廈門吉宏科技股份有限公司
XIAMEN JIHONG CO., LTD

(a joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 2603

2026
INTERIM REPORT

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DEFINITIONS

In this interim report, unless the context otherwise requires, the following terms have the following meanings. The following contains definitions of certain terms used in connection with our Company and our business. Some of these may not correspond to standard industry definitions or usage of these terms.

"A Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in RMB
"API"	application programing interface, a way to enable different applications to interact with each other
"Articles" or "Articles of Association"	the articles of association of the Company as amended from time to time
"Audit Committee"	the audit committee of the Board
"Board Committees"	collectively, the Audit Committee, the Strategy Committee, the Remuneration and Appraisal Committee and the Nomination Committee
"Board of Directors" or "Board"	the board of Directors of the Company
"CG Code"	the "Corporate Governance Code" as contained in Appendix C1 to the Listing Rules
"Chairwoman"	the chairwoman of the Company
"Company" or "our Company"	Xiamen Jihong Co., Ltd (廈門吉宏科技股份有限公司, formerly known as Xiamen Jihong Package Technology Ltd.* (廈門吉宏包裝科技股份有限公司) and Xiamen Jihong Printing Co., Ltd* (廈門市吉宏印刷有限公司)) (Stock Code: 2603), a limited liability company established in the PRC on 24 December 2003 and converted into a joint-stock company with limited liability on 3 December 2010
"Director(s)"	the director(s) of the Company or any one of them
"FMCG"	fast-moving consumer goods
"Global Offering"	the Hong Kong public offering and international offering as described in the Prospectus
"Group", "our Group", "we", "our" or "us"	the Company and its subsidiaries from time to time, or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time
"H Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

"IFRS"	International Financial Reporting Standards
"independent third party(ies)"	any entity or person who is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules
"IT"	information technology
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange
"Listing Date"	27 May 2025, the date on which the H Shares were listed and from which dealings therein were permitted to take place on the Main Board
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix C3 to the Listing Rules
"Prospectus"	the prospectus of the Company dated 19 May 2025
"Nomination Committee"	the nomination committee of the Board
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Reporting Period"	the six-month period from 1 January 2026 to 30 June 2026
"ROI"	a metric used to assess the effectiveness of our advertising efforts. We calculate ROI by dividing the revenue of our cross-border social e-commerce business for the reporting period by the advertising cost for such period
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"SFC"	the Securities and Futures Commission of Hong Kong

"Share(s)"	ordinary share(s) in the share capital of the Company with a par value of RMB1.00 each, comprising the A Shares and the H Shares
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategy Committee"	the strategy committee of the Board
"Tibet Yongyue"	Tibet Yongyue Shichao Corporate Management Co., Limited* (西藏永悅詩超企業管理有限公司), previously known as Xiamen Yongyue Investment Consulting Co., Limited* (廈門市永悅投資諮詢有限公司), a limited liability company incorporated in the PRC on 30 June 2010
"2023 Restricted Share Incentive Plan"	a restricted share incentive plan adopted by our Company on 30 August 2023, for the purpose of incentivising eligible management and employees of our Group, the principal terms of which are set out in "Appendix VI – Statutory and General Information" to the Prospectus
"%"	per cent

In this interim report, unless otherwise indicated, the terms "associate", "associated corporation", "connected person", "controlling shareholder", "subsidiary" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules.

The English names of PRC nationals, enterprises, departments, facilities, certificates, regulations, titles and the like marked with "*" are translations of their Chinese names and are included in this interim report for identification purpose only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name will prevail.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ms. ZHUANG Hao (莊浩)
(Executive Director and Chairwoman)
Mr. ZHANG Heping (張和平)
(Executive Director and General Manager)
Mr. ZHUANG Shu (莊澍)
(Executive Director and Deputy General Manager)
Mr. LU Tashan (陸它山)
(Executive Director, Deputy Chairman, Deputy General Manager and Joint Company Secretary)
Ms. BAI Xueting (白雪婷)
(Employee Representative Director)
Dr. ZHANG Guoqing (張國清)
(Independent Non-executive Director)
Professor Alfred SIT Wing Hang (薛永恒)
(Independent Non-executive Director)
Mr. TANG Yi Hoi (鄧以海)
(Independent Non-executive Director)
Mr. CAI Qinghui (蔡慶輝)
(Independent Non-executive Director)

JOINT COMPANY SECRETARIES

Mr. LU Tashan (陸它山)
Ms. TAM Wing Tsz (譚詠子)

AUTHORISED REPRESENTATIVES

Ms. ZHUANG Hao (莊浩)
Mr. LU Tashan (陸它山)

STRATEGY COMMITTEE

Ms. ZHUANG Hao (莊浩) *(Chairperson)*
Mr. ZHANG Heping (張和平)
Professor Alfred SIT Wing Hang (薛永恒)

AUDIT COMMITTEE

Dr. ZHANG Guoqing (張國清) *(Chairperson)*
Mr. TANG Yi Hoi (鄧以海)
Mr. CAI Qinghui (蔡慶輝)

REMUNERATION AND APPRAISAL COMMITTEE

Mr. TANG Yi Hoi (鄧以海) *(Chairperson)*
Dr. ZHANG Guoqing (張國清)
Mr. ZHUANG Shu (莊澍)

NOMINATION COMMITTEE

Mr. CAI Qinghui (蔡慶輝) *(Chairperson)*
Professor Alfred SIT Wing Hang (薛永恒)
Mr. ZHANG Heping (張和平)

AUDITOR

Ernst & Young
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
27/F, One Taikoo Place
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Hong Kong SAR, PRC

ADDRESS OF HEAD OFFICE AND HEADQUARTER IN THE PRC

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Haicang District
Xiamen, Fujia Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Office 5, 15/F
Bank of East Asia Harbour View Centre
No. 56 Gloucester Road
Hong Kong SAR, PRC

COMPLIANCE ADVISER

Fosun International Capital Limited
Suite 2101-2105, 21/F, Champion Tower
3 Garden Road
Central
Hong Kong SAR, PRC

HONG KONG LEGAL ADVISER

Fangda Partners
26/F
One Exchange Square
8 Connaught Place
Central
Hong Kong SAR, PRC

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong SAR, PRC

STOCK CODE

2603

WEBSITE

www.jihong.cn

The table below sets forth a summary of the results and the assets and liabilities of the Group for the periods indicated:

REVENUE BY BUSINESS SEGMENTS

	For the six months ended 30 June			
	2026		2025	
	Revenue *RMB'000*	**%**	Revenue *RMB'000*	%
Cross-border social e-commerce	**2,451,182**	**65.6**	2,116,454	65.4
Paper packaging	**1,282,832**	**34.3**	1,115,164	34.5
Others[1]	**1,803**	**0.1**	1,908	0.1
Total	**3,735,817**	**100.0**	3,233,526	100.0

Note:

(1) Others mainly comprise our incidental trading business.

GROSS PROFIT AND GROSS PROFIT MARGIN BY BUSINESS SEGMENTS

	For the six months ended 30 June			
	2026		2025	
	Gross profit *RMB'000*	**Gross profit margin** *%*	Gross profit *RMB'000*	Gross profit margin *%*
Cross-border social e-commerce	**1,543,988**	**63.0**	1,299,036	61.4
Paper packaging	**223,317**	**17.4**	215,199	19.3
Others[1]	**543**	**30.1**	1,037	54.4
Total	**1,767,848**	**47.3**	1,515,272	46.9

Note:

(1) Others mainly comprise our incidental trading business.

BUSINESS REVIEW

The Company is a joint stock limited liability company established under the laws of the PRC on 24 December 2003. The Company completed its initial public offering and listing of its A Shares on the Shenzhen Stock Exchange (stock code: 002803) on 12 July 2016. The Company completed its public offering and listing of its H Share(s) on the Main Board of the Stock Exchange (stock code: 2603) on 27 May 2025.

Our operations span across our cross-border social e-commerce business and FMCG paper packaging business, recognized for innovation and market leadership in our respective sectors. Founded in 2003, we set out on providing one-stop paper packaging products and services to FMCG enterprise customers, focusing on providing marketing strategies, product design, process design, technology planning, transportation and logistics. As the core of our paper packaging business is essentially grounded in product design and marketing that ultimately center around addressing end consumers' needs and spur their purchase desires, we have accumulated deep understanding and experience in both product marketing and discerning consumer demands. Seeking to expand our business beyond our decades-long paper packaging business, we seized the business opportunities from the burgeoning of cross-border e-commerce driven by the development of the mobile Internet by building our cross-border social e-commerce business in 2017, which has become our major source of revenue. Empowered by data insights and technology and capitalizing on a new era of cross-border e-commerce through the mobile Internet, we place targeted advertisements on social media platforms to attract consumers to purchase products precisely recommended to them based on our data analysis.

CROSS-BORDER SOCIAL E-COMMERCE BUSINESS

In our cross-border social e-commerce business, we deploy our dynamic data analytical capabilities to perform precise product discovery and recommendation, place targeted advertisements online to attract consumers from social media traffic to our landing pages, which are transactional web pages that pop up in response to a user's click on a link or advertisement displayed on a social media platform, and ultimately market and sell affordable and high-quality products from Mainland China to overseas consumers around the world. Our cross-border social e-commerce business connects suppliers in Mainland China with consumers across Asia, as well as Europe and North America.

FMCG PAPER PACKAGING BUSINESS

We are among a limited number of FMCG paper packaging companies in Mainland China that have the capability to provide one-stop paper packaging products and services covering the entire production process. With process design and technology planning at the crux of our competence, we integrate marketing strategies, product design, process design, technology planning, transportation and logistics into our all-inclusive paper packaging products and services, and continuously pre-empt consumer needs by innovating in materials, designs and products. Exemplifying our commitment to environmental protection and ESG principles, we prospectively invested in developing environmentally friendly packaging, following the global prevalence of restrictions on plastic use. Over the years, we have established and maintained long-term cooperation with leading FMCG companies, laying a solid foundation for generating stable revenue and cashflows through our paper packaging business.

OUR PRINCIPAL BUSINESSES DURING THE REPORTING PERIOD

As a leading enterprise anchored in technological innovation, business model innovation, and digital intelligence empowerment, the Company continued to adhere to its core development strategy of being led by creativity and driven by technology in the first half of 2026, steadily consolidated the synergistic development framework of cross-border social e-commerce and FMCG packaging solutions to establish dual engines for long-term and steady growth in performance, and achieved steady improvement in operational quality.

During the Reporting Period, the Company achieved revenue of RMB3,735.8170 million, representing a year-on-year increase of 15.53%, net profit attributable to shareholders of the listed company of RMB157.7475 million, representing a year-on-year increase of 33.52%, and net profit attributable to shareholders of the listed company, net of non-recurring profit or loss, of RMB148.3650 million, representing a year on-year increase of 30.98%. Among these, revenue from cross-border social e-commerce business amounted to RMB2,451.1822 million, representing a year-on-year increase of 15.82%, with net profit attributable to owners of the listed company of RMB100.2349 million, representing a year-on-year increase of 80.92%, which was primarily due to the Company's continued focus on and expansion into overseas markets including Northeast Asia and Europe, as well as the increase in revenue and efficiency from its full-process digital and intelligent operations; while revenue from packaging business amounted to RMB1,282.8316 million, representing a year-on-year increase of 15.04%, which was primarily due to the growth in demand from major customers in fields such as food packaging, with net profit attributable to owners of the listed company of RMB51.7324 million, representing a year-on-year decrease of 31.62%, which was primarily due to a short-term rise in raw material prices, intensified market competition, and the fact that newly built production bases both domestically and internationally were still in the investment phase.

As at 30 June 2026, the Company's total assets amounted to RMB4,920.5268 million, representing an increase of 13.85% from the beginning of the year; equity attributable to the shareholders of the Company reached RMB2,773.9125 million, representing an increase of 2.80% from the beginning of the year; and net cash flow generated from operating activities amounted to RMB302.4532 million, representing an increase of 65.60% as compared with the same period last year.

(I) Cross-border Social E-commerce Business

1. *Unique "goods discovering people" model, powered by AI across the entire business process*

The Company's cross-border social e-commerce business adopts a precision marketing model of "goods discovering people", applies AI algorithms to analyze overseas markets and construct user profiles, and precisely targets potential customer groups across mainstream overseas social networking platforms such as Meta, TikTok, Google, Line, YouTube and Instagram, thereby achieving efficient matching, push and sales of merchandise and selling cost-effective and distinctive Chinese products across borders to multiple countries or regions including Southeast Asia, Northeast Asia, the Middle East, Europe, Taiwan, China and Hong Kong, China. The Company adopts a general merchandise strategy, with products covering household products, apparel products, electronic products, footwear products, luggage and bag products, cosmetic and personal care products, healthcare products, maternity and baby products, and watches and accessories, to cater to the diverse needs of consumers across different regions.

2. *Continuous R&D investment to build an efficient operating and management system*

(1) Since 2017, we have been developing AI algorithms. Based on the deep business scenarios, massive data assets and systematic methodologies accumulated over many years of deep cultivation in cross-border social e-commerce, we have used our self-developed vertical e-commerce big model, combined it with multiple models such as Huawei Pangu, Google Gemini, Alibaba Qianwen, and Zhipu, and integrated AI technology into the entire business process, including product selection, image material design, video material generation, advertising copy and translation, advertising placement, logistics and distribution, and customer service, to achieve the digitalization, visualization and intelligence of business processes.

1) Intelligent Product Discovery: Data-Driven Precise Decision-Making

Relying on years of accumulated standardized product data, the Company self-developed ChatGiiKin-6B, which is an e-commerce text-based pendant model that is able to deeply analyze consumer preferences and demand characteristics across different regional markets, enabling the product discovery team to formulate customized product discovery strategies. It also performs intelligent ranking and potential assessment of product candidates based on multi-dimensional features, intuitively presenting product market popularity and profit prospects, which greatly improves the scientific rigor and efficiency of product discovery decisions.

2) Content Generation: A Creative Engine Bridging Cultures and Languages

To address the diverse cultural and linguistic environments across sales regions, the Company leverages proprietary AI technologies for efficient localization. The ChatGiiKin-6B model enriches product label data in real time and automatically generates multi-lingual product titles, keywords, and detailed descriptions, precisely extracting and conveying product selling points. It also intelligently adapts advertising materials according to regional aesthetic preferences, such as adjusting model images, replacing background music, and translating subtitles, quickly creating high-quality and highly resonant marketing content.

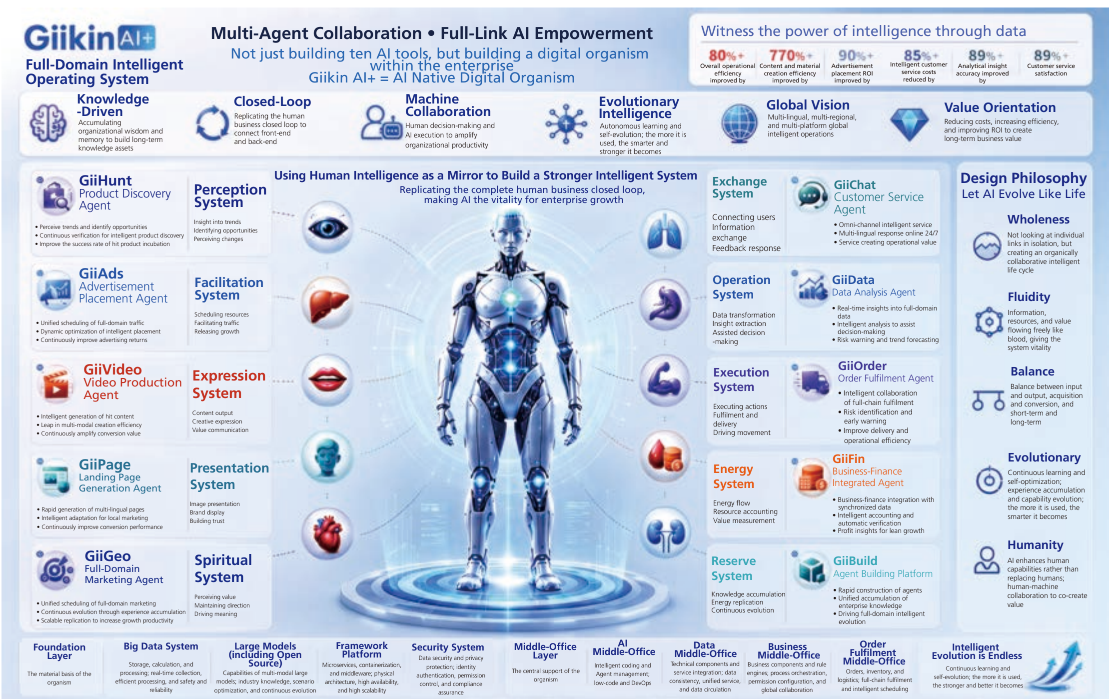
3) Precision Placement: An Intelligent Marketing Closed Loop

The company's cross-border social e-commerce business possesses a first-mover advantage and has accumulated massive consumer behavior data insights, forming the foundation for the Company's data analysis. The Giikin system integrates G-king (an intelligent assistant for advertisement placement), which connects via API with major global advertising platforms such as Meta, TikTok and Google, to assist the Giikin system. Based on product characteristics, it intelligently matches target audiences and promotional styles, enabling refined allocation of advertising budgets and maximizing effectiveness. Through continuous analysis of massive advertising data, it provides optimizers with intelligent decision-making suggestions that combine cost-effectiveness and placement performance, driving continuous improvement in marketing ROI.

4) Intelligent Customer Service: AI-Driven Customer Service and Expansion

Based on multi-language large model capabilities, the Company has built an intelligent customer service system covering multiple sales regions and supporting multiple languages, which can provide efficient and precise 24/7 service to consumers in over 40 countries and regions worldwide, achieving automated response and intelligent processing of customer pre-sales consultation, order inquiry, and after-sales issues, and continuously improving customer service response efficiency and customer satisfaction.

(2) During the Reporting Period, our Company upgraded its self-developed "Giikin" full-link digital operating platform to the "Giikin AI+" full-domain intelligent operating platform, marking a leapfrog upgrade from "using AI tools" to "building an AI-native intelligent organization". The "Giikin AI+" platform adopts a bionic design concept, replicating the complete intelligent closed loop of human perception-decision-execution-iteration. Relying on multi-AI Agent collaboration, it carries out AI-native reconstruction of the enterprise's operating system across the four dimensions of business, process, position, and decision-making. Architecturally, the platform forms a three-in-one intelligent collaborative system consisting of the GiiBuild intelligent middle office, a matrix of ten intelligent agents, and human-machine collaboration. The core of the platform, the GiiBuild·GiiBuild AI middle office, creates a personal "intelligent avatar" for every employee, and the enterprise's smallest operating unit has been upgraded to a human-machine collaborative combination of an employee and an exclusive AI intelligent agent.



3. *Long-term Strategic Planning*

Leveraging its digital advantages across the entire business chain, the Company has accumulated substantial marketing data assets, establishing a hard-to-replicate " data moat". Through deep integration of massive data samples with the advertising systems of mainstream overseas social media platforms, the Company drives the self-evolution of its models during training and application, forming a "data flywheel" effect. This elevates the Company's "AI-powered e-commerce" advantage to a new level and forges a core moat of "data + intelligent algorithms", injecting strong momentum into the intelligent upgrading of its cross-border social e-commerce business.

(1) Continuously Deepening Development Driven by AI Technology and Building Digital Competitive Barriers

The Company will remain committed to the strategic direction of AI-driven full-link optimization, consolidate its technological leadership in the field of cross-border social e-commerce, and continuously promote the upgrade and iteration of the Giikin platform. It will deepen the integration of AI technology with core business scenarios, and continuously enhance the capabilities of the Giikin platform in intelligent product discovery, automated advertisement placement, intelligent customer service, and end-to-end data decision-making. Furthermore, the Company will continue the development concept of the Giikin platform + "AI-native digital lifeform", restructure the entire cross-border operation process with AI Agent as the core, incubate AI-native applications adapted to multi-regional markets, and continuously strengthen its AI technology foundation to maintain a high level of digital operation capability.

(2) Accelerating the Development of Proprietary Brands and Building a Multi-level Brand Matrix

The Company continues to deepen its self-owned brand strategy and build a multi-level and differentiated brand matrix. On the basis of consolidating the market recognition of its existing brands, the Company will further expand its self-owned brands covering different sub-categories. It will shape its brand image through customized and high-quality products, and accumulate user trust through quality enhancement, service optimization and multi-channel promotion. Its self-owned brand business has maintained sound development. Going forward, the Company will continue to carry out brand promotion through overseas social platforms such as Meta, TikTok, and Google, leveraging the traffic ecosystem of these platforms to achieve large-scale reach of its brand products and enhance customer stickiness to its existing brands. The Company will also actively explore the experiential marketing approaches in core overseas markets, such as establishing brand offline physical stores and pop-up stores, strengthen brand recognition through the integration of online and offline channels, engage directly with end users to take root in local markets, while strictly controlling product quality and optimizing end-user service experience, thereby laying a solid foundation for brand building and aligning with the long-term development direction of the industry.

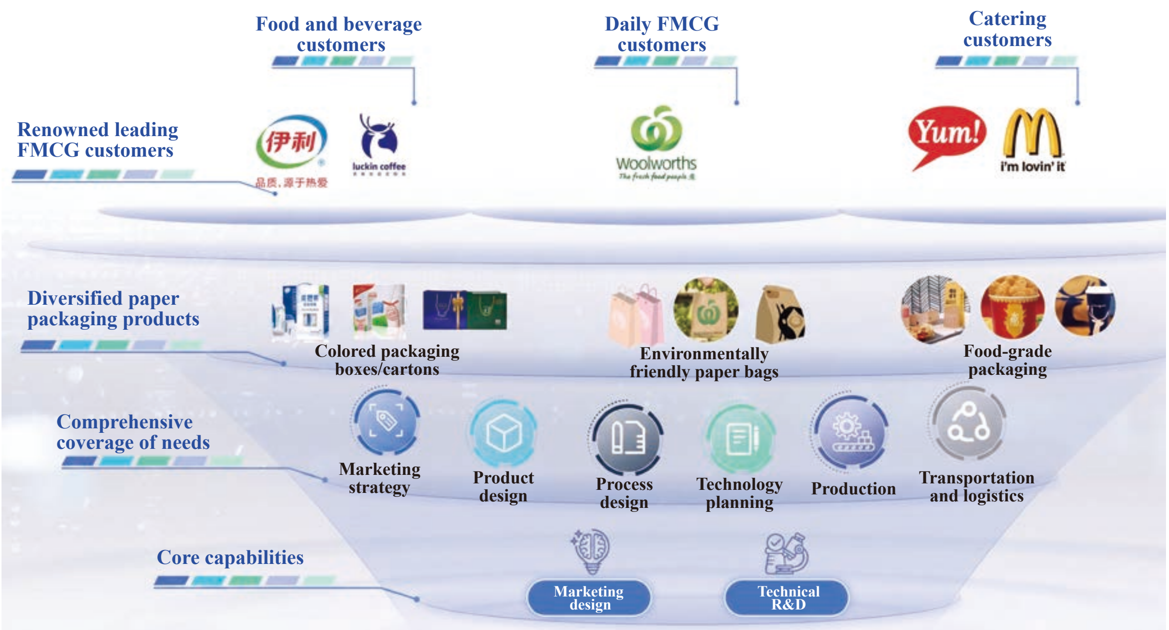
(3) Deepening Strategic Cooperation with AI Ecological Partners and Exploring Long-term Synergistic Development Routes

The Company will work with Alibaba Cloud, Volcano Engine, Google, AWS, and other AI ecological partners, combining the Company's full-link business scenarios and channel resources accumulated through years of experience in cross-border social e-commerce with the computing power supply chain capabilities of its AI ecological partners, to actively explore the full-chain synergy of large models, intelligent agents, cross-border business, and global services such as Token-based overseas distribution, conduct regular scenario co-creation, bridge model computing power with frontline business needs, continuously iterate agent capabilities, and incubate AI-native applications adapted to diverse regional markets worldwide, and jointly identify new opportunities for AI to expand overseas, creating a new growth trajectory for the Company. .

(II) Paper Packaging Business

Guided by the principle of environmental protection, our Company has deeply cultivated the paper packaging industry for over 20 years. We operate 12 large-scale packaging production bases across the country, penetrating the FMCG market of consumers' daily lives through graphic design, solution optimization, and marketing planning. We provide customers with integrated one-stop services including "marketing planning + R&D design/solution optimization + intelligent manufacturing + transportation and distribution + sales". We have established long-term and stable cooperative relationships with leading enterprises in various sub-categories in the FMCG industry such as food, beverages, catering, and daily chemicals both domestically and internationally. In 2024, the Company entered a new phase of "capacity export" through a joint venture in the Dubai International Financial Centre (DIFC) as the investment vehicle. It invested in and established packaging production bases and trading platforms in Ras Al Khaimah (UAE) and Salalah (Oman), targeting the production and sales of tobacco packaging, waterproof paper, and tobacco transport cartons for the Middle East and African markets.

During the Reporting Period, our Company maintained sufficient orders for FMCG packaging. The establishment of new production bases in Zhangjiagang, Jiangsu, and Huizhou, Guangdong, will further strengthen our Company's nationwide footprint and scaling advantage, enabling the orderly expansion of high-end packaging capacity including QSR food-grade packaging, gift boxes, and cosmetic packaging. Currently, the packaging production base in the UAE has been completed and is now in the trial production stage. Going forward, once the tobacco packaging capacity at overseas production bases becomes fully operational, it will further boost both the revenue scale and profitability of the Company's paper packaging business.



CORE COMPETITIVE ADVANTAGES

(I) Our Company is an innovative pioneer and leader among B2C outbound social media e-commerce companies

Distinct from the traditional model of selling through stores on third-party e-commerce platforms, our Company operates our cross-border social e-commerce business using a "goods discovering people" business model, which differs significantly in terms of user traffic acquisition, specific requirements for sellers, and capital expenditure. Although the "goods discovering people" model has high entry barriers, its advantages are clear: it reduces the upfront costs of maintaining significant inventories and grants our Company greater flexibility, enabling a rapid response to market trends and demands. Meanwhile, this model allows our Company to accumulate rich data insights and precisely grasp consumer needs and preferences, thereby enhancing the effectiveness of various business segments, including product discovery, product placement, supply chain management, and logistics management. Furthermore, our Company does not rely on online traffic from any single third-party platform nor is it required to maintain online stores on e-commerce platforms; it can flexibly place advertisements on social media platforms to achieve precision marketing and maximize profitability.

(II) Our Company's integrated AI technologies permeate its comprehensive, efficient, and scalable operating system

Our Company's cross-border social e-commerce business is efficient and flexible. Since launching this business in 2017, our Company has successfully navigated complex cross-border social e-commerce business environments and met diverse consumer needs through continuously trained and strengthened data analysis and AI technical capabilities. From AI pendant models and machine learning to big data analysis, AI technology permeates the entire business process, consistently driving the transformation of our Company's cross-border social e-commerce business from digitization (數字化) to digitalization (數智化). For key processes in cross-border social e-commerce, our Company has successfully developed AI technologies covering product discovery, image material design, video material generation, advertisement copywriting and translation, precise product recommendation, advertisement placement, and customer service, achieving a significant upgrade in its level of digitalization.

(III) Powerful data analytical capabilities provide a solid foundation for our Company's unique "goods discovering people" model

Owing to our first-mover advantages, our Company has accumulated a large amount of consumer behavior data insights generated from our cross-border social e-commerce business, based on which we conduct data analysis and build our algorithm capabilities. Through our business operations, our Company has accumulated an in-depth understanding of the ROI of advertisement placement on a wide range of channels. Distinguished from traditional e-commerce platforms, our Company obtains user data analysis from digital marketing service providers and social media platforms, which allows us to precisely assign tags to products when placing advertisements and efficiently conduct re-marketing to other consumers who have the same or similar needs. Our Company has developed our proprietary product relationship matrix with product tags, platform user tags and transaction information that precisely displays the relationship between characteristic profiles of users from different geographical locations and relevant products. This matrix has provided our Company with a solid foundation to further enhance our AI modeling capabilities.

(IV) Rapidly replicable business model and global layout ensure strategic flexibility in market expansion

With the rapid development of AI technology, our Company's cross-border social e-commerce supply chain control system continues to iterate, and its ability to realize demand forecasting through data analysis is constantly strengthening. Combined with our Company's technical advantages in multi-language intelligent advertising, translation, and customer service, it can automatically generate product displays, page designs, and service processes that conform to local consumption habits. This provides a solid guarantee for the expansion of our Company's sales regions, which have gradually expanded from the initial regions of Taiwan, Hong Kong and Southeast Asia to the rapid replication of the business model in Northeast Asia and Europe today. Our Company can dynamically adjust the proportion of regional resource allocation according to market trends. This allows us to seize the consumption upgrade dividends of emerging markets while effectively avoiding potential trade disputes, ensuring strategic flexibility in its market expansion.

(V) Our Company possesses effective and sophisticated supply chain management capabilities for our cross-border social e-commerce business to enhance consumers satisfaction and optimize cost control

Our Company manages our supply chain for our cross-border social e-commerce business through maintaining a certain level of inventory only for specific products and mainly purchasing products from suppliers after we receive orders from our consumers if the ordered products are not available in our Company's warehouses. This model allows our Company to maintain a lower inventory to sales ratio than other companies in the industry. This supply chain management model is supported by our Company's intelligent procurement and logistics management system. Our Giikin system deeply integrates data insights from product suppliers and logistics service providers to achieve intelligent management of each logistics process including transportation, delivery and receipt, enhancing consumers satisfaction and optimizing cost control.

(VI) Through breakthroughs in marketing designs and R&D, our Company provides packaging solutions that continuously maintain our long-term stable cooperative relationship with leading FMCG enterprise customers

Our Company is among a limited number of FMCG paper packaging solutions companies in China that can meet a one-stop needs from marketing strategies, product design, process design and technology planning, production, to transportation and logistics. Deeply engrained with creativity and leveraging our in-depth understanding of enterprise customers and the latest ESG trends, our Company provide a full suite of packaging solutions for enterprise customers to meet their comprehensive packaging needs for various types of products.

Our Company focuses on the creativity of packaging design, while also understanding functional requirements as the basis for process design and technology planning. Our Company is dedicated to actualizing any paper packaging ideas for our FMCG enterprise customers, in the same way as "turning a script into a film". Our Company insists on a customer-centric approach to provide esthetically pleasing, practical, environmentally friendly and cost-effective packaging solutions. With more than 20 years of experience in the packaging industry, our Company has become a leader in China's FMCG paper consumer packaging solutions industry with significant competitive strengths. Our Company operates 12 large-scale packaging production facilities across China to cater for our enterprise customers' business needs across the entire packaging value chain from packaging design to transportation and logistics, and has established long-term stable cooperative relationships with leading enterprises in various sub-categories in the FMCG industry such as food, beverages, catering, and daily chemicals both domestically and internationally.

(VII) Our Company's resilient organizational structure is led by a senior management team with an innovative and pioneering spirit

Our Company's senior management team has extensive industry experience covering FMCG packaging, cross-border social e-commerce and Internet digital marketing, contributing to their in-depth understanding of our Company's business development and strategies. An efficient organizational structure is the key to our Company's healthy development. Our Company's cross-border social e-commerce business runs on a distinctive flat organizational structure combining small front-end teams supported by middle management. We have established several front-end teams that we call "Company families", each of which are assigned a business process including product discovery, advertisement placement and advertising material generation. These "families" are assessed based on a standard that prioritizes profitability, while taking into consideration strategic contributions. This standard, combined with a "horse-racing" mechanism, fosters virtuous competition and synergies among "families", enhancing our Company's market expansion capabilities and industry competitiveness. Our Company's middle and senior management teams act as the guardians of these "families" to support, coordinate and provide them with middle-to-back-end business process including supply chain, IT system and customer service to maximize profits.

Our Company's vibrant employees are engrained with a diligent attitude, adaptability to change, and innovative mindset, providing a solid bedrock for our Company's performance growth. Our Company cultivates an atmosphere of "encouraging innovation and allowing trial and error". Through incentive measures such as employee share ownership plans and restricted shares, our Company aligns its development with the interests of its employees, promoting long-term sustainable and stable development.

FINANCIAL REVIEW

1. Revenue

We derive revenue from (i) our cross-border social e-commerce business; (ii) our paper packaging business; and (iii) others.

For the six months ended 30 June 2026, we generated revenue of RMB3,735.82 million, representing an increase of 13.45% from RMB3,233.53 million for the six months ended 30 June 2025. The increase in revenue was primarily attributable to the growth in revenue for both our cross-border social e-commerce and paper packaging businesses.

	For the six months ended 30 June			
	2026		**2025**	
Revenue	***RMB'000***	***%***	*RMB'000*	*%*
Cross-border social e-commerce	**2,451,182**	**65.6**	2,116,454	65.4
Paper packaging	**1,282,832**	**34.3**	1,115,164	34.5
Others[1]	**1,803**	**0.1**	1,908	0.1
Total	**3,735,817**	**100.0**	3,233,526	100.0

Note:

(1) Others mainly comprise our incidental trading business.

2. Cost of Sales

Our cost of sales primarily consists of (i) costs of raw materials and goods, (ii) labor costs; (iii) logistics costs; and (iv) others which primarily included cost of sales related to our other businesses.

For the six months ended 30 June 2026, cost of sales of the Group increased to RMB1,967.97 million, from RMB1,718.25 million for the six months ended 30 June 2025, primarily attributable to an increase in costs corresponding to an increase in revenue from cross-border e-commerce and packaging businesses.

The following table sets forth the breakdown of our cost of sales by business segment for the periods indicated, both in actual terms and as a percentage of our total cost of sales:

	For the six months ended 30 June			
	2026		2025	
Cost of sales	***RMB'000***	***%***	*RMB'000*	*%*
Cross-border social e-commerce business	**907,194**	**46.1**	817,418	47.5
Paper packaging	**1,059,515**	**53.8**	899,965	52.4
Others[(1)]	**1,260**	**0.1**	871	0.1
Total	**1,967,969**	**100.0**	1,718,254	100.0

Note:

(1) Others mainly comprise our incidental trading business.

The following table sets forth the breakdown of our cost of sales by nature for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
Cost of sales	***RMB'000***	***%***	*RMB'000*	*%*
Costs of raw materials and goods	**1,033,081**	**52.5**	906,163	52.7
Labor costs	**221,592**	**11.3**	219,954	12.8
Logistics costs	**553,121**	**28.1**	490,592	28.6
Others	**160,175**	**8.1**	101,545	5.9
Total	**1,967,969**	**100.0**	1,718,254	100.0

3. Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales, and our gross profit margin represents our gross profit as a percentage of our revenue.

For the six months ended 30 June 2026, our gross profit increased to RMB1,767.85 million, from RMB1,515.27 million for the six months ended 30 June 2025, primarily attributable to the increase in the revenue from the cross-border e-commerce business and packaging business during the period. Our gross profit margin increased from 46.9% for the six months ended 30 June 2025 to 47.3% for the six months ended 30 June 2026.

	For the six months ended 30 June			
	2026		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*
Cross-border social e-commerce	**1,543,988**	**63.0**	1,299,036	61.4
Paper packaging	**223,317**	**17.4**	215,199	19.3
Others[1]	**543**	**30.1**	1,037	54.4
Total	**1,767,848**	**47.3**	1,515,272	46.9

Note:

(1) Others mainly comprise our incidental trading business.

4. Other Income and Gains

Our other income and gains primarily consist of government grants, bank interest income and investment income from bank wealth management products.

For the six months ended 30 June 2026, our other income and gains increased to RMB34.96 million, from RMB23.57 million for the six months ended 30 June 2025, primarily attributable to an increase in bank interest income and fair value gains on financial assets at fair value through profit or loss.

5. Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of (i) advertising expenses in connection with placing advertisement on social media platforms for our cross-border social e-commerce business; (ii) staff costs for sales and marketing staff; and (iii) service expenses mainly relating to platform technology service fees in connection with our cross-border social e-commerce business.

For the six months ended 30 June 2026, the selling and marketing expenses of the Group increased by approximately 6.91% to RMB1,249.62 million from RMB1,168.86 million for the six months ended 30 June 2025. The increase was primarily attributable to increased advertising costs associated with the expansion of our cross-border social e-commerce business.

The following table sets forth the components of our selling and marketing expenses by nature for the periods indicated.

	Six months ended 30 June			
	2026		**2025**	
	RMB'000	***%***	*RMB'000*	*%*
Selling and marketing expenses				
Advertising expenses	**1,194,121**	**95.6**	1,121,196	95.9
Staff costs	**16,650**	**1.3**	12,786	1.1
Service expenses	**13,421**	**1.3**	15,549	1.3
Others[(1)]	**25,423**	**2.0**	19,331	1.7
Total	**1,249,615**	**100.0**	1,168,862	100.0

Note:

(1) Others primarily represent our rental expenses and office expenses.

6. Administrative Expenses

Our administrative expenses primarily consist of (i) staff costs; (ii) office expenses; (iii) rental expenses; and (iv) professional fees. For the six months ended 30 June 2026, the administrative expenses of the Group increased by 17.74% to RMB150.46 million from RMB127.79 million for the six months ended 30 June 2025. The increase was primarily attributable to higher employee benefits incurred as a result of an increased number of employees.

The following table sets forth the components of our administrative expenses by nature for the periods indicated.

	Six months ended 30 June			
	2026		2025	
	RMB'000	***%***	*RMB'000*	*%*
Administrative expenses				
Staff costs	**88,283**	**58.7**	75,580	59.2
Office expenses	**12,113**	**8.1**	10,720	8.4
Rental expenses	**9,378**	**6.2**	7,030	5.5
Professional fees[1]	**9,263**	**6.1**	9,558	7.5
Tax and surcharges	**8,834**	**5.9**	9,602	7.5
Depreciation and amortization	**7,580**	**5.0**	6,419	5.0
Share-based compensation	**–**	**0.0**	1,154	0.9
Others[2]	**15,007**	**10.0**	7,723	6.0
Total	**150,457**	**100.0**	127,786	100.0

Notes:

(1) Professional fees primarily represent the fees paid to legal advisers, auditors, consultants, valuers and other professional advisers for their services rendered in relation to our ordinary course of business.

(2) Others primarily represent technical service fees.

7. Research and Development Expenses

Our research and development expenses primarily consist of (i) staff costs for research and development staff and (ii) materials costs (primarily for raw materials) for product research and technology development for our paper packaging business. For the six months ended 30 June 2026, the research and development expenses of the Group increased by 8.82% to RMB73.34 million from RMB67.39 million for the six months ended 30 June 2025. The increase was primarily attributable to an increase in materials costs alongside with an increase in technology staff cost.

The following table sets forth a breakdown of our research and development expenses for the periods indicated, both in actual terms and as a percentage of our total research and development expenses:

	Six months ended 30 June			
	2026		2025	
	RMB'000	%	*RMB'000*	%
Research and development expenses				
Staff costs	**36,768**	**50.1**	31,255	46.4
Materials	**28,519**	**38.9**	26,016	38.6
Depreciation	**4,202**	**5.7**	3,506	5.2
Utilities expenses	**2,679**	**3.7**	2,797	4.1
Others[1]	**1,169**	**1.6**	3,819	5.7
Total	**73,338**	**100.0**	67,393	100.0

Note:

(1) Others primarily represent the expenses incurred for our research and development projects with a leading cloud-based technology company.

8. Finance Costs

Our finance costs consist of (i) interest on bank borrowings; (ii) interest on lease liabilities; and (iii) factoring charges. For the six months ended 30 June 2026, the finance costs of the Group increased to RMB12.16 million from approximately RMB6.6 million for the six months ended 30 June 2025, primarily attributable to an increase in expenses in relation to interest on bank borrowings.

	Six months ended 30 June			
	2026		2025	
	RMB'000	*%*	*RMB'000*	*%*
Interest on bank borrowings	7,434	61.1	3,898	59.0
Interest on lease liabilities	4,565	37.6	2,425	36.7
Factoring charges	161	1.3	285	4.3
Total	12,160	100.0	6,608	100.0

9. Other Expenses and Losses

Our other expenses and losses primarily consist of (i) investment loss on disposal of subsidiaries; and (ii) others. For the six months ended 30 June 2026, the other expenses and losses of the Group decreased to RMB2.09 million from RMB3.14 million for the six months ended 30 June 2025, primarily attributable to a decrease in losses from disposal of associates.

	Six months ended 30 June			
	2026		2025	
	RMB'000	*%*	*RMB'000*	*%*
Other expenses and losses				
Investment loss from deregistration of associates	–	–	2[1]	0.1
Losses on disposal of associates	–		2,377[2]	75.7
Losses on disposal of subsidiaries	308[3]	14.7	–	–
Others[4]	1,786	85.3	762	24.2
Total	2,094	100.0	3,141	100.0

Notes:

(1) The deregistered associate is Xiamen Zhengxia Entrepreneur Investment Company Limited* (廈門正夏創業投資有限公司), which was deregistered on 25 March 2025.

(2) The disposed associate is Fujian Haixia Copyright Operating Company Limited* (福建省海峽版權運營有限公司), which was disposed on 28 April 2025.

(3) The disposed subsidiary is Jiketuo (Shenzhen) Digital Technology Co., Ltd.* (吉客拓(深圳)數字科技有限公司), which was disposed of on 1 January 2026.

(4) Mainly comprises non-operating expenses.

10. Income Tax Expenses

For the six months ended 30 June 2026, we recorded an increase in income tax expenses of the Group to RMB38.94 million from RMB23.11 million for the six months ended 30 June 2025, primarily attributable to an increase in income tax provisions resulting from an increase in profit.

* *For identification only*

11. Net Profit for the Reporting Period

As a result of the above factors, the net profit of the Company increased to RMB234.39 million for the six months ended 30 June 2026 from RMB136.64 million for the six months ended 30 June 2025.

12. Liquidity and Working Capital

As at 30 June 2026, the Group's cash and bank balances increased to RMB1,361.33 million from RMB1,229.58 million as at 31 December 2025. The increase primarily resulted from the increase in sales receipts resulting from the increase in revenue.

As at 30 June 2026, the current assets of the Group were RMB3,109.74 million, including cash and cash equivalents of RMB1,361.33 million and other current assets of RMB1,748.41 million. As at 30 June 2026, the current liabilities of the Group were RMB1,563.20 million, including accounts payables of RMB755.49 million, other payables and accrued liabilities of RMB202.02 million and borrowings of RMB494.37 million.

13. Cash Flows

During the Reporting Period, we had funded our cash requirements principally from cash generated from our operating activities and bank borrowings. As at 30 June 2026, we had cash and cash equivalents of RMB1,361.33 million, representing an increase as compared to RMB1,229.58 million as at 31 December 2025.

14. Key Financial Ratios

The following table sets forth the key financial ratios for the periods indicated:

	As at/for the six months ended 30 June	
	2026	2025
Profitability ratios:		
Gross profit margin(1)	**47.32%**	46.86%
Net profit margin(2)	**6.27%**	4.23%
Return on equity(3)	**16.70%**	11.21%
Return on total assets(4)	**10.14%**	7.22%
Liquidity ratios:		
Current ratio(5)	**1.99**	2.15
Quick ratio(6)	**1.65**	1.81
Inventory turnover days(7)	**49.48**	46.78
– Inventory turnover days of cross-border social e-commerce business(8)	**32.54**	29.67
– Inventory turnover days of paper packaging business(9)	**52.56**	48.39
Capital adequacy ratio:		
Debt-to-equity ratio(10)	**27.07%**	13.07%

Notes:

(1) Gross profit margin is calculated using gross profit divided by revenue and multiplied by 100%.

(2) Net profit margin is calculated using profit for the year divided by revenue and multiplied by 100%.

(3) Return on equity ratio is calculated using profit for the year as a percentage of the average balance of total equity at the beginning and the end of the year and multiplied by 100%.

(4) Return on total assets ratio is profit for the year as a percentage of the average balance of total assets at the beginning and the end of the year and multiplied by 100%.

(5) Current ratio is calculated using total current assets divided by total current liabilities.

(6) Quick ratio is calculated using total current assets less inventories divided by total current liabilities.

(7) Inventory turnover days is calculated using the average of the beginning and ending balances of total inventories for the relevant year, divided by the corresponding total cost of sales for the same year, multiplied by 365 days.

(8) Inventory turnover days of our cross-border social e-commerce business is calculated using the average of the beginning and ending balances of inventories of our cross-border social e-commerce business for the relevant year, divided by the corresponding cost of sales of our cross-border social e-commerce business for the same year, multiplied by 365 days.

(9) Inventory turnover days of our paper packaging business is calculated using the average of the beginning and ending balances of inventories of our paper packaging business for the relevant year, divided by the corresponding cost of sales of our paper packaging business for the same year, multiplied by 365 days.

(10) Debt-to-equity ratio is calculated using total debt (being the carrying balance of the interest-bearing bank borrowings) divided by total equity and multiplied by 100%.

15. Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position for the six months ended 30 June 2026. The Group manages liquidity risk based on expected maturity dates. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, borrowings and long-term leases and to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

16. Significant Investments

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

17. Market Risks

We are exposed to various types of financial and market risks, including cost of raw materials, price fluctuation risks, foreign currency risk, credit risk, risk of losing core talents and tax incentive risks. Our Directors have reviewed and agreed on the following financial management policies and practices for managing each of these risks.

1. Risk of Raw Material Price Fluctuations

During the Reporting Period, the price of raw paper, a key raw material for the Company's packaging business, fluctuated continuously. As a result, price adjustment of the Company's products lagged slightly behind the increase in raw material costs, exerting negative pressure on the gross profit margin of the Company's packaging business. If, in the future, the number of material customer orders decline while raw material procurement costs rise, the profitability of the Company's packaging business may be significantly affected.

Mitigation measures: the company closely monitors market developments in raw material supply and, in response to paper price fluctuations, has adopted measures to secure supplier price quotations, to ensure early ordering and stockpiling, centralized procurement within the Group to enhance bargaining power, and to set up price pass-through mechanisms to effectively mitigate operational risks arising from raw material price fluctuations.

2. Risk of Exchange Rate Fluctuations

Since 2017, the Company has been engaged in the cross-border social e-commerce business, with footprint covering multiple countries and regions including Southeast Asia, Japan, South Korea, Taiwan, China, Hong Kong, China and the Middle East. In the course of its operations, the Company settles transactions in various foreign currencies including U.S. dollars, Hong Kong dollars, New Taiwan dollars, and Japanese yen. Accordingly, fluctuations in the exchange rate between the Renminbi and these foreign currencies may impact the Company's profitability, exposing the Company to certain exchange rate risks.

Mitigation measures: the Company monitors developments in the foreign exchange market in real time, makes effective forecasts regarding foreign currency appreciation or depreciation, and considers conducting foreign exchange hedging activities in compliance with applicable regulations. At the same time, the Company has strengthened its risk management practices to mitigate the impact of exchange rate fluctuations on its profitability.

3. Risk of Loss of Core Talent

With the rapid growth of the Internet industry, demand for professional talent has risen sharply. Core technical personnel play a vital role in the expansion and operational management of the Company's e-commerce business. If the Company fails to maintain a strong competitive edge in the Internet industry to ensure team stability, the daily operations and long-term development of the Company may be adversely affected.

Mitigation measures: the Company is committed to building a talent pool aligned with its strategic development needs, continuously optimizing its talent structure, and enhancing its employee incentive mechanisms. By effectively aligning the interests of Shareholders, the Company, and the core team, the Company aims to attract and retain outstanding talent, thereby ensuring the successful implementation of its development strategies and business objectives.

4. Risk of Preferential Tax Treatment

The Company and certain subsidiaries were qualified as High and New Technology Enterprises and are entitled to preferential corporate income tax rates of 15% in accordance with applicable laws during the validity period of their High and New Technology Enterprise certificates. If, in the future, there are any changes to national preferential tax policies for High and New Technology Enterprises, or if the Company no longer meets the qualification criteria for High and New Technology Enterprise certificates, or fails to complete the required filings with the tax authorities in respect of the corporate income tax preferential policy for High and New Technology Enterprises, the Company's future operating results may be adversely affected to a certain extent.

Mitigation measures: the Company closely monitors developments in preferential tax policies across different regions, and prior to the expiration of relevant certificates, it will promptly collect and submit the necessary documentation to the tax authorities for renewal to ensure the continued enjoyment of such preferential tax treatments.

18. Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies for the six months ended 30 June 2026.

19. Future Plans for Material Investment and Capital Assets

Save as disclosed in this interim report, as at the date of this interim report, there were no significant investments held by the Group or future plans regarding significant investment or capital assets.

20. Bank Loans and Other Borrowings

As at 30 June 2026, the Group had borrowings of RMB775.23 million with fixed interest rate and denominated in RMB and lease liabilities of RMB136.48 million. As at 30 June 2026, the Group's total loans and borrowings amounted to RMB775.23 million, representing an increase of approximately RMB227.18 million or 41.45% compared to 31 December 2025. During the Reporting Period, the Group's loans and borrowings bore interest at rates ranging from 0.6% to 2.7% and were denominated in RMB.

As at 30 June 2026, the loans and borrowings included secured loans of RMB51.70 million and credit loans of RMB78.61 million with maturities of more than two years but not exceeding three years; secured loans of RMB82.24 million and credit loans of RMB59.75 million with maturities of more than one year but not exceeding two years; and secured loans of RMB338.76 million and credit loans of RMB155.61 million due within one year. The Group's secured loans were collateralized by plants and land.

As at 30 June 2026, the Group had long-term payables of RMB74.14 million, which were amounts payable in respect of sale and leaseback of equipment.

As at 30 June 2026, the Group's gearing ratio, defined as total liabilities divided by total equity, was 71.81%, representing an increase of 14.69% compared with 31 December 2025.

21. Contingent Liabilities

As at 30 June 2026, we had no contingent liabilities.

22. Pledge of Shares by Controlling Shareholder

As at the date of this interim report, (i) Ms. Zhuang Hao pledged an aggregate of 22,469,295 A Shares, representing 4.91% of our Company's total issued share capital; and (ii) Mr. Zhuang Shu, pledged an aggregate of 4,200,000 A Shares, representing 0.92% of our Company's total issued share capital, both to PRC licensed financial institutions as security for personal financing purposes and for the operations of certain external entities.

Save as disclosed above, our Controlling Shareholders did not pledge any other Shares as at the date of this interim report.

23. Employee and Remuneration

As at 30 June 2026, we had a total of 5,182 employees. The table below sets forth the numbers of our employees according to their functions as at 30 June 2026:

Function	**Number of employees**	**% of total number of employees**
Production[1]	2,782	53.69%
Sales and marketing	107	2.06%
Technology[1]	617	11.91%
Accounting and finance	113	2.18%
General administrative	527	10.17%
Operation	1,036	19.99%
Total	5,182	100%

Note:

(1) Our research and development personnel are managed under our production department and technology department. Other than research and development personnel, the remaining employees in our technology department primarily comprise the design team and information technology support team of our cross-border social e-commerce business.

As required by laws and regulations in the PRC, we participate in various employee social security plans that are organized by municipal and provincial governments including pensions, medical insurance, unemployment insurance, maternity insurance, work-related injury insurance, and housing fund plans through a PRC government-mandated benefit-contribution plan.

Remuneration packages for our employees mainly comprise base salary and incentive bonus. We generally grant our employees year-end bonuses, project bonuses and other miscellaneous bonuses, and we assess eligibility of these bonuses, as well as salary increases, and promotions for employees based on their seniority and project performance for the current year. To maintain and enhance the quality, knowledge and skill levels of our workforce as well as their familiarity with industry quality standards and work safety standards, we provide our employees with training, including orientation programs for new employees, technical training, and professional and management training.

24. 2023 RESTRICTED SHARE INCENTIVE PLAN

Our Company adopted the 2023 Restricted Share Incentive Plan, which was of a one-off nature and did not involve any option over the Shares of our Company. The terms of the 2023 Restricted Share Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules as there are no outstanding shares under the 2023 Restricted Share Incentive Plan and no further shares or options will be granted by our Company. Given that all the underlying restricted A Shares had already been granted in 2023, there will not be any dilution effect to the issued Shares under the 2023 Restricted Share Incentive Plan. No further awards will be granted.

The purpose of the 2023 Restricted Share Incentive Plan was to attract, retain and motivate the talents of our Company, and to align the interest of our Company and our personnel.

25. Events after the Reporting Period

On 16 July 2026 (before trading hours of the Stock Exchange), the Company and three placing agents entered into the placing agreement, in relation to the placing of 9,371,500 new H Shares at the placing price of HK$12.24 per H Share to no less than six placees under general mandate of the Company (the "**July 2026 Placing**"), which represented (i) a discount of approximately 17.02% to the closing price of HK$14.75 per H Share as quoted on the Stock Exchange on the last trading day immediately prior to the signing of the Placing Agreement; (ii) a discount of approximately 16.68% to the average closing price of HK$14.69 per H Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the last trading day prior to the signing of the Placing Agreement; and (iii) a discount of approximately 16.20% to the average closing price of HK$14.61 per H Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement. The 9,371,500 new H Shares for the July 2026 Placing have an aggregate nominal value of RMB9,371,500 based on a nominal value of RMB1.00 per placing Share. The completion of the July 2026 Placing took place on 20 July 2026. A total of 9,371,500 placing H Shares have been successfully placed at the Placing Price of HK$12.24 per H Share to no less than six placees. The net proceeds, after deducting such fees, costs and expenses, is approximately HK$112.8 million, representing a net placing price of approximately HK$12.04 per placing share.

The Board is of the view that the July 2026 Placing offers an effective and timely opportunity to raise capital while diversifying the Company's Shareholder base. The net proceeds from the July 2026 Placing are proposed to be used for the following purposes:

(i) 80% or approximately HK$90.2 million for advancing the global expansion and development of the Company's cross-border social e-commerce business, of which:

   a. 40% or approximately HK$45.1 million for the overseas market expansion in Europe, particularly in the Northeastern Europe and the Middle East;

   b. 30% or approximately HK$33.8 million for the development of existing self-developed brands; and

   c. 10% or approximately HK$11.3 million for funding the research and development for continuously upgrading and iterating the "Giikin" system of the Company with enhanced application of artificial intelligence and data technologies;

(ii) 10% or approximately HK$11.3 million for optimising the existing supply chain network and expanding the scope of the Company's fast-moving consumer goods (FMCG) paper packaging business; and

(iii) 10% or approximately HK$11.3 million for working capital and general corporate purposes (including payment of office rent, staff costs, legal and professional fees and other administrative expenses) of the Company and its subsidiaries.

The Company expects the net proceeds from the July 2026 Placing to be fully utilised by the end of 2027. To the extent that the net proceeds from the July 2026 Placing are not immediately used for the above purposes, or if the Company is unable to effect any part of its future development plans as intended, the Company may deposit such funds into short-term interest-bearing accounts at licensed banks and/or other authorised financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions). In such an event, the Company will comply with the appropriate disclosure requirements under the Listing Rules.

Save as disclosed in this interim report, the Company is not aware of any significant event that might affect the Group since 30 June 2026 and up to the date of this interim report.

26. Interim Dividend

The Board proposed and has resolved to declare an interim dividend of RMB0.14 (tax inclusive) per Share for the six months ended 30 June 2026 based on the distributable share capital of the Company of 447,840,388 Shares (being the Company's total share capital of 457,916,788 shares excluding 10,076,400 shares held in the dedicated repurchase account) in issue as at the date of this interim report. The aforesaid interim dividend distribution proposed is subject to the consideration and approval at the extraordinary general meeting of the Company which is expected to be held on 8 September 2026 (the "**2026 Fourth EGM**") or any adjournment thereof. If the distribution proposal is approved at the 2026 Fourth EGM or any adjournment thereof, it is expected that the interim dividend for the six months ended 30 June 2026 will be paid to the Shareholders within 2 months after the 2026 Fourth EGM or any adjournment thereof.

CORPORATE GOVERNANCE PRACTICE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. Our Company has adopted the code provisions as set out in part 2 of the CG Code as its own code to govern its corporate governance practices.

To the best knowledge of our Directors, our Company had complied with all the code provisions set out in part 2 of the CG Code during the Reporting Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

We have also adopted our own code of conduct regarding securities transactions, namely the securities policy for management, directors, and public float (the "**Securities Policy**"), which applies to all Directors and senior management on terms not less exacting than the required standard indicated by the Model Code.

Having made specific enquiry, all Directors confirmed that they have strictly complied with the required standards set out in the Model Code and the Securities Policy during the Reporting Period.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee comprises three independent non-executive Directors, namely, Dr. ZHANG Guoqing (張國清), Mr. TANG Yi Hoi (鄧以海) and Mr. CAI Qinghui (蔡慶輝). Dr. ZHANG Guoqing (張國清) is the chairman of the Audit Committee. The primary duties of the Audit Committee are to review our compliance, accounting policies and financial reporting procedures; to supervise the implementation of our internal audit system; to advise on the appointment or replacement of external auditors; to liaise between our internal audit department and external auditors; and other responsibilities as authorized by our Board.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2026 and this interim report have been reviewed by the Audit Committee and the Audit Committee concluded that such financial statements and this interim report had been prepared in accordance with applicable accounting standards and relevant requirements, and had made adequate disclosure. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company.

OTHER BOARD COMMITTEES

In addition to the Audit Committee, the Company has also established the Nomination Committee, Strategy Committee and the Remuneration and Appraisal Committee with written terms of reference in accordance with the Listing Rules (if applicable).

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this interim report, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors or any of their spouses or children under the age of 18 to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

Save as disclosed below, as of the date of this interim report, none of the other Directors or chief executive of our Company had an interest and/or short position (as applicable) in the Shares, underlying Shares or debentures of our Company or any interests and/or short positions (as applicable) in the Shares, underlying Shares or debentures of our Company's associated corporations (within the meaning of Part XV of the SFO) which (i) had to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) were required, pursuant to the Model Code, to be notified to our Company and the Stock Exchange.

Name of Director	Nature of interests	Number of Shares or securities held[(3)(4)]	Approximate percentage in total share capital of our Company	Approximate percentage in equity interests of the relevant class of Shares of our Company
Ms. Zhuang Hao [(1)]	Beneficial interest	66,503,082[(4)](L)	14.85	17.95
	Interest of person acting in concert [(2)]	46,512,325[(4)](L)	10.39	12.55
Mr. Zhuang Shu [(1)]	Beneficial interest	33,331,025[(4)](L)	7.44	8.99
	Interest of person acting in concert [(2)]	79,684,382[(4)](L)	17.79	21.50
Mr. Zhang Heping [(1)]	Beneficial interest	6,236,125[(4)](L)	1.39	1.68
	Interest of person acting in concert [(2)]	106,779,282[(4)](L)	23.84	28.82
Mr. Lu Tashan [(1)]	Beneficial interest	306,250[(4)](L)	0.07	0.08
	Interest of person acting in concert [(2)]	112,709,157[(4)](L)	25.17	30.42

Notes:

(1) Each of the individual is an executive Director.

(2) Ms. Zhuang Hao, Mr. Zhuang Shu, Ms. He Jingying, Mr. Zhang Heping, Mr. Zhuang Zhenhai, Mr. Lu Tashan and Tibet Yongyue are parties acting in concert and are our Single Largest Group of Shareholders.

On 5 February 2024, Ms. Zhuang Hao, Mr. Zhuang Shu, Ms. He Jingying, Mr. Zhang Heping, Mr. Zhuang Zhenhai, Mr. Lu Tashan and Tibet Yongyue executed an agreement (the "**Concert Parties Agreement**"). Pursuant to the Concert Parties Agreement, all members of the Single Largest Group of Shareholders agreed that they shall act in concert in respect of each of the members of our Group. Pursuant to the Concert Parties Agreement, it was confirmed that each of Mr. Zhuang Shu, Ms. He Jingying, Mr. Zhang Heping, Mr. Zhuang Zhenhai and Tibet Yongyue had acted in accordance with Ms. Zhuang Hao's instructions prior to the date of the Concert Parties Agreement and from when they each held voting rights at the meetings of the shareholders of the Company. Furthermore, Ms. Zhuang Hao, Mr. Zhuang Shu, Ms. He Jingying, Mr. Zhang Heping, Mr. Zhuang Zhenhai, Tibet Yongyue and Mr. Lu Tashan have undertaken to act in concert directly or indirectly through the companies controlled by them. They have also agreed to, among others, (i) vote unanimously at all meetings of the shareholders of each member of our Group (for the avoidance of doubt, it shall not be a breach of the Concert Parties Agreement if a party to the Concert Parties Agreement fails to cast a vote at all at a meeting of the shareholders due to the absence of that party), (ii) discuss and reach consensus with each other before proposing to such meetings, and act in concert in respect of the business operations, governance and other key matters of our Group which shall be decided by the shareholders of each of the members of the Group. In the event that consensus cannot be reached, Ms. Zhuang Hao's view shall prevail and the Single Largest Group of Shareholders shall reflect her view in their decisions in such meetings of the shareholders accordingly.

(3) The calculation is based on the total number of 447,840,388 Shares in issue, comprising 370,558,888 A Shares (excluding 10,076,400 Treasury A Shares) and 77,281,500 H Shares, as at the date of this report.

(4) All Shares are A Shares.

(5) The letter (L) denotes the long positions in the Shares.

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

As of the date of this interim report, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed 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 entered in the register to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholders	Nature of interests	Number of Shares or securities held(2)	Approximate percentage in total share capital of our Company	Approximate percentage in equity interests of the relevant class of Shares of our Company
Ms. He Jingying	Beneficial interest	6,638,925(2)(L)	1.48	1.79
	Interest of person acting in concert (1)	106,376,482(2)(L)	23.75	28.71
Tibet Yongyue	Beneficial interest	–	–	–
	Interest of person acting in concert (1)	113,015,407(2)(L)	25.24	30.50
Mr. Zhuang Zhenhai	Interest in a controlled corporation	–	–	–
	Interest of person acting in concert (1)	113,015,407(2)(L)	25.24	30.50

Notes:

(1) For details of the concert party arrangements, please refer to note (2) of the section headed "Corporate Governance and Other Information – Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any of its Associated Corporations" of this interim report.

(2) All Shares are A Shares.

(3) The letter (L) denotes the long positions in the Shares.

Save as disclosed above, as at the date of this interim report, the Directors were not aware of any other persons (who were not Directors or chief executives of the Company) who had an interest or short position in any Shares or underlying Shares which would fall to be disclosed 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 entered in the register to be kept by the Company pursuant to Section 336 of the SFO.

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

On 29 April 2026, the Company had convened the annual general meeting of 2025 (the "**2025 AGM**"), during which a special resolution in relation to the repurchase and cancellation of certain restricted A Shares (the "**Repurchase and Cancellation**") granted to certain participants in accordance with the provisions of the 2023 Restricted Share Incentive Plan was passed and approved. For details, please refer to the circular of the Company dated 31 March 2026 and the announcement of the Company relating to the poll results of the 2025 AGM dated 29 April 2026.

On 12 June 2026, the Company completed the repurchase and cancellation of 1,860,000 restricted A Shares. As at 30 June 2026 and as at the date of this interim report, the Company held 10,076,400 treasury Shares (A Shares).

Save as disclosed above, the Company and its subsidiaries did not repurchase, redeem or sell any listed securities (including treasury shares) of the Company during the Reporting Period.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In accordance with the relevant provisions of the Company Law of the PRC (中華人民共和國公司法), the Guidelines on the Articles of Association of Listed Companies (Amended in 2025) (《上市公司章程指引(2025年修訂)》), the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, and the Self-Regulatory Guidelines No. 1 for Listed Companies on the Shenzhen Stock Exchange – Standardised Operation of Listed Companies on the Main Board, and taking into account the repurchase and cancellation of the 2023 restricted shares and the changes in senior management, the Board had proposed to make certain amendments to the Articles of Association.

The main details of the above mentioned amendments to the Articles of Association include, among others, (1) change of registered capital due to the completion of the Repurchase and Cancellation and (2) change in article of legal representative of the Company. Such amendments have been passed and approved in a special resolution put forward at the 2025 AGM held on 29 April 2026.

For details, please refer to the circular of the Company dated 31 March 2026 and the announcement of the Company relating to the poll results of the 2025 AGM dated 29 April 2026.

The Company completed the July 2026 Placing on 20 July 2026. Immediately after the July 2026 Placing, the number of A Shares remained unchanged at 380,635,288 Shares, while the number of H Shares increased from 67,910,000 Shares to 77,281,500 Shares, and the total issued share capital of the Company increased from 448,545,288 Shares to 457,916,788 Shares. Accordingly, the registered capital of the Company will be changed from RMB448,545,288 to RMB457,916,788.

The Board proposes to amend Article 6 and Article 21 of the Articles of Association in accordance with the aforesaid change in the registered capital (the "**Proposed Amendments to the Articles of Association**"), and to authorise the management of the Company and any authorised person(s) to handle the relevant regulatory procedures in relation to the Proposed Amendments to the Articles of Association.

The Proposed Amendments to the Articles of Association are subject to the approval of the Shareholders by way of a special resolution at 2026 Fourth EGM or any adjournment thereof.

CHANGE IN INFORMATION OF DIRECTORS

Reference is made to the announcements of the Company dated 29 May 2026 and 24 June 2026, respectively, in relation to the receipt by the Company, Ms. ZHUANG Hao, chairwoman and executive director of the Company, Mr. LU Tashan, an executive director, Mr. WANG Yapeng, a former executive director and Mr. ZHANG Luping, former secretary to the board of directors (collectively, the "**Persons**") of respectively the "Decision on Administrative Regulatory Measures" (the "**Decision**") issued by the Xiamen Regulatory Bureau of the China Securities Regulatory Commission ("**CSRC Xiamen Regulatory Bureau**") and the "Prior Notice of Disciplinary Action" (Company Department Action Notice (2026) No. 51) (《紀律處分事先告知書》(公司部處分告知書(2026)第51號)) (the "**Notice**") issued by the Shenzhen Stock Exchange (the "**SZSE**"). As the Company failed to timely fulfill the review procedures for related-party transactions and its information disclosure obligations in accordance with the regulations, the CSRC Xiamen Regulatory Bureau has imposed supervisory and administrative measures on the Company requiring it to rectify the situation and has issued warning letters to the Persons, with the relevant details recorded in their integrity files; and the SZSE intends to impose the disciplinary sanction of public censure on both the Company and the Persons. The relevant related party transactions do not constitute connected transactions under Chapter 14A of the Listing Rules.

The Board has reviewed the Decision and the Notice. Given that the relevant violations were primarily caused by the Company's negligence in its timely disclosure and review procedures for related-party transactions, rather than any failure on the part of the Persons to perform their duties diligently, the Board (excluding Ms. ZHUANG Hao and Mr. LU Tashan) considers that there is no reason to doubt the integrity and competence of Ms. ZHUANG Hao and Mr. LU Tashan, and that it is appropriate for Ms. ZHUANG Hao and Mr. LU Tashan to continue serving as executive directors of the Company.

Save as disclosed in this interim report, there has been no change in the information of the Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the Reporting Period.

The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Reporting Period.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules during the Reporting Period.

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

With the Shares of the Company listed on the Stock Exchange on 27 May 2025, the net proceeds from the Global Offering were approximately HK$426.9 million, which will be utilised for the purposes as set out in our Prospectus. As at 30 June 2026, there was no change in the intended use of net proceeds as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus and the section headed "Use of Proceeds from the Global Offering" in the Company's annual report for the year ended 31 December 2025 published on 31 March 2026. To the extent that net proceeds are not immediately used for the intended use and to the extent permitted by the relevant law and regulations, the Company will place the net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions as defined under the SFO or the applicable laws in the relevant jurisdiction for non-Hong Kong based deposits.

As of 30 June 2026, the Group had utilised the net proceeds as set out in the table below:

Planned use of net proceeds	**Percentage of total net proceeds** %	**Amount of net proceeds for the relevant use** *(HK$ million)*	**Amount of net proceeds utilised as of 30 June 2026** *(HK$ million)*	**Amount not yet utilised as of 30 June 2026** *(HK$ million)*
1. Overseas market expansion	40%	170.8	170.8	0
2. Our technology development in (1) our research and development capabilities, (2) data analytical capabilities to enhance our business efficiency, and (3) GiiMall (self-developed SaaS platform) to expand our revenue streams	35%	149.4	78.4	71.0
3. Expansion of our brands portfolio and development of our existing self-developed brands	15%	64.0	64.0	0
4. Our working capital and other general corporate purposes	10%	42.7	42.7	0
Total	100%	426.9	355.9	71.0

Notes:

(1) Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

(2) The Company expects the net proceeds from the Global Offering not yet utilised to be fully utilised by the end of 2027.

By order of the Board
Ms. ZHUANG Hao
Executive Director and Chairwoman
Hong Kong
17 August 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
REVENUE	**3,735,817**	3,233,526
Cost of sales	**(1,967,969)**	(1,718,254)
GROSS PROFIT	**1,767,848**	1,515,272
Other income and gains	**34,957**	23,569
Selling and marketing expenses	**(1,249,615)**	(1,168,862)
Administrative expenses	**(150,457)**	(127,786)
Research and development expenses	**(73,338)**	(67,393)
Impairment losses on financial assets	**(3,399)**	(4,235)
Share of profits of associates	**2,693**	599
Foreign exchange losses, net	**(41,114)**	(1,668)
Finance costs	**(12,160)**	(6,608)
Other expenses and losses	**(2,094)**	(3,141)
PROFIT BEFORE TAX	**273,322**	159,748
Income tax expense	**(38,936)**	(23,113)
PROFIT FOR THE PERIOD	**234,386**	136,635
Attributable to:		
Owners of the parent	**157,747**	118,147
Non-controlling interests	**76,639**	18,488
	234,386	136,635
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		
Basic *(RMB)*	**0.36**	0.30
Diluted *(RMB)*	**0.36**	0.30

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
PROFIT FOR THE PERIOD	**234,386**	136,635
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Change in fair value of equity investments designated at fair value through other comprehensive income, net of tax	**–**	–
Exchange differences on translation of foreign operations	**(4,723)**	(461)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**(4,723)**	(461)
OTHER COMPREHENSIVE INCOME FOR THE YEAR/PERIOD, NET OF TAX	**229,663**	136,173
Attributable to:		
Owners of the parent	**154,065**	117,770
Non-controlling interests	**75,598**	18,404
	229,663	136,173

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (unaudited)
NON-CURRENT ASSETS		
Property, plant and equipment	1,022,824	931,836
Right-of-use assets	235,491	188,062
Goodwill	9,585	9,585
Other intangible assets	15,475	17,121
Investment in an associate	290,969	179,787
Equity investments designated at fair value through other comprehensive income	35,816	37,816
Financial assets at fair value through profit or loss	60,865	63,293
Deferred tax assets	12,758	9,962
Time deposits	1,722	1,722
Other non-current assets	69,795	119,046
Total non-current assets	1,810,786	1,593,768
CURRENT ASSETS		
Inventories	525,336	516,080
Trade receivables	646,732	627,590
Prepayments, other receivables and other assets	235,183	140,628
Amounts due from related parties	118,879	75,239
Pledged deposits	29,868	32,206
Time deposits	192,412	106,777
Cash and cash equivalents	1,361,330	1,229,577
Total current assets	3,109,740	2,728,097

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (unaudited)
CURRENT LIABILITIES		
Trade and bills payables	**755,493**	695,533
Other payables and accruals	**202,019**	145,494
Contract liabilities	**29,303**	30,135
Interest-bearing bank and other borrowings	**494,371**	309,493
Lease liabilities	**41,183**	33,287
Tax payable	**38,022**	23,372
Amounts due to related parties	**–**	–
Other current liabilities	**2,808**	4,861
Total current liabilities	**1,563,199**	1,242,175
NET CURRENT ASSETS	**1,546,541**	1,485,922
TOTAL ASSETS LESS CURRENT LIABILITIES	**3,357,327**	3,079,690
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**280,856**	238,553
Lease liabilities	**95,297**	55,244
Deferred income	**39,641**	32,052
Long-term payables	**74,142**	–
Deferred tax liabilities	**3,447**	3,223
Total non-current liabilities	**493,383**	329,072
Net assets	**2,863,944**	2,750,618
EQUITY		
Equity attributable to owners of the parent		
Share capital	**448,545**	450,405
Reserves	**2,325,367**	2,247,909
Non-controlling interests	**90,032**	52,304
Total equity	**2,863,944**	2,750,618

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent									
	Share capital RMB'000	Treasury shares* RMB'000	Share premium* RMB'000	Share award reserve* RMB'000	Statutory reserve* RMB'000	Other comprehensive income* RMB'000	Retained profits* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2026	450,405	(164,848)	573,587	-	119,424	(22,824)	1,742,570	2,698,314	52,304	2,750,618
Profit for the year	-	-	-	-	-	-	157,747	157,747	76,639	234,386
Change in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	-	-	(3,682)	-	(3,682)	(1,041)	(4,723)
Total comprehensive income for the period	-	-	-	-	-	(3,682)	157,747	154,065	75,598	229,663
Issuance of common stock	-	-	-	-	-	-	-	-	-	-
Equity-settled share-based payment expenses	(1,860)	17,689	(15,829)	-	-	-	-	-	-	-
Shares repurchased for Share Incentive Plans	-	-	-	-	-	-	-	-	-	-
Dividends declared	-	-	-	-	-	-	(78,924)	(78,924)	(38,070)	(116,994)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-
Reversal of repurchase obligation for restricted shares	-	-	-	-	-	-	-	-	-	-
Transfer of other comprehensive income	-	-	-	-	-	-	362	362	-	362
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	200	200
Disposal/deregistration of subsidiaries	-	-	96	-	-	-	-	96	-	96
As at 30 June 2026	448,545	(147,159)	557,854	-	119,424	(26,506)	1,821,755	2,773,912	90,032	2,863,944

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent									
	Share capital RMB'000	Treasury shares* RMB'000	Share premium* RMB'000	Share award reserve* RMB'000	Statutory reserve* RMB'000	Other comprehensive income* RMB'000	Retained profits* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2025	384,769	(136,164)	245,825	6,863	96,119	(20,849)	1,625,461.0	2,202,024	6,491	2,208,515
Profit for the year	–	–	–	–	–	–	118,147	118,147	18,488	136,635
Change in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	–	–	–	–	–	–	–
Exchange differences on translation of foreign operations	–	–	–	–	–	(377)	–	(377)	(84)	(461)
Total comprehensive income for the period	–	–	–	–	–	(377)	118,147	117,770	18,404	136,173
Issuance of common stock	67,910	–	319,104	–	–	–	–	387,014	–	387,014
Equity-settled share-based payment expenses	–	–	–	2,709	–	–	–	2,709	–	2,709
Shares repurchased for Share Incentive Plans	–	9,562	–	–	–	–	–	(9,562)	–	(9,562)
Dividends declared	–	–	–	–	–	–	(59,724)	(59,724)	–	(59,724)
Acquisition of non-controlling interests	–	–	–	–	–	–	–	–	–	–
Reversal of repurchase obligation for restricted shares	–	–	–	–	–	–	–	–	–	–
Transfer of other comprehensive	–	–	–	–	–	–	–	–	–	–
Contribution from non-controlling interests	–	–	–	–	–	–	–	–	325	325
Disposal/deregistration of subsidiaries	–	–	–	–	–	–	–	–	–	–
As at 30 June 2025	452,679	(145,726)	564,929	9,572	96,119	(21,226)	1,683,884	2,640,231	25,220	2,665,451

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax:	**273,322**	159,748
Adjustments for:		
Finance costs	**12,160**	6,608
Share of losses of associates	**(2,693)**	(599)
Dividend received from FVOCI	**–**	(60)
Bank interest income	**(14,440)**	(5,716)
Gains/(losses) on disposal of items of property, plant and equipment	**152**	(729)
Losses/(gains) on early termination of leases	**(452)**	380
Losses on disposal of subsidiaries	**308**	–
Investment gains from deregistration of subsidiaries	**–**	–
Fair value gains on financial assets at fair value through profit or loss	**(9,835)**	(3,884)
Losses on disposal of other intangible assets	**47**	
Losses on disposal or deregistration of associates	**–**	1,393
Depreciation of property, plant and equipment	**55,245**	53,301
Depreciation of right-of-use assets	**20,384**	17,325
Amortisation of other intangible assets	**1,891**	1,564
Elimination of downstream transactions	**1,179**	–
Accrual of impairment of trade receivables	**2,594**	4,080
Accrual of impairment of deposits and other receivables	**804**	155
Impairment of property, plant and equipment	**–**	592
Impairment of inventories	**46**	3,562
Equity-settled share-based payment expenses	**–**	2,709
Foreign exchange differences, net	**41,114**	1,668
Operating cash flows before movements in working capital	**381,825**	242,096
(Increase)/decrease in inventories	**(8,018)**	35,826
Increase in trade and bills receivables	**(32,156)**	(39,340)
Increase in prepayments, other receivables and other assets	**(83,456)**	(62,645)
Decrease in pledged assets	**2,338**	9,677
Decrease/(increase) in amounts due from related parties	**(44,892)**	234
Decrease in amounts due to related parties	**–**	(972)
Increase in trade and bills payables	**12,080**	29,179
(Decrease)/increase in other payables and accruals	**86,247**	(26,686)
(Decrease)/increase in contract liabilities	**(832)**	2,767
Increase/(decrease) in other current liabilities	**(2,053)**	120
Increase/(decrease) in deferred income	**7,588**	(740)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Cash generated from operations	**318,670**	189,518
Income tax paid	**(30,656)**	(12,597)
Interest received	**14,440**	5,716
Net cash flows from operating activities	**302,453**	182,637
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of items of property, plant and equipment	**(148,485)**	(43,234)
Proceeds from disposal of items of property, plant and equipment	**4,644**	3,293
Additions to other intangible assets	**(246)**	(3,049)
Proceeds from disposal of equity investments designated at fair value through other comprehensive income	**–**	–
Proceeds from disposal of equity investments designated as at fair value through other comprehensive income	**3,072**	–
Purchase of financial assets at fair value through profit or loss	**(1,055,016)**	(395,691)
Proceeds from disposal of financial assets at fair value through profit or loss	**1,005,855**	355,894
Disposal of subsidiaries, net of cash disposed	**(1,606)**	–
Deregistration of a subsidiary, net of cash disposed	**–**	–
Proceeds from disposal of associates	**–**	17,261
Dividend received from an associate	**–**	1,850
Dividend received from an equity investment designated at fair value through other comprehensive income	**–**	60
Purchase of deposits with original maturity of more than three months when acquired	**(10,000)**	(45,000)
Proceeds from maturity of deposits with original maturity of more than three months when acquired	0	0
Proceeds from maturity of bank deposits with original maturity of over three months	**32,925**	35,000
Capital injection into associates	**(111,169)**	
Net cash flows used in investing activities	**(280,027)**	(73,616)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	**–**	478,705
Proceeds from capital contributions by non-controlling interests	**200**	325
Repurchase of unvested restricted shares	**(16,056)**	–
Proceeds from sale and leaseback transactions	**74,142**	–
Repurchase of shares	**–**	(9,562)
Proceeds from interest-bearing bank borrowings	**402,966**	188,450
Repayment of interest-bearing bank borrowings	**(176,126)**	(88,167)
Interest paid for interest-bearing bank borrowings	**(6,994)**	(3,496)
Principal portion of lease payments	**(19,702)**	(13,889)
Interest portion of lease payments	**(2,019)**	(2,004)
Acquisition of non-controlling interests	**–**	–
Capitalisation of listing expenses	**–**	(34,500)
Dividends paid	**(76,354)**	(59,724)
Dividends paid to non-controlling interests	**(38,070)**	–
Net cash flows generated from financing activities	**141,987**	456,139
NET INCREASE IN CASH AND CASH EQUIVALENTS	**164,412**	565,160
Cash and cash equivalents at beginning of year/period	**1,229,577**	711,062
Effect of foreign exchange rate changes, net	**(32,660)**	(388)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	**1,361,330**	1,275,834
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**1,361,330**	1,275,834
Cash and cash equivalents as stated in the statement of cash flows	**1,361,330**	1,275,834

1. CORPORATE INFORMATION

Xiamen Jihong Co., Ltd (the "**Company**") is a company with limited liability incorporated in Fujian Province, the People's Republic of China on 24 December 2003. The Company completed its initial public offering of RMB ordinary A Shares and was listed on the Shenzhen Stock Exchange on 12 July 2016. The Company completed its initial public offering of H Shares and was listed on the Main Board of The Stock Exchange of Hong Kong Limited on 27 May 2025. The Company is headquartered at No. 9 Putou Road, Phase II, Dongfu Industrial Zone, Haicang District, Xiamen, Fujian Province.

The principal business activities of the Company and its subsidiaries (together as the "**Group**") are: cross-border social e-commerce business; and FMCG paper packaging business.

The controlling Shareholder and ultimate controlling Shareholder of the Group is Zhuang Hao, a natural person Shareholder.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards which comprise all standards and interpretations approved by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance.

They have been prepared under the historical cost convention, except for certain trade and bills receivables at fair value through other comprehensive income, financial assets at fair value through profit or loss and equity investments which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

3. OPERATING SEGMENT INFORMATION

(1) Basis for Determining Reportable Segments and Accounting Policies

For management purposes, the Group is organized into business units based on their products and services and has three reportable segments as follows:

(1) The e-commerce segment, which primarily includes the procurement and sales for the cross-border e-commerce business;

(2) The packaging segment, which primarily includes the production and sales of color packaging cartons, color packaging boxes, environmentally friendly paper bags, and food packaging products;

(3) The others segment, which primarily includes mobile Internet advertisement placement services and other services.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted total profit from continuing operations, which is consistent with the Group's total profit from continuing operations, except for the exclusion of interest income, finance costs, dividend income, gains on changes in fair value of financial instruments, as well as head office expenses.

Segment assets exclude deferred income tax assets, prepaid income tax, cash and cash equivalents, financial assets held for trading, other equity instrument investments and other unallocated head office assets as these assets are managed on a group basis.

Segment liabilities exclude borrowings, taxes payable, deferred income tax liabilities, and other unallocated head office liabilities as these liabilities are managed on a group basis.

The transfer pricing between operating segments is determined by reference to the fair prices adopted in transactions with third parties.

3. OPERATING SEGMENT INFORMATION (Continued)

(2) Financial Information of Reportable Segments

For the six months ended 30 June 2026

Item	E-commerce business *RMB'000*	Packaging business *RMB'000*	Other businesses *RMB'000*	Intersegment elimination *RMB'000*	Total *RMB'000*
Segment revenue					
Revenue from external transactions	2,451,182	1,282,832	1,803	–	3,735,817
Intersegment transaction revenue	–	–	463	–	463
Total revenue	2,451,182	1,282,832	2,267	–	3,736,280
Elimination of intersegment transaction revenue	–	–	–	–	(463)
Revenue from contracts with customers	–	–	–	–	3,735,817
Segment results	209,841	170,115	(3,156)	–	376,800
Elimination of intersegment results	–	–	–	–	(100,079)
Impairment losses on financial assets	–	–	–	–	(3,399)
Total profit	–	–	–	–	273,322
Segment assets	1,055,308	2,801,998	100,032	–	3,957,337
Elimination of intersegment receivables	–	–	–	–	(641,988)
Unallocated assets	–	–	–	–	1,605,178
Total assets	–	–	–	–	4,920,527
Segment liabilities	556,843	1,213,308	101,969	–	1,872,120
Elimination of intersegment payables	–	–	–	–	(641,988)
Unallocated liabilities	–	–	–	–	826,451
Total liabilities	–	–	–	–	2,056,583

3. OPERATING SEGMENT INFORMATION (Continued)

(2) Financial Information of Reportable Segments (Continued)

For the six months ended 30 June 2025

Item	E-commerce business *RMB'000*	Packaging business *RMB'000*	Other businesses *RMB'000*	Intersegment elimination *RMB'000*	Total *RMB'000*
Segment revenue					
Revenue from external transactions	2,116,454	1,115,164	1,908	–	3,233,526
Intersegment transaction revenue	–	–	1,012	–	1,012
Total revenue	2,116,454	1,115,164	2,919	–	3,234,538
Elimination of intersegment transaction revenue	–	–	–	–	(1,012)
Revenue from contracts with customers	–	–	–	–	3,233,526
Segment results	83,439	183,015	(3,316)	–	263,138
Elimination of intersegment results	–	–	–	–	(99,236)
Impairment losses on financial assets	–	–	–	–	(4,154)
Total profit	–	–	–	–	159,748
Segment assets	801,877	2,287,130	104,380	–	3,193,388
Elimination of intersegment receivables	–	–	–	–	(516,104)
Unallocated assets	–	–	–	–	1,388,541
Total assets	–	–	–	–	4,065,825
Segment liabilities	576,911	780,128	133,336	–	1,490,376
Elimination of intersegment payables	–	–	–	–	(440,299)
Unallocated liabilities	–	–	–	–	350,297
Total liabilities	–	–	–	–	1,400,374

4. REVENUE

Revenue from contracts with customers

(a) Disaggregated revenue information

For the six months ended 30 June 2026

Segments	Cross-border social e-commerce *RMB'000* (unaudited)	Paper packaging *RMB'000* (unaudited)	Others *RMB'000* (unaudited)	Total *RMB'000* (unaudited)
Types of goods or services				
Cross-border social e-commerce	2,451,182	–	–	2,451,182
Paper packaging	–	1,282,832	–	1,282,832
Others	–	–	1,803	1,803
Total revenue from contracts with customers	2,451,182	1,282,832	1,803	3,735,817
Timing of revenue recognition				
Transferred at a point in time	2,451,182	1,282,832	1,803	3,735,817
Total revenue from contracts with customers	2,451,182	1,282,832	1,803	3,735,817

4. REVENUE (Continued)

Revenue from contracts with customers (Continued)

(a) Disaggregated revenue information (Continued)

For the six months ended 30 June 2025

Segments	Cross-border social e-commerce *RMB'000* (unaudited)	Paper packaging *RMB'000* (unaudited)	Others *RMB'000* (unaudited)	Total *RMB'000* (unaudited)
Types of goods or services				
Cross-border social e-commerce	2,116,454	–	–	2,116,454
Paper packaging	–	1,115,164	–	1,115,164
Others	–	–	1,908	1,908
Total revenue from contracts with customers	2,116,454	1,115,164	1,908	3,233,526
Timing of revenue recognition				
Transferred at a point in time	2,116,454	1,115,164	1,908	3,233,526
Total revenue from contracts with customers	2,116,454	1,115,164	1,908	3,233,526

(b) Performance obligations

Information about the Group's performance obligations is summarized below:

Sale of products

The performance obligation is satisfied upon the acceptance of the products by customers. For customers of paper packaging, the contract price is usually settled within 30-90 days of delivery. For customers of cross-border social e-commerce, the contract price is usually prepaid through online platforms or paid by cash on delivery, and the Group normally settles with platforms or logistics service providers within 3-15 days.

Provision of services

The performance obligation is satisfied at the point in time once the services are completed and accepted by customers based on the milestone achieved. Contract price is usually paid by customers within 30-90 days.

5. OTHER INCOME AND GAINS, OTHER EXPENSES AND LOSSES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Other income		
Government grants	**10,264**	12,191
Bank interest income	**14,440**	5,716
Total other income	**24,704**	17,907
Gains		
Fair value gains on financial assets at fair value through profit or loss	**9,835**	3,884
Gains from deregistration of a subsidiary	**–**	986
Gains on disposal of items of property, plant and equipment, net	**276**	358
Investment gains from deregistration of subsidiaries	**–**	–
Others	**141**	434
Total gains	**10,253**	5,662
Other income and gains	**34,957**	23,569

5. OTHER INCOME AND GAINS, OTHER EXPENSES AND LOSSES (Continued)

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Investment loss from disposal or deregistration of associates	**–**	2,379
Losses on disposal of subsidiaries	**308**	–
Others	**1,786**	762
Other expenses and losses	**2,094**	3,141

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest on bank borrowings	**7,434**	3,898
Interest on lease liabilities	**4,565**	2,426
Factoring charges (a)	**161**	285
Total	**12,160**	6,608

(a) For certain trade receivables of Customer Group A, the Group entered into a factoring arrangement without recourse with a factoring company, which is also an affiliate of Customer Group A, and recorded relevant factoring charges in profit and loss.

7. INCOME TAX

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

PRC corporate income tax

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the EIT rate of the Group's PRC subsidiaries is 25% unless subject to preferential tax as set out below.

Certain of the Group's PRC subsidiaries are accredited as High and New Technology Enterprises ("**HNTE**") and were therefore entitled to a preferential income tax rate of 15% during the year. Such qualifications are subject to review by the relevant tax authority in the PRC for every three years.

Certain subsidiaries engaged in the "Encouraged Industries in the Western Region" are eligible for the preferential EIT rate of 15%.

Two of the Group's PRC subsidiaries are qualified as a "Double Soft Enterprise" ("**DSE**") under the Corporate Income Tax Law during the year. According to the relevant tax regulations, the qualified subsidiary was exempted from CIT for two years, followed by a 50% reduction in the applicable tax rates for the next three years if the criteria of DSE are met each year, commencing from 2025, the first year of profitable operation.

Certain subsidiaries were qualified as small and micro enterprises and were eligible to calculate their taxable income at a reduced rate of 25% and pay corporate income tax at a 20% tax rate during 2025 and 2026, respectively.

7. INCOME TAX (Continued)

HK profit tax

Hong Kong profits tax is calculated at 16.5% on the estimated assessable profits for the reporting periods. However, one subsidiary of the Group which is qualifying corporation can elect for the two-tiered Profits Tax rates regime. Under the two-tiered Profits Tax rate regime, the first HK$2,000,000 of assessable profits of the qualifying Group entity established in Hong Kong are taxed at 8.25% and the remaining profits are taxed at 16.5%.

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current income tax	**42,051**	23,322
Deferred tax	**(3,115)**	(209)
	38,936	23,113

8. DIVIDENDS

On 29 April 2026, the Group's shareholders approved the 2025 profit distribution plan at an annual general meeting, pursuant to which a dividend of RMB0.18 for every share of the Group's 438,468,888 shares, in an aggregate amount of RMB78,924,000, was paid in June 2026 to shareholders of the Company.

On 1 April 2025, the Group's shareholders approved the annual profit distribution plan at an annual general meeting, pursuant to which a dividend of RMB0.16 for every share of the Company's 378,209,388 shares, in an aggregate amount of RMB59,757,000, was paid in May 2025 to shareholders of the Company.

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Dividends declared to owners of the parent	**78,924**	59,757

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(a) Basic

Basic earnings per share ("**EPS**") is calculated by dividing the profit attributable to owners of the Group by the weighted average number of ordinary shares in issue during the Reporting Periods, respectively.

The following reflects the income and share data used in the basic earnings per share computation:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Profit attributable to owners of the parent	**157,747**	72,363
Less: dividends payable to expected vested restricted shares	**–**	2,342
Profit attributable to owners of the Company used in calculating basic EPS	**157,747**	70,021
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**438,468,888**	368,712,964
Basic EPS *(RMB per share)*	**0.36**	0.19

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Continued)

(b) Diluted

The restricted shares granted under Share Incentive Plans by the Group have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the vesting of all potential dilutive ordinary shares arising from Share Incentive Plans (collectively forming the denominator for computing the diluted EPS).

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Profit attributable to owners of the Company used in calculating diluted EPS	**157,747**	72,363
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**438,468,888**	368,712,964
Adjustments for potential shares arising from Share Incentive Plans	**–**	1,004,195
Weighted average number of shares used in calculating diluted EPS	**438,468,888**	369,717,159
Diluted EPS *(RMB per share)*	**0.36**	0.19

10. PROPERTY, PLANT AND EQUIPMENT

(a) Machinery

The net carrying amount of machinery was RMB581,096 thousand for the six months ended 30 June 2026.

(b) Others

For the six months ended 30 June 2026, the net carrying amount of the Group's other property, plant and equipment was RMB441,728 thousand, primarily consisting of buildings and construction in progress.

11. INVENTORIES

	As of 30 June 2026 *RMB'000* **(unaudited)**	As of 31 December 2025 *RMB'000* (unaudited)
Raw materials	**185,165**	186,369
Work in progress	**22,002**	25,522
Finished goods	**330,162**	316,142
Others	**220**	1,499
	537,550	529,532
Impairment allowance	**(12,214)**	(13,452)
Total	**525,336**	516,080

The movements for impairment of inventories are as follows:

	As at 31 December 2025 *RMB'000*	**Accrual** *RMB'000*	**Exchange loss** *RMB'000*	**Write off** *RMB'000*	**As at 30 June 2026** *RMB'000*
Impairment of raw materials	4,798	**1,187**	**–**	**(2,455)**	**3,530**
Impairment of work in progress	160	**–**	**–**	**(92)**	**68**
Impairment of finished goods	8,494	**2,788**	**(345)**	**(2,321)**	**8,616**
	13,452	**3,974**	**(345)**	**(4,868)**	**12,214**

12. TRADE AND BILLS RECEIVABLES

	As of 30 June 2026 *RMB'000* **(unaudited)**	As of 31 December 2025 *RMB'000*
Trade receivables	**676,418**	658,635
Impairment	**(37,712)**	(35,221)
Trade receivables, net	**638,706**	623,414
Bills receivables	**8,026**	4,176
Trade and bills receivables	**646,732**	627,590

The bills receivables held by the Company were mostly issued by reputable banks and with short-term maturity. Accordingly, the identified impairment loss was immaterial as at the end of the Reporting Periods.

12. TRADE AND BILLS RECEIVABLES (Continued)

An ageing analysis of the trade receivables of the Company as at the end of each of the Reporting Periods (based on the invoice date) is as follows:

The movements in the loss allowance for impairment of trade receivables are as follows:

	As of 30 June 2026 ***RMB'000*** **(unaudited)**	As of 31 December 2025 *RMB'000* (unaudited)
Within 1 year	**656,980**	642,747
1 to 2 years	**6,332**	6,288
2 to 3 years	**5,277**	4,289
3 to 4 years	**3,906**	4,013
4 to 5 years	**3,205**	367
Over 5 years	**719**	931
	676,418	658,635
Impairment allowance	**(37,712)**	(35,221)
	638,706	623,414

	As of 30 June 2026 ***RMB'000*** **(unaudited)**	As of 31 December 2025 *RMB'000* (unaudited)
At beginning of the year	**35,221**	42,681
Additions	**13,087**	3,740
Foreign exchange	**(178)**	515
Write-off	**(10,418)**	(11,715)
At end of the year	**37,712**	35,221

12. TRADE AND BILLS RECEIVABLES (Continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on aging for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at each reporting date about past events, current conditions and forecasts of future economic conditions.

The Group used simplified approach by establishing a provision matrix based on its historical credit loss experience and considering the forward-looking factors in calculating ECLs for trade receivables. During the Reporting Periods, there was no significant fluctuation for the overall expected credit loss rates, the Group adopted similar expected credit loss rate for simplification purpose.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

	Expected credit loss rate	Gross carrying amount *RMB'000*	Expected credit losses *RMB'000*
Within 1 year	4.96%	640,249	28,480
1 to 2 years	10.00%	6,288	629
2 to 3 years	20.00%	4,289	858
3 to 4 years	40.00%	4,013	1,605
4 to 5 years	60.00%	367	220
Over 5 years	100.00%	931	931
		656,137	32,723
Individually assessed	100.00%	2,498	2,498
		658,635	35,221

12. TRADE AND BILLS RECEIVABLES (Continued)

As at 30 June 2026

	Expected credit loss rate	Gross carrying amount *RMB'000* (unaudited)	Expected credit losses *RMB'000* (unaudited)
Within 1 year	4.72%	656,980	31,011
1 to 2 years	10.00%	6,332	633
2 to 3 years	20.00%	5,277	1,055
3 to 4 years	40.00%	3,906	1,562
4 to 5 years	60.00%	1,185	711
Over 5 years	100.00%	341	341
		674,019	35,314
Individually assessed	100.00%	2,398	2,398
		676,418	37,712

13. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As of 30 June 2026 *RMB'000* **(unaudited)**	As of 31 December 2025 *RMB'000*
Prepayments	**63,142**	28,435
Deposits and other receivables	**154,423**	155,953
Value-added tax recoverable	**27,042**	19,706
Prepaid income tax	**4,318**	952
Prepayments for equipment procurement as agent	**7,853**	12,742
Export tax refund receivable	**1,329**	16,760
Prepayments for goods (computing servers)	**69,150**	–
Others	**2,013**	743
	329,270	235,291
Impairment allowance	**(94,087)**	(94,663)
	235,183	140,628

The balances are not secured by collateral and expected credit loss rate was minimal except for the other receivables related to disposal of a subsidiary amounting to RMB88,878,000, pledged by the equity interest of that disposed entity, that the Company has individually assessed the collectability of such receivable, and provided the impairment of RMB88,878,000 as at the end of the Reporting Periods.

14. CASH AND CASH EQUIVALENTS, PLEDGED DEPOSITS AND TIME DEPOSITS

	As of 30 June 2026 *RMB'000* **(unaudited)**	As of 31 December 2025 *RMB'000*
Current		
Cash and cash equivalents	**1,361,330**	1,229,577
Time deposits with original maturities between three months to one year	**192,412**	106,777
Pledged deposits	**29,868**	32,206
	1,583,610	1,368,560
Non-current		
Time deposits with original maturities over one year	**69,795**	119,046
Pledged deposits	**1,722**	1,722
	71,517	120,768

14. CASH AND CASH EQUIVALENTS, PLEDGED DEPOSITS AND TIME DEPOSITS (Continued)

	As of 30 June 2026 RMB'000 (unaudited)	As of 31 December 2025 RMB'000
Cash and cash equivalents, pledged deposits and time deposits		
Denominated in		
– RMB	782,367	485,481
– USD	694,550	868,625
– Euro	30,246	6,104
– HK$	6,263	6,740
– JPY	138,654	119,217
– Others	3,048	3,161
	1,655,127	1,489,328

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

The bank balances are deposited with creditworthy banks with no recent history of default.

15. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at 30 June 2026 and 31 December 2025, based on the invoice date, is as follows:

	As of 30 June 2026	As of 31 December 2025
	RMB'000	*RMB'000*
	(unaudited)	
Within 1 year	**745,692**	682,152
1 to 2 years	**3,173**	8,686
2 to 3 years	**3,619**	1,252
Over 3 years	**3,011**	3,443
	755,493	695,533

16. OTHER PAYABLES AND ACCRUALS

	As of 30 June 2026 RMB'000 (unaudited)	As of 31 December 2025 RMB'000
Payroll and welfare payables	**59,290**	71,831
Repurchase obligation for restricted shares	**–**	16,056
Deposits and other payables	**134,034**	45,974
Others	**8,695**	11,633
	202,019	145,494

Other payables are non-interest-bearing and have no fixed terms of settlement, except for repurchase obligation for restricted shares which will be settled according to the vesting schedules.

17. CONTRACT LIABILITIES

	As of 30 June 2026 RMB'000 (unaudited)	As of 31 December 2025 RMB'000
Sale of goods/services	**29,303**	30,135

Contract liabilities include advances received to deliver goods and services. The changes in contract liabilities during the Reporting Periods were mainly due to the changes in advances received from customers.

18. INTEREST-BEARING BANK BORROWINGS

	As of 30 June 2026			As of 31 December 2025		
	Effective interest rate (%)	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*
Current						
Bank loans – secured	**0.60%-2.70%**	**2027**	**327,353**	0.60%-2.50%	2026	140,630
Bank loans – unsecured	**2.00%-2.21%**	**2027**	**81,034**	2.11%-2.40%	2026	89,561
Current portion of long-term bank loans – secured	**2.39%-2.70%**	**2027**	**11,411**	2.44%-2.70%	2026	66,738
Current portion of long-term bank loans – unsecured	**2.00%-2.70%**	**2027**	**74,573**	2.00%-2.70%	2026	12,564
			494,371			309,493
Non-current						
Bank loans – secured	**2.39%-2.70%**	**2027 – 2031**	**142,494**	2.44%-2.70%	2027 – 2028	66,713
Bank loans – unsecured	**2.00%-2.70%**	**2027 – 2028**	**138,362**	2.00%-2.70%	2027 – 2028	171,840
			280,856			238,553

Certain of the Group's buildings with net carrying amount of approximately RMB29,390,000 (2025: RMB30,285,000) as at 30 June 2026, were pledged to secure bank facilities granted to the Group for borrowings and bills payables.

Certain of the Group's land use rights with a net carrying amount of approximately RMB28,886,000 (2025: RMB29,225,000) as at 30 June 2026, were pledged to secure bank facilities granted to the Group for borrowings and bills payables.

As at 30 June 2026, the Group's interest-bearing bank borrowings of RMB481,258,000 (2025: RMB274,081,000), were jointly guaranteed by the Company and its subsidiaries of the Group.

19. DEFERRED INCOME

	As at 30 June 2026 *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000*
Government grants	**39,641**	32,052

The Company received government grants related to capital expenditure incurred for property, plant and equipment. The amounts are deferred and amortised over the estimated useful lives of the respective assets.

20. SHARE CAPITAL

	As at 30 June 2026 *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000*
Issued and fully paid: ordinary shares	**448,545**	450,405

A summary of movements in the Company's share capital is as follows:

	Number of shares	Share capital *RMB'000*
At 1 January 2026	**450,405,288**	450,405
Cancellation of restricted shares granted under Share Incentive Plans	**(1,860,000)**	(1,860)
At 30 June 2026	**448,545,288**	448,545

21. RESERVES

(a) Statutory reserve

In accordance with the Company Law of the PRC, companies registered in the PRC are required to allocate 10% of the statutory after tax profits to the statutory reserve until the cumulative total of the reserve reaches 50% registered capital. Subject to approval from the relevant PRC authorities, the statutory reserve may be used to offset any accumulated losses or increase the registered capital of the companies. The statutory reserve is not available for dividend distribution to equity holders of the PRC subsidiaries.

(b) Share award reserve

The share award reserve comprises the fair value of equity-settled share-based payment expenses.

(c) Capital reserve

The capital reserve mainly arose from (i) the capital contributions from the then equity holders of the Group's subsidiaries, after elimination of investments in subsidiaries; and (ii) the acquisition of non-controlling interest of the Group's subsidiaries. Details of the movement in capital reserve are set out in the interim condensed consolidated statements of changes in equity of the interim financial information.

(d) Other comprehensive income

The other comprehensive reserve mainly represented exchange fluctuation reserve, which is used to record exchange differences arising from the translation of the financial information of entities of which the functional currency is not RMB.

(e) Treasury Shares

	Number of shares	**Treasury shares** *RMB'000*
At 1 January 2026	11,936,285	164,848
Cancellation of shares	(1,860,000)	(17,689)
At 30 June 2026	**10,076,400**	**147,159**

22. CONTINGENT LIABILITIES

As at 30 June 2026, neither the Group nor the Company had any significant contingent liabilities.

23. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

The Group had the following transactions with related parties during the Reporting Periods:

	As of 30 June 2026 ***RMB'000*** **(unaudited)**	As of 30 June 2025 *RMB'000* (unaudited)
Sales of goods		
Associates	**96,248**	39

(b) Outstanding balances with related parties

	As at 30 June 2026 ***RMB'000*** **(unaudited)**	As at 31 December 2025 *RMB'000*
Amounts due from related parties		
Associates	**118,879**	75,239

The outstanding balances with related parties are all trade in nature.