustainable operations.

Future Outlook

Looking forward to the second half of 2026 ("**2H 2026**"), the demographic dividend in global emerging markets will continue to unfold. The long-term development rationale underpinning the Group's deep cultivation of core hygiene products markets in Africa, Latin America and other regions, the key driving factors supporting steady growth in operating results, as well as the positive long-term fundamental trend of the industry remain unchanged. The Group expects its business scale to maintain a steady upward momentum in 2H 2026.

Meanwhile, the Group continues to monitor operational challenges arising from multiple external uncertainties worldwide. First, the overall escalation of geopolitical tensions in the Middle East has led to heightened shipping risks in the Strait of Hormuz and the Red Sea, pushing up transportation costs, prolonging cargo delivery lead times and lifting marine insurance premiums, thereby imposing substantial cost pressure on industries reliant on transoceanic cargo transportation. Second, the resurgence of infectious diseases across various African nations and tightened regional epidemic prevention and control, coupled with heightened public hygiene awareness, have created interim challenges to channel circulation while boosting rigid consumption demand for hygiene products. Third, prices of key raw materials including polymers and non-woven fabrics remain elevated with heightened volatility amid geopolitically driven supply and demand disruptions, exerting pressure on the cost side of the whole industry.

With our globalized production capacity layout, advantages in localized operations and robust operational capabilities, together with the essential nature of Baby Care, Feminine Care and Family Care products as daily necessities, we are fully confident that amid the complex environment featuring global geopolitical risks, volatility in shipping costs, recurring regional epidemics and intensifying industry competition, the Group can capture growth opportunities arising from essential consumption and flexibly respond to various external challenges.

From a medium-to-long-term competitive landscape perspective, multinational brands and local unbranded products mostly rely on ocean shipping for finished goods importation, rendering them more sensitive to fluctuations in freight costs, delivery lead times and raw material prices than the Group. By contrast, the multi-layered competitive barriers established by the Group over years featuring "localised production + global supply chain + in-depth distribution" can effectively withstand global supply chain volatilities. The Group is expected to further capture market share amid external environment turbulence, consolidate its competitive position in core hygiene products markets, and replicate our successful experience to more high-potential regions.

The Group will further deepen channel value and enhance its extensive and efficient distribution network. It will restructure the scenario-based consumer service chain in emerging markets, and continuously strengthen omnichannel brand penetration and improve terminal sales efficiency. We aim to foster a virtuous development cycle of enhanced channel efficiency, elevated brand value and improved benefits for consumers.

Over the next twelve months, the Group will steadily advance its globalized production capacity and market expansion plans, leverage the enabling advantages of the capital market platform, and continue to expand its footprint in countries surrounding core markets as well as high-potential regions including Latin America. Meanwhile, the Group will enrich the full product matrix covering Baby Care, Feminine Care and Family Care, rapidly iterate product features in response to market demands, and keep abreast of shifts in regional consumption trends. All the aforesaid strategic initiatives consistently pursue the long-term corporate vision of the Group – to become a sustained leader in emerging markets and bring quality lifestyle to every household.

Meanwhile, we will also strive to enhance the Group's overall financial position through prudent financial, working capital and cash flow management. Faced with volatile external conditions including geopolitical conflicts, recurrent epidemics and rising raw material prices, the Group will adopt flexible marketing, pricing and inventory adjustment strategies to withstand the impact of various external risks and to create sustainable value for all shareholders.

Going forward, the Group will remain focused on emerging markets and promote the high-quality development of the hygiene products industry. We will continue to create long-term value for consumers, business partners and employees.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code (the "CG Code") set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")

The Company's corporate governance practices are based on the principles of good corporate governance and code provisions of the CG Code, and the Company has adopted the CG Code as its own corporate governance code.

The Board is of the view that the Company has complied with all applicable code provisions as set out in the CG Code during the Reporting Period.

The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules

The Company has adopted the Model Code as its code for securities transactions to regulate all securities transactions by the Directors and other matters covered by the Model Code.

The Company has made specific inquiries to all of its Directors, and they have confirmed that they have complied with the Model Code during the Reporting Period.

Purchase, Sale or Redemption of the Listed Securities of the Company

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including any sale or transfer of treasury shares (as defined under the Listing Rules)) during the Reporting Period.

As of June 30, 2026, the Company did not hold any treasury shares (as defined under the Listing Rules).

Audit Committee and Review of Unaudited Interim Financial Results

As of the date of this announcement, the Audit Committee comprises two independent non-executive Directors, namely Mr. Xu Jing and Ms. Lou Aidong and a non-executive Director, namely Mr. Zhou Renwei, and Mr. Xu Jing serves as the chairman of the Audit Committee. The Audit Committee has reviewed the unaudited interim results for the Reporting Period and this announcement. The Audit Committee has also reviewed the accounting policies and practices adopted by the Company and discussed matters in relation to, among others, risk management, internal control and financial reporting of the Group with the management.

Scope of Work of Messrs. Deloitte Touche Tohmatsu

The Group's unaudited condensed consolidated financial statements for the six months ended June 30, 2026 have been reviewed by the Company's auditor in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by The Hong Kong Institute of Certified Public Accountants.

Use of Proceeds from the Listing

From the Listing Date to June 30, 2026, the Company has gradually utilised the proceeds from the initial public offering for the intended purposes set out in the Prospectus.

The net proceeds from the listing of the shares of the Company on the Main Board of the Stock Exchange and the net proceeds from the full exercise of the over-allotment option, after deducting underwriting fees and other related expenses, were approximately HK$2,573.4 million. As at June 30, 2026, the Company has utilised approximately HK$298.8 million of the proceeds for the intended purposes set out in the Prospectus published by the Company, and the remaining unutilised proceeds are approximately HK$2,274.6 million. The balance of the proceeds from the Listing will continue to be utilised according to the purposes and proportions disclosed in the Prospectus.

See the table below for details:

	Net proceeds available from the Listing (HK$ million)	Actual net amount utilised up to June 30, 2026 (HK$ million)	Unutilised net amount up to June 30, 2026 (HK$ million)	Expected timeline for fully utilising unutilised net amount
Expanding overall production capacity and upgrading production lines	1,835.3	43.9(1)	1,791.4	December 31, 2029
Marketing and promotion activities	297.3	13.7	283.6	December 31, 2029
Strategic acquisitions	121.6	–	121.6	December 31, 2029
Upgrading CRM system	11.4	0.8	10.6	December 31, 2029
Engaging management consulting firms	67.3	–	67.3	December 31, 2029
Working capital and general corporate purposes	240.4	240.4(2)	–	
Total	**2,573.4**(3)	**298.8**	**2,274.6**(3)	

Notes:

(1) In view of the rapid development of the Company's business, the proceeds allocated to the construction of production plants in Ghana, Kenya, Zambia and Peru, as well as the proceeds allocated to production lines in Ghana, Cameroon, Kenya and Peru, have been utilised ahead of schedule. All such proceeds have been applied in accordance with the use of proceeds as disclosed in the Prospectus.

(2) The amount allocated to working capital and general corporate purposes was utilised for the purchase of raw materials for hygiene products.

(3) Any discrepancies between the totals and the sums of the amounts set out in the table are due to rounding.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of 8.00 US cents per ordinary share for the six months ended June 30, 2026 (six months ended June 30, 2025: Nil), aggregating approximately US$49.7 million (the "**Interim Dividend**").

CLOSURE OF REGISTER OF MEMBERS

For determining the shareholders' entitlement to the Interim Dividend, the register of members of the Company will be closed from Thursday, September 3, 2026 to Friday, September 4, 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the Interim Dividend, all properly completed share transfer documents, accompanied by the relevant share certificates, must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, September 2, 2026. The record date for determining shareholders' entitlement to the Interim Dividend is September 4, 2026.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.softcarehome.com), respectively. The interim report of the Company will be published on the websites of the Stock Exchange and the Company, respectively, in due course.

By order of the Board
Softcare Limited
Shen Yanchang
Chairman of the Board and Non-executive Director

Hong Kong, August 19, 2026

As of the date of this announcement, (i) Mr. Luo Jichao and Mr. Zhao Yongqiang are the executive Directors; (ii) Mr. Shen Yanchang, Ms. Yang Yanjuan and Mr. Zhou Renwei are the non-executive Directors; and (iii) Ms. Lou Aidong, Mr. Gao Jianming and Mr. Xu Jing are the independent non-executive Directors.