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KANGLI INTERNATIONAL HOLDINGS LIMITED
康利國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 06890)

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

The board (the "**Board**") of directors (the "**Directors**") of KangLi International Holdings Limited (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2026, together with the comparative figures for the corresponding period of the preceding financial year, as follows:

FINANCIAL PERFORMANCE HIGHLIGHTS

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
Key financial information and performance ratios for continuing operations:		
– Revenue *(RMB'000)*	**898,373**	731,393
– Gross profit *(RMB'000)*	**97,455**	58,459
– Gross profit margin	**10.8%**	8.0%
– Profit for the period *(RMB'000)*	**36,324**	10,567
– Net profit margin	**4.0%**	1.4%
– Earnings per share *(RMB cents)*	**5.99**	1.74

	At 30 June 2026 (unaudited)	At 31 December 2025 (unaudited)
Key performance ratios:		
– Current ratio	**1.9**	1.9
– Gearing ratio	**0.4**	0.5

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2026 – UNAUDITED
(EXPRESSED IN RENMINBI ("RMB"))

		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
Continuing operations			
Revenue	*4*	**898,373**	731,393
Cost of sales	*6(c)*	**(800,918)**	(672,934)
Gross profit	*4(b)*	**97,455**	58,459
Other income	*5*	**1,689**	2,295
Selling expenses		**(36,120)**	(31,968)
Administrative expenses		**(10,149)**	(10,562)
Impairment loss on trade receivables		**(608)**	(594)
Profit from operations		**52,267**	17,630
Finance costs	*6(a)*	**(6,509)**	(7,276)
Profit before taxation	*6*	**45,758**	10,354
Income tax	*7*	**(9,434)**	213
Profit for the period from continuing operations		**36,324**	10,567
Discontinued operation			
Loss for the period from discontinued operation, net of tax		**–**	(194)
Profit for the period attributable to equity shareholders of the Company		**36,324**	10,373
Earnings per share			
Basic and diluted *(RMB cents)*	*8*	**5.99**	1.71
Earnings per share – Continuing operations			
Basic and diluted *(RMB cents)*	*8*	5.99	1.74

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2026 – UNAUDITED
(EXPRESSED IN RMB)

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Profit for the period	**36,324**	10,373
Other comprehensive income for the period (after tax):		
Item that may be reclassified subsequently to profit or loss		
– Exchange differences on translation of financial statements denominated in foreign currencies	**(420)**	(356)
Total comprehensive income for the period	**35,904**	10,017
Attributable to equity shareholders of the Company:		
From continuing operations	**35,904**	10,320
From discontinued operation	**–**	(303)
Total comprehensive income for the period	**35,904**	10,017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2026 – UNAUDITED
(EXPRESSED IN RMB)

	Note	**At 30 June 2026** *RMB'000*	At 31 December 2025 *RMB'000*
Non-current assets			
Property, plant and equipment		**300,158**	310,188
Loan to a related party	*9*	**20,362**	23,025
		320,520	333,213
Current assets			
Inventories		**474,947**	488,123
Trade and bills receivables	*10*	**557,921**	480,134
Prepayments, deposits and other receivables		**236,689**	172,668
Financial assets measured at fair value through profit or loss ("FVPL")		**20,007**	-
Cash at bank and on hand		**109,621**	211,362
		1,399,185	1,352,287
Current liabilities			
Trade and bills payables	*11*	**304,450**	263,066
Accrued expenses and other payables		**17,133**	19,310
Bank loans	*12*	**368,900**	385,522
Lease liabilities		**1,823**	1,861
Current taxation		**28,940**	30,007
		721,246	699,766
Net current assets		**677,939**	652,521
Total assets less current liabilities		**998,459**	985,734
Non-current liabilities			
Bank loans	*12*	**-**	28,800
Lease liabilities		**27,854**	28,176
Other non-current liabilities		**4,709**	3,167
Deferred tax liabilities		**15,379**	10,978
		47,942	71,121
NET ASSETS		**950,517**	914,613
CAPITAL AND RESERVES			
Share capital		**534**	534
Reserves		**949,983**	914,079
TOTAL EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		**950,517**	914,613

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
(Expressed in RMB unless otherwise indicated)

1 CORPORATE INFORMATION

KangLi International Holdings Limited (the "Company") was incorporated in the Cayman Islands on 21 December 2017 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 19 November 2018. The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the manufacture and sale of hard steel coil, unpainted galvanised steel products and painted galvanised steel products.

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with International Accounting Standard ("IAS") 34, *Interim financial reporting*, issued by the International Accounting Standards Board (the "IASB"). It was authorised for issue on 21 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards issued by the IASB.

The financial information relating to the financial year ended 31 December 2025 that is included in the interim financial report as comparative information does not constitute the Company's annual consolidated financial statements for that financial year but is derived from those financial statements.

3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to IFRS 9, *Financial instruments* and IFRS 7, *Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments*, are relevant to the Group's financial statements. The impacts of adopting these amendments are discussed below.

Amendments to IFRS 9, Financial instruments and IFRS 7, *Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments*

The amendments cover three main aspects:

- The amendments clarify when a financial asset or a financial liability is recognised and derecognised. They also introduce an optional exception that permits an entity to derecognise a financial liability before the settlement date when the financial liability is settled in cash using an electronic payment system, provided that specific criteria are met.

- For the assessment of whether a financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, the amendments clarify the assessment of interest and introduce an additional test for the financial assets with contingent features, for example environmental, social or governance ("ESG")-linked features. The amendments also clarify the difference between financial assets with non-recourse features and contractually linked instruments which may then change the applicable assessments.

- The amendments introduce new disclosures for disposals of investments in equity instruments designated at fair value through other comprehensive income, and for financial instruments not measured at fair value through profit or loss which contain contractual terms that could change the amount of contractual cash flows based on the occurrence or non-occurrence of a contingent event that does not relate directly to changes in basic lending risks and costs.

The amendments do not have a material impact on this interim financial report.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The Group is principally engaged in the manufacture and sale of hard steel coil, unpainted galvanised steel products and painted galvanised steel products. Further details regarding the Group's principal activities are disclosed in Note 4(b).

Disaggregation of revenue from contracts with customers by major products and services lines is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Continuing operations		
Manufacture and sale of steel products		
– Sales of hard steel coil	**94,604**	81,453
– Sales of unpainted galvanised steel products	**453,134**	368,310
– Sales of painted galvanised steel products	**350,635**	281,630
Total revenue from continuing operations	**898,373**	731,393
Discontinued operation		
Provision of property management services	**–**	1,029
	898,373	732,422

(b) Segment reporting

The Group manages its businesses by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Hard steel coil: this segment includes primarily the manufacture and sale of cold-rolled hard steel coil.
- Unpainted galvanised steel products: this segment includes primarily the manufacture and sale of hot-dipped galvanised/zinc coated steel coil and sheet.
- Painted galvanised steel products: this segment includes primarily the manufacture and sale of hot-dipped color coated galvanised steel coil and sheet.
- Property management services: this segment includes the provision of property management services.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and cost are allocated to the reportable segments with reference to sales generated by those segments and the cost incurred by those segments. The measure used for reporting segment result is gross profit. No inter-segment sales have occurred for the six months ended 30 June 2026 and 2025. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The Group's other operating income and expenses, such as other income, selling and administrative expenses, and impairment loss on financial instruments, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information about reportable segments as provided to the Group's most senior executive management for resource allocation and performance assessment for the six months ended 30 June 2026 and 2025 are set out below:

	Six months ended 30 June 2026			
	Hard steel coil *RMB'000*	**Unpainted galvanised steel products** *RMB'000*	**Painted galvanised steel products** *RMB'000*	**Total (Continuing operations)** *RMB'000*
Disaggregated by timing of revenue recognition				
– Point in time	**94,604**	**453,134**	**350,635**	**898,373**
Revenue from external customers	**94,604**	**453,134**	**350,635**	**898,373**
Reportable segment gross profit	**8,106**	**49,377**	**39,972**	**97,455**

	Six months ended 30 June 2025					
	Hard steel coil *RMB'000*	Unpainted galvanised steel products *RMB'000*	Painted galvanised steel products *RMB'000*	Sub-total (Continuing operations) *RMB'000*	Property management services (Discontinued operation) *RMB'000*	Total *RMB'000*
Disaggregated by timing of revenue recognition						
– Point in time	81,453	368,310	281,630	731,393	–	731,393
– Over time	–	–	–	–	1,029	1,029
Revenue from external customers	81,453	368,310	281,630	731,393	1,029	732,422
Reportable segment gross profit	5,015	29,037	24,407	58,459	389	58,848

(ii) Reconciliation of reportable segment profit or loss

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Reportable segment gross profit	**97,455**	58,848
Other income	**1,689**	2,299
Selling expenses	**(36,120)**	(31,968)
Administrative expenses	**(10,149)**	(10,812)
Impairment loss on trade receivables	**(608)**	(594)
Finance costs	**(6,509)**	(7,276)
Elimination of discontinued operation	**–**	(143)
Consolidated profit before taxation from continuing operations	**45,758**	10,354

(c) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the goods were delivered.

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Continuing operations		
The People's Republic of China (the "**PRC**")	**823,474**	674,483
Thailand	**57,471**	38,093
Indonesia	**8,397**	11,238
Other countries	**9,031**	7,579
Total revenue from external customers from continuing operations	**898,373**	731,393
Discontinued operation		
Philippines	**–**	1,029
	898,373	732,422

Substantially all of the Group's non-current assets are located in the PRC. Accordingly, no segment analysis based on geographical locations of the assets is presented.

5 OTHER INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Continuing operations		
Interest income	**1,174**	1,301
Net foreign exchange (loss)/gain	**(1,720)**	501
Government grants	**276**	388
Investment income	**7**	–
Others	**1,952**	105
	1,689	2,295

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Continuing operations		
Interest on bank loans	**5,788**	6,561
Interest on lease liabilities	**721**	715
	6,509	7,276

(b) Staff costs

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Continuing operations		
Salaries, wages and other benefits	**32,252**	31,269
Contributions to defined contribution retirement plan	**2,807**	2,705
	35,059	33,974

(c) Other items

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Continuing operations		
Depreciation expenses		
– owned property, plant and equipment	**10,746**	10,742
– right-of-use assets	**1,575**	1,485
	12,321	12,227
Cost of inventories	**800,918**	672,934

7 INCOME TAX

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Continuing operations		
Current taxation		
PRC Corporate Income Tax:		
– Provision for the period	**5,593**	–
– (Over)/under-provision in respect of prior years	**(560)**	69
	5,033	69
Deferred taxation		
Origination and reversal and of temporary differences	**4,401**	(282)
	9,434	(213)

Notes:

(i) The Company and subsidiaries of the Group incorporated in the Cayman Islands or the British Virgin Islands are not subject to any income tax pursuant to the rules and regulations of their respective jurisdictions of incorporation.

(ii) The Company and the subsidiaries of the Group incorporated in Hong Kong are subject to Hong Kong Profits Tax. The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2025: 16.5%) to the six months ended 30 June 2026, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2025.

(iii) The subsidiary of the Group established in the PRC (excluding Hong Kong) is subject to PRC Corporate Income Tax rate of 25% for the six months ended 30 June 2026 (six months ended 30 June 2025: 25%).

The PRC Corporate Income Tax Law allows enterprises to apply for certificate of "High and New Technology Enterprise" ("HNTE"), which entitles the qualified enterprises to a preferential income tax rate of 15%, subject to fulfillment of the recognition criteria. A subsidiary of the Group established in the PRC was qualified as a HNTE and is entitled to the preferential tax rate of 15% for the calendar years 2025 to 2028.

The PRC Corporate Income Tax Law allows small low-profit enterprises to count 25% of the portion of annual taxable income exceeding RMB1 million but not exceeding RMB3 million as taxable income and apply preferential corporate income tax rate of 20%. A subsidiary of the Group established in the PRC was qualified and entitled the preferential tax rate for the six months ended 30 June 2026.

According to the relevant tax rules in the PRC, qualified research and development costs are allowed for bonus deduction for calculating income tax purpose, i.e. an additional 100% of such costs could be utilised as additional deductible expenses for the six months ended 30 June 2026 (six months ended 30 June 2025: 100%).

(iv) Pursuant to the Sino-Hong Kong Double Tax Arrangement, dividends paid by entities in Chinese Mainland to Hong Kong entities are subject to a PRC withholding Tax rate of 10%. Accordingly, deferred tax liabilities of RMB8,385,000 has been recognised as of 30 June 2026 in respect of the withholding tax that would be payable on the distribution of retained profits from the subsidiary to KangLi (HK) Limited.

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is calculated based on the profit/(loss) attributable to ordinary equity shareholders of the Company and the weighted average of 606,252,000 (six months ended 30 June 2025: 606,252,000) ordinary shares in issue during the interim period.

	Six months ended 30 June			
	2026	2025		
	Continuing operations	Continuing operations	Discontinued operation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Profit/(loss) attributable to ordinary equity shareholders	**36,324**	10,567	(194)	10,373

(b) Diluted earnings per share

There was no difference between basic and diluted earnings per share as the Company did not have any dilutive potential shares outstanding during the six months ended 30 June 2026 and 2025.

9 LOAN TO A RELATED PARTY

On 28 February 2023, a loan agreement was entered into between a subsidiary of the Group, Jiangsu Jiangnan Precision Metal Material Co., Limited ("**Jiangnan Precision**"), as lender, and Jiangsu Jiangnan Tiehejin Co., Ltd. ("**Jiangnan Tiehejin**"), a company controlled by the ultimate controlling parties of the Company, as borrower, and Mr. Mei Zefeng, as guarantor. Pursuant to the loan agreement, Jiangnan Precision agreed to grant a loan in the principal sum of RMB20,000,000 bearing interest at 5.5% per annum to Jiangnan Tiehejin for a term of 3 years. Accrued interest is receivable upon maturity of the loan.

Pursuant to the loan agreement, one of the conditions precedent to the drawdown of the loan includes Jiangnan Precision and Jiangnan Tiehejin having entered into an option agreement. The option agreement was entered into between Jiangnan Precision and Jiangnan Tiehejin on 28 February 2023, pursuant to which a property acquisition option is granted to Jiangnan Precision, at nil consideration, to acquire a property to be constructed in Changzhou Economic Development Zone, to increase the office capacity of the Group. It is in Jiangnan Precision's sole discretion whether to exercise such option.

On 27 February 2026, Jiangnan Precision and Jiangnan Tiehejin extended the loan agreement for another term of 3 years with major contract terms remain the same except for interest rate was reduced to 4% per annum.

10 TRADE AND BILLS RECEIVABLES

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Trade receivables, net of loss allowance	**413,752**	345,849
Bills receivables	**144,169**	134,285
Financial assets measured at amortised cost	**557,921**	480,134

All of the trade and bills receivables, net of loss allowance, are expected to be recovered within one year.

(a) Ageing analysis

The ageing analysis of trade receivables, based on the dates of revenue recognition and net of loss allowance, is as follows:

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Less than 1 month	**226,960**	200,618
1 to 3 months	**153,618**	142,998
3 to 6 months	**33,174**	14
6 to 12 months	**–**	2,219
	413,752	345,849

(b) At 30 June 2026, the Group has discounted certain of the bank acceptance notes it received from customers at banks, and endorsed certain of the bank acceptance notes it received from customers to its suppliers and other creditors for settlement of the Group's trade and other payables on a full recourse basis. Upon the above discounting or endorsement, the Group has derecognised the bills receivables in their entirety. These derecognised bank acceptance notes have maturity dates of less than six months from the end of the reporting period. In the opinion of the directors of the Company, the Group has transferred substantially all the risks and rewards of ownership of these notes and has discharged its obligation of the payables to its suppliers and other creditors. The Group considered the issuing banks of these notes are of high credit standings and non-settlement of these notes by the issuing banks on maturity is highly unlikely. At 30 June 2026, the Group's maximum exposure to loss and undiscounted cash outflow should the issuing banks fail to settle the notes on maturity dates amounted to RMB210,213,000 (31 December 2025: RMB244,743,000).

(c) At 30 June 2026, bills receivables include bank acceptance notes endorsed to suppliers with recourse totalling RMB8,238,000 (31 December 2025: RMB3,429,000). These bills receivables were not derecognised as the Group remains exposed to the credit risk of these receivables. The carrying amount of the associated bank loans and trade payables amounted to RMB8,238,000 (31 December 2025: RMB3,429,000).

(d) At 30 June 2026, trade receivables of RMB4,350,000 (31 December 2025: RMB3,572,000) were discounted at banks. These trade receivables were not derecognised as the Group remains exposed to the credit risk of these receivables. The carrying amount of the associated bank loans amounted to RMB4,350,000 (31 December 2025: RMB3,572,000) (see Note 12).

11 TRADE AND BILLS PAYABLES

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Trade and bills payables		
– Trade payables	**63,409**	54,269
– Bills payables	**234,979**	201,027
Financial liabilities measured at amortised cost	**298,388**	255,296
Contract liabilities:		
– Receipts in advance from customers	**6,062**	7,770
	304,450	263,066

At the end of the reporting period, the ageing analysis of trade and bills payables, based on the invoice dates, is as follows:

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 3 months	**189,303**	115,767
Between 3 to 6 months	**108,181**	138,061
Over 6 months	**904**	1,468
	298,388	255,296

12 BANK LOANS

(a) The Group's short-term bank loans are analysed as follows:

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Bank loans		
– Secured by the Group's property, plant and equipment (Note 12(c))	**71,446**	45,000
– Secured by the Group's restricted bank deposits (Note 12(c))	**–**	45,000
– Secured by the Group's trade and bills receivables (Note 12(c))	**4,350**	3,572
– Guaranteed by third parties	**45,000**	45,000
– Unsecured and unguaranteed	**211,704**	193,150
	332,500	331,722
Add: current portion of long-term bank loans (Note 12(b))	**36,400**	53,800
	368,900	385,522

(b) The Group's long-term bank loans are analysed as follows:

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Bank loans		
– Secured by the Group's property, plant and equipment or restricted bank deposits (Note 12(c))	**7,000**	52,600
– Unsecured and unguaranteed	**29,400**	30,000
	36,400	82,600
Less: current portion of long-term bank loans (Note 12(a))	**(36,400)**	(53,800)
	–	28,800

The Group's long-term bank loans are repayable as follow:

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 1 year	**36,400**	53,800
After 1 year but within 2 years	**–**	28,800
	36,400	82,600

(c) The analysis of the Group's assets pledged for the Group's bank loans is as follows:

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Secured by property, plant and equipment	**94,379**	96,474
Secured by trade and bills receivables (Note 10)	**4,350**	3,572
Secured by restricted bank deposits	**–**	30,000
	98,729	130,046

(d) At 30 June 2026, the banking facilities of the Group amounted to RMB1,007,000,000 (31 December 2025: RMB1,080,000,000) were secured by the Group's property, plant and equipment, and/or guaranteed by third parties, or unsecured and unguaranteed. These facilities were utilised to the extent of RMB533,000,000 at 30 June 2026 (31 December 2025: RMB549,969,000).

(e) Certain of the Group's bank loans are subject to the fulfilment of covenants. Some of those relating to the Group's financial metrics which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the loans would become payable on demand. The Group did not identify any difficulties complying with the covenants. At 30 June 2026, none of the covenants relating to the bank loans had been breached (31 December 2025: None).

13 DIVIDENDS

Dividends payable to equity shareholders of the Company attributable to the interim period

	Six months ended 30 June	
	2026 *RMB'000*	2025 *RMB'000*
Interim dividend declared and paid after the interim period of HK$0.09 per share (2025: Nil)	47,390	–

The interim dividend has not been recognised as a liability at the end of the reporting period.

14 COMMITMENTS

Capital commitments outstanding at 30 June 2026 not provided for in the interim financial report:

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Commitments in respect of property, plant and equipment		
– Contracted for	**–**	269

The above commitments represent the Group's planned expansion of its production facilities.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

The Group is a manufacturer dedicated to manufacturing galvanised steel products in the home appliance sector. Our production base is located in Changzhou, Jiangsu Province, and we are principally engaged in the production and sales of cold rolled steel products, unpainted galvanised steel products and painted galvanised steel products, which are mainly applied in home appliances such as refrigerators, washing machines, ovens and microwaves, with downstream customers including midstream steel product processors and home appliance manufacturers. We possess a wide range of product categories, and have well-equipped facilities and production lines, enabling the Group to provide the customers with pickled rolls, cold rolled coil, unpainted galvanised coil/sheet and painted galvanised coil/sheet products.

For the six months ended 30 June 2026, the Group's revenue from its principal business amounted to approximately RMB898,373,000, representing an increase of approximately RMB165,951,000 or approximately 22.7% compared with that of the corresponding period in 2025. During the first half of 2026, our gross profit was approximately RMB97,455,000, representing a year-on-year increase of approximately RMB38,607,000, and the gross profit margin rose from approximately 8.0% to approximately 10.8%. The growth in performance was mainly attributable to the increase in sales volume of products and the consequent reduction in production costs.

As of 30 June 2026, the sales volume of our cold rolled steel products and galvanised steel products totalled approximately 168,775 tonnes, representing an increase of approximately 33,399 tonnes or approximately 24.7% compared with approximately 135,376 tonnes for the corresponding period in 2025. In terms of sales volume by product category, sales volume of hard steel coil products was approximately 23,865 tonnes, representing a year-on-year increase of approximately 4,778 tonnes; sales volume of unpainted galvanised steel products was approximately 88,506 tonnes, representing a year-on-year increase of approximately 17,295 tonnes; and sales volume of painted galvanised steel products increased from approximately 45,078 tonnes in the corresponding period to approximately 56,404 tonnes, representing an increase of approximately 11,326 tonnes. Sufficient sales orders ensured the continuity and stability of our production, reduced our production unit costs and led to an improvement in gross profit margin.

In the first half of 2026, the domestic white goods market experienced relatively significant pressure, with demand mainly driven by the replacement of existing home appliances. As the policy dividends gradually waned, demand began to moderate. Export performance showed divergence: overall sales of air conditioner products declined, while demand for refrigerators and washing machines remained strong. Since our products are primarily used in refrigerators and washing machines, we benefited from this trend and recorded an increase in sales volume. Although our performance in the first half of the year improved as compared to the corresponding period in 2025, we consider it necessary to remain cautious in the second half of the year. With the fading of the high base effect of 2025, related demand in the second half of the year will rely more on the replacement of existing home appliances, and pressure on domestic sales is expected to remain relatively high. On the export front, demand for refrigerators and washing machines is expected to continue. Against this backdrop, we will, as always, uphold stringent product quality control, secure more orders through higher-quality products and better services, and strive to sustain the performance of the first half of the year, so as to deliver satisfactory results for the year 2026.

FINANCIAL REVIEW

Financial Results

Revenue

Revenue of the Group is primarily generated from the sales of hard steel coil, unpainted galvanised steel products and painted galvanised steel products. For the six months ended 30 June 2026, the total revenue from continuing operations of the Group amounted to approximately RMB898,373,000, representing an increase of approximately 22.8% from approximately RMB731,393,000 for the six months ended 30 June 2025. The increase in the Group's revenue was primarily attributable to the increase in sales volume of our products even though the average selling price of our products recorded a decrease. The overall sales volume for the six months ended 30 June 2026 was approximately 168,775 tonnes, representing an increase of approximately 24.7% when compared to that in the same period in the previous year. The overall average selling price of our products for the current period recorded an decrease of approximately 1.5% when compared to that in the same period in the previous year.

An analysis of the Group's revenue, sales volume and average selling price by products and services in the six months ended 30 June 2026 and 2025 is as follows:

	Six months ended 30 June						Change		
	2026			2025			increase/(decrease)		
	Revenue *RMB'000*	**Sales volume** *tonnes*	**Average selling price** *RMB/tonne*	Revenue *RMB'000*	Sales volume *tonnes*	Average selling price *RMB/tonne*	Revenue %	Sales volume %	Average selling price %
Cold rolled steel products (Continuing operations)									
Hard steel coil	**94,604**	**23,865**	**3,964**	81,453	19,087	4,267	16.1%	25.0%	-7.1%
Galvanised steel products	**803,769**	**144,910**	**5,547**	649,940	116,289	5,589	23.7%	24.6%	-0.8%
– unpainted galvanised steel products	**453,134**	**88,506**	**5,120**	368,310	71,211	5,172	23.0%	24.3%	-1.0%
– painted galvanised steel products	**350,635**	**56,404**	**6,216**	281,630	45,078	6,248	24.5%	25.1%	-0.5%
Sub-total (continuing operations)	**898,373**	**168,775**	**5,323**	731,393	135,376	5,403	22.8%	24.7%	-1.5%
Provision of property management services (Discontinued operation)	**–**			1,029			-100.0%		
Total	**898,373**			732,422			22.7%		

Gross profit and gross profit margin

For the six months ended 30 June 2026, gross profit from continuing operations of the Group amounted to approximately RMB97,455,000 (six months ended 30 June 2025: approximately RMB58,459,000). The overall gross profit margin increased from 8.0% in 2025 to 10.8% in 2026. An analysis of the Group's gross profit, proportion of total gross profit and gross profit margin by products and services in the six months ended 30 June 2026 and 2025 is as follows:

	Six months ended 30 June					
	2026			2025		
	Gross profit	**Proportion**	**Gross profit margin**	Gross profit	Proportion	Gross profit margin
	RMB'000	*%*	*%*	*RMB'000*	*%*	*%*
Cold rolled steel products (Continuing operations)						
Hard steel coil	**8,106**	**8.3%**	**8.6%**	5,015	8.5%	6.2%
Galvanised steel products	**89,349**	**91.7%**	**11.1%**	53,444	90.8%	8.2%
– unpainted galvanised steel products	**49,377**	**50.7%**	**10.9%**	29,037	49.3%	7.9%
– painted galvanised steel products	**39,972**	**41.0%**	**11.4%**	24,407	41.5%	8.7%
Sub-total (continuing operations)	**97,455**	**100.0%**	**10.8%**	58,459	99.3%	8.0%
Provision of property management services (Discontinued operation)	**–**	**–**	**–**	389	0.7%	37.8%
Total	**97,455**	**100.0%**	**10.8%**	58,848	100.0%	8.0%

During the current period, the increase of gross profit margin was mainly due to (1) increase of sales volume which improved the utilization rate of our production facilities and in turn reduced our overall production unit cost; and (2) the extent of the decrease in average selling prices of our products was smaller than that in the average unit cost of raw materials.

Other income

Other income from continuing operations of the Group for the six months ended 30 June 2026 amounted to approximately RMB1,689,000 (2025: RMB2,295,000). Other income comprised mainly interest income and net foreign exchange difference.

Selling expenses

Selling expenses of the Group increased from RMB31,968,000 in the six months ended 30 June 2025 to approximately RMB36,120,000 in the current period. The increase was mainly due to increase in transportation expenses as a result of increase in sales volume.

Administrative expenses

Administrative expenses from continuing operations of the Group for the current period amounted to RMB10,149,000 which is comparable to that of RMB10,562,000 for the six months ended 30 June 2025.

Finance costs

Finance costs from continuing operations of the Group for the six months ended 30 June 2026 amounted to approximately RMB6,509,000 which recorded a decrease of approximately 10.5% when compared to that of approximately RMB7,276,000 in the corresponding period in 2025. The decrease was mainly due to decrease of interest expenses on bank loans in the current period as a result of drop in the interest rates.

Profit before taxation from continuing operations

Profit before taxation from continuing operations of the Group increased significantly from approximately RMB10,354,000 in the six months ended 30 June 2025 to approximately RMB45,758,000 for the current period.

Income tax

Income tax from continuing operations of the Group changed from tax credit of approximately RMB213,000 for the six months ended 30 June 2025 to tax expenses of approximately RMB9,434,000 for the current period. Such change was mainly due to the combined effect of: (1) increase of tax expenses as a result of increase of profit for the current period; and (2) provision of deferred taxation for withholding tax related to retained profits to the distributed from a PRC subsidiary.

Profit for the period from continuing operations

As a result of the foregoing, the profit from continuing operations of the Group increased from approximately RMB10,567,000 for the six months ended 30 June 2025 to approximately RMB36,324,000 for the current period. The net profit margin from continuing operations of the Group for the six months ended 30 June 2026 amounted to approximately 4.0% (six months ended 30 June 2025: 1.4%).

Discontinued operation

The management decided to focus on the Group's key competencies in the future and disposed of the property management services business in the Philippines in the first quarter of 2025. The property management services business was sold to an independent third party at a cash consideration of RMB1,638,000. During the six months ended 30 June 2025, the property management services business recorded a net loss of RMB194,000.

Liquidity and financial resources

As at 30 June 2026, the Group had cash at bank and on hand of approximately RMB109,621,000 (31 December 2025: approximately RMB211,362,000). As at 30 June 2026, the restricted bank deposits placed at banks as collaterals for bills issued and bank loans drawn by the Group amounted to approximately RMB66,634,000 in aggregate (31 December 2025: approximately RMB87,070,000). The Board will ensure sufficient liquidity at any time to meet its matured liabilities.

Financial assets measured at fair value through profit or loss ("FVPL")

The financial assets measured at FVPL held by the Group mainly consist of wealth management products with a relatively low level of risk purchased from PRC financial institutions with variable expected return. The aggregate value of the financial assets measured at FVPL increased from nil as at 31 December 2025 to approximately RMB20.0 million as at 30 June 2026, which was primarily attributable to the wealth management products purchased during the period. As at 30 June 2026, each of such investments, both on a standalone and an aggregated basis by each financial institution, had a value of less than 5% of the total assets of the Group and none of such investments constituted a notifiable transaction of the Company.

The Company's subscription for wealth management products is for treasury management purpose in order to maximise the utilisation of its surplus cash received from its business operations, with a view to achieving balanced yields whilst maintaining appropriate liquidity and a relatively low level of risk.

Net current asset

The Group recorded net current assets of approximately RMB677,939,000 as at 30 June 2026 (31 December 2025: approximately RMB652,521,000). The current ratio, calculated by dividing the current assets by current liabilities, was approximately 1.9 as at 30 June 2026 (31 December 2025: approximately 1.9).

Borrowings and pledge of assets

As at 30 June 2026, the Group had bank loans amounted to approximately RMB368,900,000 (31 December 2025: approximately RMB414,322,000), of which: (i) approximately RMB78,446,000 (31 December 2025: approximately RMB142,600,000) was secured by the Group's property, plant and equipment or restricted bank deposits; and (ii) approximately RMB4,350,000 (31 December 2025: approximately RMB3,572,000) was secured by trade and bills receivables.

Among the bank loans, approximately RMB36,400,000 (31 December 2025: approximately RMB82,600,000) was long-term bank loans and approximately RMB36,400,000 (31 December 2025: approximately RMB53,800,000) of which was repayable within 1 year.

The Group's gearing ratio, calculated by dividing total bank loans by total equity of the Group, as at 30 June 2026 was approximately 0.4 (31 December 2025: approximately 0.5).

Capital structure

The Company's capital comprises ordinary shares and capital reserves. The Group finances its working capital, capital expenditures and other liquidity requirements through a combination of its cash and cash equivalents, cash flows generated from operations and bank facilities of the Group. The Group aims to maintain flexibility in funding by keeping sufficient bank balances, credit facilities available and interest bearing borrowings which enable the Group to meet its capital commitments, working capital requirements and future investments for expansion.

Contingent liabilities

As at 30 June 2026, the Group did not have any material contingent liabilities.

Financial risks

The Group is exposed to various financial risks, including foreign currency risk, interest rate risk and credit risk in the normal course of its business.

– *Foreign currency risk*

  Most of the Group's businesses are settled in Renminbi. However, the Group's sales to overseas customers are settled in foreign currencies. For the first half of 2026, approximately 91.7% of the Group's revenue was settled in Renminbi and approximately 8.3% was settled in foreign currencies.

  Exchange rate fluctuations will affect sales revenue settled in foreign currencies, which in turn may have adverse effects on the Group. The Group does not hedge against foreign currency risk by using any derivative contracts. The management of the Group manages its currency risk by closely monitoring the movement of the foreign currency rates and considering hedging significant foreign currency risk should the need arise.

– *Interest rate risk*

  The Group's interest rate risks primarily arise from fixed rate bank deposits and borrowings. The Group currently does not use any derivative contracts to hedge against its interest rate risks.

– *Credit risk*

  The Group's credit risks primarily arise from trade and other receivables.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had approximately 584 employees, including executive Directors. The employees' salaries are reviewed and adjusted annually based on their performance and experience. The Group's employee benefits include performance bonus, medical insurance, mandatory provident fund scheme, local municipal government retirement scheme and education subsidy to encourage continuous professional development of staff.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The Group did not have material acquisitions and disposals of subsidiaries and associated companies for the six months ended 30 June 2026.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK$0.09 per share for the six months ended 30 June 2026 to shareholders whose names appear on the Register of Members on 9 September 2026. It is expected that the interim dividend will be paid on or around 21 September 2026.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 7 September 2026 to 9 September 2026, both days inclusive, during which period no transfer of shares in the Company can be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on 4 September 2026.

SUBSEQUENT EVENTS AFTER 30 JUNE 2026

There were no major subsequent events since 30 June 2026 and up to the date of this announcement.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The Board has established the audit committee (the "**Audit Committee**") which comprises three independent non-executive Directors, namely Mr. Lau Ying Kit, Mr. Qu Xuanhua and Mr. Cao Cheng. The primary duties of the Audit Committee are to review and supervise the Company's financial reporting process and internal controls.

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2026 have been reviewed by the Audit Committee of the Company. The Audit Committee was satisfied that the Group's unaudited interim financial statements were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the current period and that adequate disclosures had been made.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance practices as we believe that effective corporate governance practices are fundamental to safeguarding the interests of its shareholders and other stakeholders, and to enhancing shareholder value.

In the opinion of the Board of the Company, throughout the six months ended 30 June 2026, the Company has complied with the code provisions set out in the Corporate Governance Code under Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its securities during the six months ended 30 June 2026. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities during the six months ended 30 June 2026.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules as the code of conduct regarding directors' dealing in the securities of the Company. The Company has made specific enquiry of all Directors and confirmed that they have fully complied with the required standard set out in the Model Code throughout the six months ended 30 June 2026.

PUBLICATION OF INTERIM RESULTS AND DISPATCH OF INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange at (www.hkexnews.hk) and the Company at (www.jnpmm.com). The interim report for the six months ended 30 June 2026 containing all information required by the Listing Rules will be made available to the Company's shareholders and on the above websites in due course.

By Order of the Board
KangLi International Holdings Limited
Liu Ping
Chairman

Hong Kong, 21 August 2026

As at the date of this announcement, the Board comprises five executive Directors, being Mr. Mei Zefeng, Ms. Liu Ping, Mr. Zhang Zhihong, Mr. Xu Chao and Ms. Lu Xiaoyu, and three independent non-executive Directors, being Mr. Lau Ying Kit, Mr. Qu Xuanhua and Mr. Cao Cheng.