CHEERWIN

Cheerwin Group Limited

朝雲集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6601)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2026	2025	Change
	RMB'000	*RMB'000*	*(%)*
	(unaudited)	(unaudited)	(unaudited)
Revenue	**1,634,984**	1,338,807	22.1
Gross profit	**847,360**	659,785	28.4
Profit before tax	**276,535**	231,701	19.3
Profit for the period	**209,918**	171,106	22.7
Earnings per share			
– Basic (cents)	**15.91**	13.02	22.2

OPERATING HIGHLIGHTS

In the first half of 2026, the Group focused on market opportunities by prioritizing customer value, leading to an overall enhancement in business performance:

- Continuous growth in overall revenue: Our revenue increased by 22.1% from RMB1,338.8 million for the six months ended 30 June 2025 to RMB1,635.0 million for the Reporting Period.

- Rapid growth across all channels: The Group formulated high-quality and sustainable channel marketing strategies while maintaining profitability. Benefiting from the rapid development of emerging e-commerce channels such as Douyin (抖音) and self-operated channels, revenue generated from online channels during the Reporting Period increased by 27.3% compared with the six months ended 30 June 2025. Revenue generated from offline channels during the Reporting Period increased by 18.9% compared with the six months ended 30 June 2025. For the pet business, the Group developed a portfolio of best-selling pet food and pet product offerings across multiple online categories and platforms, while enhancing the operating quality and service standards of its offline stores. As a result, revenue generated from the pet business during the Reporting Period increased by 15.3% compared with the six months ended 30 June 2025.

- Continuous rise in profit before tax for the period: The Group adhered to the business principle of high quality, sustainability and stable profit to ensure a continued, steady increase in revenue, cash and profits. Our profit before tax increased by 19.3% from RMB231.7 million for the six months ended 30 June 2025 to RMB276.5 million for the six months ended 30 June 2026.

- Continuous improvement in gross profit: The overall gross profit margin increased by 2.5 percentage points, driven by the improvement of the Group's brand influence and the continuous optimization of category and channel structures, along with ongoing enhancements in supply chain operational efficiency.

- Adequate cash reserves: As at 30 June 2026, the total amount of cash, cash equivalents and various bank deposits of the Group amounted to RMB2,421.4 million.

INTERIM DIVIDEND

- The Board resolved to declare the payment of an interim dividend of RMB0.0636 per Share (equivalent to HK$0.0735 per Share) for the six months ended 30 June 2026, and the dividend payout ratio remained stable at 40.0% for the six months ended 30 June 2026 (dividend payout ratio for the six months ended 30 June 2025: 40.0%).

The board (the "**Board**") of directors (the "**Directors**") of Cheerwin Group Limited (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**"). The interim results have been reviewed by the audit committee of the Company (the "**Audit Committee**").

BUSINESS OVERVIEW AND OUTLOOK

Business Overview

During the first half of 2026, the Group focused on customer value and capitalised on market opportunities, achieving steady improvement in its overall business performance. Adhering to the principles of high quality, sustainability and stable profitability, the Group implemented effective and refined management measures to ensure the steady development of its revenue, cash and profit.

The breakdown of revenue by product category was as follows:

- Revenue from household care category, comprising household insecticide and repellent products, household cleaning products and air care products, amounted to RMB1,493.1 million for the Reporting Period, representing a 23.0% increase compared with RMB1,214.2 million for the six months ended 30 June 2025;

- Revenue from pet business category amounted to RMB110.6 million for the Reporting Period, representing a 15.3% increase compared with RMB96.0 million for the six months ended 30 June 2025; and

- Revenue from personal care category amounted to RMB28.8 million for the Reporting Period, representing a 11.7% increase compared with RMB25.8 million for the six months ended 30 June 2025.

The breakdown of revenue by sales channel was as follows:

- Revenue from online channels amounted to RMB658.5 million for the Reporting Period, representing a 27.3% increase compared with RMB517.2 million for the six months ended 30 June 2025; and

- Revenue from offline channels, comprising offline distributors, corporate and institutional customers, overseas distributors, the retail channel (Liby Channel), OEM business and physical pet stores, among others, amounted to RMB976.5 million for the Reporting Period, representing a 18.9% increase compared with RMB821.6 million for the six months ended 30 June 2025.

In the first half of 2026, the Group continued to implement a range of measures to expand revenue sources and reduce expenditure, achieving high-quality and sustainable growth in its overall performance while maintaining stable profitability:

- Online sales channels: The Group continued to enhance its brand influence and market position across the Taobao ecosystem, JD.com (京東), Pinduoduo (拼多多) and Douyin (抖音), while optimising its online channel mix. It continued to increase revenue from mosquito-repellent and mite-control products, household cleaning products, liquid air-care products and pet food that cater to evolving consumer trends. The Group focused on strengthening the brand operation capabilities of its in-house teams across major platforms, while continuously optimising its return on investment to enhance online operating efficiency and profitability.

- Offline sales channels: The Group continued to expand the multi-category distribution coverage of its distributor channels and strengthened both the volume and quality of product distribution, thereby reinforcing its market foundation. It promoted its products through product image showcase, products stacking with chamfers arrangement and shelf banners to improve returns on resources deployed. In response to evolving market developments, the Group actively expanded into emerging channels, including upgraded stores and quick-commerce fulfilment warehouses, to capture incremental opportunities in the instant-retail market. In addition, the consolidation of Hebei Kangda's business contributed incremental revenue and profit to the development of the Group's offline channels.

- Pet business: For online operations, the Group leverages its multi-category and multi-platform presence to develop popular products such as fresh food pack products and litter box cleaning foam, continuously improving investment-to-production efficiency. For offline operations, the Group enhances brand visual identity and service professionalism to drive differentiation in store business models, while accelerating information technology and intelligent construction to improve the operational quality of its pet stores.

- Product innovation: Through continuous technological innovation, the Group developed a portfolio of best-selling products that address consumers' pain points, deliver a positive user experience and encourage high repeat-purchase rates, thereby supporting the optimisation of its overall revenue mix and enhancing profitability. The Group continued to strengthen the leading brand position of its insecticide, mosquito-repellent and household cleaning products, while launching differentiated best-selling products featuring strong efficacy and health-conscious ingredients, further optimising its product-category mix.

- Supply chain enhancement: The Group continued to professionalise and rejuvenate its organisational talent base. It carried out technological upgrades and added automated production lines at its self-owned factories to improve production efficiency, while implementing refined management practices at third-party manufacturing facilities. Through measures including centralised bulk procurement and market-oriented tendering and procurement, the Group continued to enhance its supply-chain integration efficiency and reinforce its cost competitiveness.

The Group has continued to promote its brands and products with marketing strategies of digitalization, socialization and personalization. We have strived to offer our consumers the one-stop high quality products for household care, personal care, and pet categories, and have been recognized and well received by our consumers. In particular, NielsenIQ retail market data showed that the Group's household insecticides and repellents products ranked first in China in terms of comprehensive market share of similar products for twelve consecutive years from 2015 to 2026. During the Reporting Period, the Group secured the top position in offline market share across several categories, including electrothermal mosquito repellents, insecticidal aerosols, and toilet cleaners.

Business Outlook

Against the prevailing operating environment, the Company remains committed to its development objectives of high quality, sustainability and stable profit, maintaining strong cash flow, improving profitability and pursuing a stable dividend policy. In the second half of 2026, the Company intends to advance the following growth strategies:

1. Sustainable development across multiple brands, product categories and channels:

    - Expansion of household care business: We will further develop our premium natural household care product lines to enhance product gross profit margins. We will continue to upgrade our insecticide and mosquito-repellent products and expand our product lines for mosquito protection across multiple usage scenarios and for mite control. For household cleaning products, we will pursue a continuous product-development strategy across high-value segments such as fragrances, pet-friendly products and environmentally friendly products. Through the combined efforts of deeper brand penetration and customised co-branded offerings, together with efficient online penetration and the continued cultivation of offline channels, we aim to drive revenue growth;

    - Expansion of pet business: For our offline operations, we will continue to open new stores with a focus on quality, expand the geographical coverage of our pet-store network and enhance revenue-generating capabilities at the individual-store level. For our online operations, we will continue to develop our pet business by creating a portfolio of best-selling pet food and pet product offerings. We will also incubate pet healthcare products and medicines to establish a competitive moat for our pet business;

    - Breakthrough in online channels: We will maintain our brand influence and market position across the Taobao ecosystem, JD.com (京東), Pinduoduo (拼多多) and Douyin (抖音), while continuously optimising our online channel mix. By further consolidating the leading positions and competitive moats of our various product categories through enhanced core product competitiveness, we aim to achieve growth in revenue scale and enhance profitability; and

    - Further in-depth development of offline channels: We will continue to strengthen our distribution foundation across all product categories. Through the integration of Hebei Kangda's business and the provision of operational support and resources, we will further broaden and deepen our coverage of domestic end-user markets.

2. Technology R&D improvement: integrate internal and external R&D resources to continuously enhance the know-how of our team, maintain our leading R&D capabilities in the industry, propel technological innovation, and introduce more high-quality and differentiated products;

3. Application of artificial intelligence technologies: we will closely monitor developments in artificial intelligence technologies and actively explore their application across the organisation. We will also explore the integration of artificial intelligence technologies with emerging businesses, including the pet business, to strengthen the digital and intelligent capabilities and enhance overall operational efficiency;

4. Empowerment through team's building: continue to promote diversified portfolio incentive mechanisms to enhance the Group's organisational cohesion and coordination and ensure efficient implementation of the Group's development strategies;

5. Proactiveness in mergers and acquisitions opportunities: focus on domestic and foreign pet, personal care, cosmetics, and fast-moving consumer goods (FMCG) industries and target quality projects with stable cash flow, clear profit model and room for business development; and

6. Implementation of dividend policy: continue a high-proportion and stable dividend policy to maximise the Company's shareholders' returns.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2026

	NOTES	Six months ended 30 June 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Revenue	*3*	**1,634,984**	1,338,807
Cost of sales		**(787,624)**	(679,022)
Gross profit		**847,360**	659,785
Other income	*4*	**41,176**	55,322
Other gains and losses	*5*	**8,551**	9,596
Impairment losses under expected credit loss model, net of reversal		**(2,589)**	(3,485)
Selling and distribution expenses	*6*	**(500,561)**	(408,262)
Administrative expenses		**(116,127)**	(80,054)
Finance cost	*7*	**(1,275)**	(1,201)
Profit before tax		**276,535**	231,701
Income tax expense	*8*	**(66,617)**	(60,595)
Profit for the period	*9*	**209,918**	171,106
Other comprehensive expense			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**(44,234)**	(16,830)
Total comprehensive income for the period		**165,684**	154,276
Profit (loss) for the period attributable to:			
Owners of the Company		**212,161**	173,562
Non-controlling interests		**(2,243)**	(2,456)
		209,918	171,106
Total comprehensive income (expenses) for the period attributable to:			
Owners of the Company		**167,927**	156,732
Non-controlling interests		**(2,243)**	(2,456)
		165,684	154,276
Earnings per share			
Basic (RMB cents)	*11*	**15.91**	13.02

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	NOTES	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Non-current assets			
Property, plant and equipment		**192,925**	150,928
Right-of-use assets		**119,039**	52,849
Intangible assets		**73,771**	–
Goodwill		**223,674**	–
Interest in associates		**3,538**	3,538
Deposits paid for acquisition of property, plant and equipment		**1,280**	424
Time deposits		**104,228**	278,864
Deferred tax assets		**78,581**	65,837
		797,036	552,440
Current assets			
Inventories		**148,630**	243,116
Trade and other receivables	*12*	**153,268**	107,944
Tax recoverable		**8,654**	21,670
Amounts due from related parties		**36,694**	15,294
Other financial assets at amortised cost		**205,546**	240,333
Financial assets at fair value through profit or loss ("**FVTPL**")		**246,783**	143,666
Time deposits		**1,143,188**	1,127,121
Bank balances and cash		**1,174,033**	1,430,526
		3,116,796	3,329,670
Current liabilities			
Trade and other payables	*13*	**523,346**	400,887
Contract liabilities		**47,215**	335,418
Dividend payable		**108,048**	–
Amounts due to related parties		**35,862**	53,209
Borrowings		**9,000**	10,000
Lease liabilities		**14,958**	19,058
Income tax payables		**23,807**	14,345
		762,236	832,917

	As at 30 June 2026 *RMB'000* (unaudited)	As at 31 December 2025 *RMB'000* (audited)
Net current assets	**2,354,560**	2,496,753
Total assets less current liabilities	**3,151,596**	3,049,193
Non-current liabilities		
Lease liabilities	**27,490**	30,306
Deferred tax liability	**32,453**	–
Contingent consideration as liability at FVTPL	**23,548**	–
	83,491	30,306
Net assets	**3,068,105**	3,018,887
Capital and reserves		
Share capital	**2**	2
Reserves	**3,072,675**	3,023,845
Equity attributable to owners of the Company	**3,072,677**	3,023,847
Non-controlling interests	**(4,572)**	(4,960)
Total equity	**3,068,105**	3,018,887

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

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

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than change in accounting policies resulting from application of amendments to an IFRS Accounting Standard, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to IFRS Accounting Standards

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

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

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

3. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue by types of products or services		
Household care *(Note i)*	**1,493,083**	1,214,162
Pet business *(Note ii)*	**110,606**	95,955
Personal care	**28,795**	25,776
Others *(Note iii)*	**2,500**	2,914
Total	**1,634,984**	1,338,807
Timing of revenue recognition		
At a point in time	**1,634,984**	1,338,807

Notes:

(i) Household care included household insecticides and repellents, household cleaning and air care products.

(ii) Pet business included pet stores and pet products.

(iii) Others included numerous household supplies, appliances, other products and testing services, none of them accounted for a material portion individually.

(ii) Transaction price allocated to the remaining performance obligations for contracts with customers

As at 30 June 2026, the Group had aggregate amount of the transaction price allocated to remaining performance obligations (unsatisfied or partially unsatisfied) amounted to approximately RMB47,215,000 (unaudited) (31 December 2025: RMB335,418,000 (audited)). The amounts were equivalent to the contract liabilities as at 30 June 2026 and 31 December 2025, which represented payments received from customers by the Group while the underlying goods are yet to be delivered.

Based on the information available to the Group at the end of the reporting period, the management of the Group expects the transaction price allocated to the above unsatisfied (or partially unsatisfied) contracts as at 30 June 2026 and 31 December 2025 will be recognised as revenue within next twelve months.

(iii) Segment information

Revenue and operating result of the Group are reported to the executive directors of the Company, being the chief operating decision maker (the "**CODM**"), for the purposes of resource allocation and performance assessment. The accounting policies are the same as the Group's accounting policies. No other analysis of the Group's results nor assets and liabilities is regularly provided to the CODM for review and the CODM reviews the overall results and financial position of the Group as a whole. Accordingly, the CODM has identified one operating segment and only entity-wide disclosures on revenue, major customers and geographical information are presented in accordance with IFRS 8 *Operating Segments*.

(iv) Geographic information

The Group principally operates in the PRC, which is also the place of domicile. The Group's revenue is substantially all derived from operations in the PRC and the Group's non-current assets are substantially all located in the PRC.

(v) Information about major customers

There was no revenue derived from transactions with a single external customer which amounted to 10% or more of the Group's revenue for both six months ended 30 June 2026 and 2025.

4. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Government grants *(Note)*	**9,626**	12,029
Bank interest income	**25,891**	34,362
Interest income from other financial assets at amortised cost	**4,787**	6,151
Investment income from financial assets at FVTPL	**–**	2,337
Others	**872**	443
	41,176	55,322

Note: The amount represented subsidy income received from certain government authorities in the PRC for the purpose of giving immediate financial support to the Group with no future obligations.

5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
(Losses) gains on disposal of property, plant and equipment	**(829)**	75
Donations	**(46)**	–
Foreign exchange gains, net	**6,508**	9,521
Gains on fair value changes of a financial assets at FVTPL	**2,918**	–
	8,551	9,596

6. SELLING AND DISTRIBUTION EXPENSES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Staff costs	**66,591**	57,883
Promotion expenses	**45,427**	37,815
E-commerce channel promotion expenses	**274,853**	203,011
Advertising service expenses	**23,867**	26,364
Transportation and storage expenses	**64,621**	63,084
Marketing expenses	**15,625**	11,762
Others	**9,577**	8,343
	500,561	408,262

7. FINANCE COST

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest expense on lease liabilities	**1,093**	1,201
Interest expense on bank borrowings	**182**	–
	1,275	1,201

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Enterprise Income Tax ("**EIT**"):		
Current tax	**76,823**	63,943
Overprovision in prior year	**(15)**	(64)
	76,808	63,879
Deferred tax	**(10,191)**	(3,284)
	66,617	60,595

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap. 22 of the Cayman Islands and is exempted from the Cayman Islands income tax.

Under the Law of the PRC on EIT (the "**EIT Law**") and Implementation Regulation of the EIT Law, the PRC EIT rate of subsidiaries of the Group operating in the PRC was 25% for both periods, except for those described below.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

Anfu Cheerwin Biotechnology Company Limited has been qualified as a New and Hi-Tech Enterprise and entitled to a preferential tax rate of 15% from 2019 to 2027 granted by the local tax authority.

9. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging:		
– Directors' remuneration	**6,828**	8,445
Other staff costs:		
– Salaries and other allowances	**130,884**	94,697
– Contributions to retirement benefits scheme	**10,663**	8,491
Total staff costs *(Note i)*	**148,375**	111,633
Depreciation of property, plant and equipment	**11,728**	10,352
Depreciation of right-of-use assets	**11,529**	10,636
Total depreciation	**23,257**	20,988
Less: capitalised in inventories	**(2,163)**	(1,997)
	21,094	18,991
Auditor's remuneration	**2,400**	2,653
Research and development costs (included in administrative expenses)	**18,940**	12,488
Cost of inventories recognises as an expense *(Note ii)*	**786,142**	677,981

Notes:

(i) Total staff costs have been charged to the condensed consolidated statement of profit or loss and other comprehensive income as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Staff costs included in cost of inventories	**14,146**	13,963
Selling and distribution expenses	**66,591**	57,883
Administrative expenses	**67,638**	39,787
	148,375	111,633

(ii) Amount excluded write-down of inventories of approximately RMB1,482,000 (unaudited) (six months ended 30 June 2025: write-down of inventories of approximately RMB1,041,000 (unaudited)).

10. DIVIDENDS

During the current interim period, a final dividend of RMB0.0821 per ordinary share (equivalent to HK$0.0933 per ordinary share) in respect of the year ended 31 December 2025 (six months ended 30 June 2025: RMB0.0682 per ordinary share (equivalent to HK$0.0739 per ordinary share) in respect of the year ended 31 December 2024) was declared to owners of the Company. The aggregate amount of the final dividend amounted to approximately RMB109,466,000 (six months ended 30 June 2025: RMB90,933,000) was paid on 8 July 2026.

Subsequent to the end of the current interim period, the directors of the Company have determined that an interim dividend of RMB0.0636 per ordinary share (equivalent to HK$0.0735 per ordinary share) amounting to RMB84,800,000 in aggregate (six months ended 30 June 2025: RMB0.0521 per ordinary share (equivalent to HK$0.0571 per ordinary share) amounting to RMB69,467,000 in aggregate) will be paid to owners of the Company whose names appear in the Register of Members on 15 September 2026.

11. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Earnings for the purposes of calculating basic earnings per share (profit for the period attributable to the owners of the Company)	**212,161**	173,562
	No. of Shares	No. of Shares
	'000	*'000*
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,333,334**	1,333,334

The computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price of the Company's shares for the six months ended 30 June 2026 and 2025.

12. TRADE AND OTHER RECEIVABLES

	As at 30 June 2026 *RMB'000* (unaudited)	As at 31 December 2025 *RMB'000* (audited)
Trade receivables	**67,885**	19,314
Less: Allowance for credit losses	**(3,584)**	(995)
	64,301	18,319
Prepayments for purchase of raw materials	**8,511**	15,567
Prepaid promotion service expenses	**29,761**	11,526
Other tax recoverables	**19,406**	37,802
Receivables from payment intermediaries *(Note a)*	**11,715**	5,217
Other receivables *(Note b)*	**19,574**	19,513
	153,268	107,944

Notes:

(a) Receivables from payment intermediaries represent the sales received by Alipay, Jingdong and other platforms on behalf of the Group for the online platform sales. The balance will be transferred back to the bank accounts of the Group upon the Group's instruction.

(b) Other receivables represent advances to staff and other miscellaneous deposits, which are unsecured, non-interest bearing and repayable in 12 months.

Trade receivables

Before accepting any new customer, the Group has assessed the potential customer's credit quality and defined credit limit to each customer on an individual basis. Credit limits attributed to customers are reviewed regularly.

The Group generally requires advance payments from majority of its customers before delivery of goods. For certain customers, the Group allows credit terms of 30 to 60 days from the invoice date for trade receivables.

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date which approximated the revenue recognition date at the end of each reporting period:

	As at 30 June 2026 *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Within 30 days	**29,796**	9,802
31 – 60 days	**34,505**	8,517
	64,301	18,319

As at 30 June 2026 and 31 December 2025, the Group's trade receivables are all within credit terms as at the reporting date. The directors of the Company are of the opinion that there has not been a significant change in credit quality and the balances are still considered fully recoverable considering factors such as historical settlement patterns from and on-going business relationship with these customers.

The Group applies the simplified approach to provide for expected credit losses ("**ECL**") prescribed by IFRS 9 "Financial Instruments", which permits the use of the lifetime expected loss provision for trade receivables.

Trade receivables with significant balances and credit-impaired are assessed for ECL individually. The remaining trade receivables are assessed collectively, grouped by internal credit rating taking into account past due status of respective receivables. The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

During the six months ended 30 June 2026, the Group recognised credit loss allowance of approximately RMB2,589,000 (unaudited) (six months ended 30 June 2025: RMB3,485,000 (unaudited)) for trade receivables.

13. TRADE AND OTHER PAYABLES

	As at 30 June 2026 *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Trade payables	**196,986**	162,308
Accrued sales rebates *(Note)*	**156,877**	128,140
Other accrued expenses	**92,515**	49,233
Accrued staff payroll and welfare	**36,023**	35,043
Construction costs payables	**2,022**	1,347
Other tax payables	**22,756**	14,061
Other payables	**16,167**	10,755
	523,346	400,887

Note: The accrued sales rebates will be settled in cash or through offsetting future sales orders, at the discretion of the Group's customers.

Trade payables

The credit period of trade payables is normally within 20 to 60 days from the invoice date.

The following is an aged analysis of trade payables, presented based on the invoice date at the end of each reporting period:

	As at 30 June 2026 *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Within 30 days	**84,519**	100,283
31 – 60 days	**65,852**	51,188
61 – 90 days	**30,644**	5,818
Over 90 days	**15,971**	5,019
	196,986	162,308

14. ACQUISITION OF A SUBSIDIARY

On 28 January 2026, the Group acquired 100% interest in Hebei Kangda Co., Ltd. Hebei Kangda Co., Ltd and its subsidiary (collectively referred to as "**Hebei Kangda**") are principally engaged in the manufacturing and trading of insecticide aerosol, household cleaning products, electric mosquito repellent and smokeless mosquito coil in the PRC. The acquisition has been accounted for as acquisition of business using the acquisition method.

Consideration transferred

	RMB'000
Cash	400,000
Contingent consideration arrangement *(Note)*	23,548
	423,548

Note: Based on the relevant agreement, the Group is required to pay an additional amount of RMB25,000,000 plus 30% of the excess of the adjusted net profit exceeding RMB60,000,000 if Hebei Kangda's audited net profit attributable to the parent company after deducting non-recurring items for the year ending 31 December 2026 exceeds RMB60,000,000. The amount of RMB23,548,000 represents the fair value of this obligation.

Acquisition-related costs amounting to approximately RMB3,174,000 have been excluded from the consideration transferred and have been recognised directly as an expense in the current period within the "Administrative expenses" line item in the condensed consolidated statement of profit or loss and other comprehensive income.

Assets acquired and liabilities recognised at the date of acquisition

	RMB'000
Property, plant and equipment	49,855
Right-of-use assets	73,925
Intangible asset	73,771
Deferred tax assets	2,849
Inventories	40,302
Trade and other receivables	4,594
Tax recoverable	11,120
Bank balances and cash	280,748
Trade and other payables	(76,019)
Contract liabilities	(228,522)
Deferred tax liabilities	(32,749)
	199,874

The receivables acquired (which principally comprised trade receivables) with a fair value of RMB4,594,000 at the date of acquisition had gross contractual amounts of RMB4,594,000. The fair value of receivables acquired at the date of acquisition approximated to their gross contractual amounts.

The initial accounting for the assets and liabilities acquired in the above business combination have been determined on a provisional basis, awaiting the completion of professional valuations. The amounts of deferred tax liabilities and goodwill may be adjusted accordingly.

Goodwill arising on acquisition:

	RMB'000
Consideration transferred	423,548
Less: recognised amounts of net assets acquired	(199,874)
Goodwill arising on acquisition	223,674

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Net cash outflow on acquisition of Hebei Kangda

	RMB'000
Cash consideration paid	400,000
Less: cash and cash equivalents balances acquired	(280,748)
	119,252

Impact of acquisition on the results of the Group

Included in the profit for the six months ended 30 June 2026 is RMB72,216,000 attributable to the additional business generated by Hebei Kangda. Revenue for the six months ended 30 June 2026 includes RMB268,653,000 generated from Hebei Kangda.

Had the acquisition of Hebei Kangda been completed on 1 January 2026, revenue for the interim period of the Group would have been RMB1,685,901,000, and profit for the interim period would have been RMB217,564,000. The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2026, nor is it intended to be a projection of future results.

In determining the pro-forma revenue and profit of the Group had Hebei Kangda been acquired at the beginning of the six months ended 30 June 2026, the directors of the Company calculated depreciation and amortization of property, plant and equipment and intangible assets based on the recognised amounts of property, plant and equipment and intangible assets at the date of the acquisition.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Revenue

The Group derived its revenue primarily from the sales of products to customers through its omni-channel sales and distribution network, and the provision of services through pet stores. The Group's principal businesses include: (i) household care; (ii) pet business; (iii) personal care; and (iv) other products. Our revenue is stated net of allowances for returns, sales discounts, rebates and value-added tax.

Our revenue increased by 22.1% from RMB1,338.8 million for the six months ended 30 June 2025 to RMB1,635.0 million for the six months ended 30 June 2026. The movement was primarily attributable to our successful capitalisation on market opportunities, active promotion of product innovation and rapid growth across our online and offline businesses.

Revenue by product categories

	Six months ended 30 June			
	2026		2025	
	RMB'000	*%*	*RMB'000*	*%*
Household Care[1]	**1,493,083**	**91.3**	1,214,162	90.7
Pet Business[2]	**110,606**	**6.8**	95,955	7.2
Personal Care	**28,795**	**1.8**	25,776	1.9
Others[3]	**2,500**	**0.1**	2,914	0.2
Total	**1,634,984**	**100.0**	1,338,807	100.0

Notes:

(1) Household care included household insecticide and repellent products, household cleaning and air care products.

(2) Pet business included pet stores and pet products.

(3) Others included numerous household supplies, appliances, other products and testing services, and none of them accounted for a material portion individually.

Revenue from household care category increased by 23.0% from RMB1,214.2 million for the six months ended 30 June 2025 to RMB1,493.1 million for the six months ended 30 June 2026.

Revenue from pet business category increased by 15.3% from RMB96.0 million for the six months ended 30 June 2025 to RMB110.6 million for the six months ended 30 June 2026.

Revenue from personal care category increased by 11.7% from RMB25.8 million for the six months ended 30 June 2025 to RMB28.8 million for the six months ended 30 June 2026.

Revenue by sales channels

	Six months ended 30 June			
	2026		2025	
	RMB'000	*%*	*RMB'000*	*%*
Online Channels(1)	**658,481**	**40.3**	517,189	38.6
Offline Channels(2)	**976,503**	**59.7**	821,618	61.4
Total	**1,634,984**	**100.0**	1,338,807	100.0

Notes:

(1) Online channels included self-operated online stores, online distributors, and community e-commerce platforms.

(2) Offline channels included offline distributors, corporate and institutional customers, overseas distributors, retail channel (Liby Channel), OEM business and physical pet stores, etc..

Revenue from online channels increased by 27.3% from RMB517.2 million for the six months ended 30 June 2025 to RMB658.5 million for the six months ended 30 June 2026.

Revenue from offline channels increased by 18.9% from RMB821.6 million for the six months ended 30 June 2025 to RMB976.5 million for the six months ended 30 June 2026.

Gross Profit and Gross Profit Margin

Gross profit increased by 28.4% from RMB659.8 million for the six months ended 30 June 2025 to RMB847.4 million for the six months ended 30 June 2026. Gross profit margin increased by 2.5 percentage points from 49.3% to 51.8%, respectively, primarily due to the strengthening of our brand influence, the continued optimisation of our product-category and channel mix, and the ongoing enhancement of our supply-chain operating efficiency.

Gross profit and gross profit margin by product categories

	Six months ended 30 June			
	2026		2025	
	Gross Profit	**Gross Profit Margin**	Gross Profit	Gross Profit Margin
	RMB'000	***%***	*RMB'000*	*%*
Household Care[(1)]	**764,663**	**51.2**	595,839	49.1
Pet Business[(2)]	**68,063**	**61.5**	55,761	58.1
Personal Care	**15,246**	**52.9**	10,340	40.1
Others[(3)]	**(612)**	**(24.5)**	(2,155)	(74.0)
Total	**847,360**	**51.8**	659,785	49.3

Notes:

(1) Household care included household insecticide and repellent products, household cleaning and air care products.

(2) Pet business included pet stores and pet products.

(3) Others included numerous household supplies, appliances, other products and testing services, and none of them accounted for a material portion individually.

Gross profit from household care category for the six months ended 30 June 2026 was RMB764.7 million, and gross profit margin increased from 49.1% for the six months ended 30 June 2025 to 51.2% for the six months ended 30 June 2026.

Gross profit from pet business category for the six months ended 30 June 2026 was RMB68.1 million, and gross profit margin increased from 58.1% for the six months ended 30 June 2025 to 61.5% for the six months ended 30 June 2026.

Gross profit from personal care category for the six months ended 30 June 2026 was RMB15.2 million, and gross profit margin increased from 40.1% for the six months ended 30 June 2025 to 52.9% for the six months ended 30 June 2026.

Gross profit and gross profit margin by sales channels

	Six months ended 30 June			
	2026		2025	
	Gross Profit	**Gross Profit Margin**	Gross Profit	Gross Profit Margin
	RMB'000	***%***	*RMB'000*	*%*
Online Channels[1]	**401,666**	**61.0**	309,956	59.9
Offline Channels[2]	**445,694**	**45.6**	349,829	42.6
Total	**847,360**	**51.8**	659,785	49.3

Notes:

(1) Online channels included self-operated online stores, online distributors, and community e-commerce platforms.

(2) Offline channels included offline distributors, corporate and institutional customers, overseas distributors, retail channel (Liby Channel), OEM business and physical pet stores, etc..

Gross profit from online channels for the six months ended 30 June 2026 was RMB401.7 million, and gross profit margin increased from 59.9% for the six months ended 30 June 2025 to 61.0% for the six months ended 30 June 2026.

Gross profit from offline channels for the six months ended 30 June 2026 was RMB445.7 million, and gross profit margin increased from 42.6% for the six months ended 30 June 2025 to 45.6% for the six months ended 30 June 2026.

Other Income

Other income decreased by 25.6% from RMB55.3 million for the six months ended 30 June 2025 to RMB41.2 million for the six months ended 30 June 2026, primarily due to a reduction in interest income resulting from a decrease in the amount of funds deposited and lower bank interest rates. Other income represented 4.1% and 2.5% of total revenue for the six months ended 30 June 2025 and 2026, respectively.

Selling and Distribution Expenses

Selling and distribution expenses increased by 22.6% from RMB408.3 million for the six months ended 30 June 2025 to RMB500.6 million for the six months ended 30 June 2026, primarily attributable to the expansion of the revenue base, in line with the growth of our business.

Administrative Expenses

Administrative expenses increased by 45.1% from RMB80.1 million for the six months ended 30 June 2025 to RMB116.1 million for the six months ended 30 June 2026, primarily attributable to an increase in staff costs arising from the consolidation of the new businesses.

Other Gains and Losses

The Group recorded other gains of RMB8.6 million for the six months ended 30 June 2026, compared with other gains of RMB9.6 million for the six months ended 30 June 2025, primarily relating to the impact of foreign exchange rate fluctuations.

Finance Cost

The Group's finance costs remained relatively stable at RMB1.2 million and RMB1.3 million for the six months ended 30 June 2025 and for the six months ended 30 June 2026, respectively.

Profit before Tax

As a result of the foregoing, the Group's profit before tax increased by 19.3% from RMB231.7 million for the six months ended 30 June 2025 to RMB276.5 million for the six months ended 30 June 2026.

Income Tax Expense

Income tax expense increased by 9.9% from RMB60.6 million for the six months ended 30 June 2025 to RMB66.6 million for the six months ended 30 June 2026, mainly due to the increase in our profit before tax. The effective tax rate was 26.2% and 24.1%, respectively, which were lower than the PRC statutory income tax rate of 25% primarily because one of our subsidiary enjoyed a preferential income tax rate of 15% since 2019 and is a qualified high-tech enterprise.

Profit for the Period

As a result of the foregoing, the Group's profit for the period increased by 22.7% from RMB171.1 million for the six months ended 30 June 2025 to RMB209.9 million for the Reporting Period. Net profit margin was 12.8% and 12.8%, respectively for the six months ended 30 June 2025 and the Reporting Period.

Operating Cash Flows

Net operating cash outflow for the six months ended 30 June 2026 was RMB206.1 million, compared with net operating cash outflow of RMB36.4 million for the six months ended 30 June 2025, which was attributable to our profit before tax of RMB276.5 million, adjustments for non-cash and non-operating items, movements in working capital and income tax paid.

Capital Expenditures

Capital expenditure increased from RMB18.2 million for the six months ended 30 June 2025 to RMB60.9 million for the six months ended 30 June 2026. Capital expenditure was used primarily for the purchase of property, plant and equipment and right-of-use assets and financed primarily by operating cash flow.

Financial Position

Historically, we funded our operations primarily with net cash generated from our business operations. After the global offering of the Company (the "**Global Offering**"), we intend to finance our future capital requirements through the same sources of funds above, together with the net proceeds we received from the Global Offering.

As at 30 June 2026, the Group had RMB2,421.4 million in cash and cash equivalents and time deposits, most of which were denominated in RMB.

Gearing Ratio

The gearing ratio (calculated as total interest-bearing debt, comprising bank borrowing, current and non-current lease liabilities, divided by total equity and multiplied by 100%) was 1.7% as at 30 June 2026, compared with 2.0% as at 31 December 2025, representing a stable level.

Significant Investments Held

The Group maintains an investment portfolio intended to generate income with potential for capital appreciation. As at 31 December 2025 and 30 June 2026, respectively, the Group did not hold any other significant investment with a fair value representing 5% or more of the Group's total assets.

Funding and Treasury Policy

The Group adopts a stable approach on its finance and treasury policy, aiming to maintain an optimal financial position, the most economic finance costs, and minimal financial risks. The Group regularly reviews its funding requirements to maintain adequate financial resources in order to support its current business operations as well as its future investments and expansion plans.

Material Acquisitions and Future Plans for Major Investment

During the six months ended 30 June 2026, the Group did not conduct any material acquisitions or disposals, other than the completion of the major transaction in relation to the acquisition of the entire equity interest of Hebei Kangda Co., Ltd.* (河北康達有限公司) by Guangzhou Cheerwin Holding Company Limited* (廣州朝雲控股有限公司), a wholly-owned subsidiary of the Company, as disclosed in the announcements of the Company dated 31 December 2025 and 26 January 2026 and the circular of the Company dated 13 February 2026. In addition, save for the expansion plans as disclosed in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 26 February 2021 (the "**Prospectus**"), the Group has no specific plan for major investment or acquisition of major capital assets or other businesses. However, the Group will continue to identify new opportunities for business development.

Exposure to Fluctuations in Exchange Rates

The Group operates mainly in China with most of its transactions settled in RMB. However, the Group is exposed to foreign exchange risk arising mainly from deposits denominated in USD and Hong Kong dollars. The Group closely monitors the exchange rate fluctuations and reviews its foreign exchange risk management strategies from time to time. The Board may consider hedging foreign exchange exposures where appropriate in order to minimize its foreign exchange risk.

Pledge of Assets

As at 30 June 2026, the Group has pledged its building with a carrying value of approximately RMB17.6 million to secure bank borrowings of the Group (31 December 2025: RMB18.2 million).

Contingent Liabilities

As at 30 June 2026, the Group had no significant contingent liabilities.

Human Resources

As at 30 June 2026, the Group had 1,953 employees, compared with 1,367 employees as at 31 December 2025. Total staff costs, including basic salary and wages, social insurance and bonus, amounted to RMB111.6 million and RMB148.4 million for the six months ended 30 June 2025 and 2026, respectively, primarily attributable to an increase in headcount and staff costs arising from the consolidation of the new businesses.

* *For identification purposes only*

OTHER INFORMATION

Use of Proceeds from Global Offering

The shares of the Company (the "**Shares**") were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 10 March 2021 (the "**Listing Date**"). The Company received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the Global Offering of approximately RMB2,418.8 million (equivalent to approximately HK$2,883.8 million) (the "**Net Proceeds**"). As at 30 June 2026, approximately RMB1,019.4 million of the Net Proceeds had been utilised and approximately RMB1,399.4 million remained unutilised.

On 3 August 2026, after the end of the Reporting Period, the Board resolved to change the use of the unutilised Net Proceeds. For details, please refer to the Company's announcement dated 3 August 2026.

The details of intended application of Net Proceeds from the Global Offering (before revision) and revised allocation of unutilised Net Proceeds and the expected timetable for utilisation of the revised allocation as resolved by the Board on 3 August 2026 are set out as follows:

Item	**Approximate % of total net proceeds (Before revision)**	**Net proceeds from the Global Offering (Before revision)** *(RMB million)*	**Unutilised net amount as at 31 December 2025 (Before revision)** *(RMB million)*	**Actual net amount utilised during the Reporting Period (Before revision)** *(RMB million)*	**Actual net amount utilised up to 30 June 2026 (Before revision)** *(RMB million)*	**Unutilised net amount as at 30 June 2026 (Before revision)** *(RMB million)*	**Revised allocation of unutilised net proceeds resolved on 3 August 2026** *(RMB million)*	**Expected timetable for utilisation of the revised allocation**
Enhancing research and development capabilities								
Research and development of new products, upgrade of existing products and development of new brands and categories	7.1%	171.8	65.5	16.4	122.7	49.1	105.8	By end of 2030
Facilitate the construction and upgrade of relevant research and development centers and support their research activities	10.2%	246.7	246.7	1.4	1.4	245.3	45.3	By end of 2030
Motive existing research personnel and recruit additional experienced and talented personnel for our research and development team	2.7%	65.3	65.3	0.0	0.0	65.3	35.3	By end of 2030

Item	Approximate % of total net proceeds (Before revision)	Net proceeds from the Global Offering (Before revision) *(RMB million)*	Unutilised net amount as at 31 December 2025 (Before revision) *(RMB million)*	Actual net amount utilised during the Reporting Period (Before revision) *(RMB million)*	Actual net amount utilised up to 30 June 2026 (Before revision) *(RMB million)*	Unutilised net amount as at 30 June 2026 (Before revision) *(RMB million)*	Revised allocation of unutilised net proceeds resolved on 3 August 2026 *(RMB million)*	Expected timetable for utilisation of the revised allocation
Enhancing sales and distribution network								
Further develop online distribution channels	10.0%	241.9	0.0	0.0	241.9	0.0	131.2	By end of 2028
Further enhance our offline distribution network	5.0%	120.9	64.2	35.2	91.9	29.0	27.9	By end of 2028
Establish and optimise our overseas online and offline sales network and develop new markets	5.0%	120.9	120.9	0.0	0.0	120.9	20.9	By end of 2028
Marketing activities to enhance branding and products promotion								
Enhance our market penetration in lower-tier cities	5.0%	120.9	110.5	0.5	10.9	110.0	19.9	By end of 2028
Invest in online brand marketing activities to enhance brand and product awareness and educate customers	10.0%	241.9	86.0	14.8	170.7	71.2	67.6	By end of 2028
Improve the efficiency and flexibility of our supply chain								
Establish overseas supply chain to improve our cost advantage for our overseas operations	1.5%	36.3	36.3	0.0	0.0	36.3	36.3	By end of 2030
Upgrade our existing production facilities and existing production lines at our Anfu and Panyu plants, and to establish new production lines to increase production capacity and efficiency	1.5%	36.3	36.3	0.5	0.5	35.8	45.8	By end of 2030

Item	Approximate % of total net proceeds (Before revision)	Net proceeds from the Global Offering (Before revision) *(RMB million)*	Unutilised net amount as at 31 December 2025 (Before revision) *(RMB million)*	Actual net amount utilised during the Reporting Period (Before revision) *(RMB million)*	Actual net amount utilised up to 30 June 2026 (Before revision) *(RMB million)*	Unutilised net amount as at 30 June 2026 (Before revision) *(RMB million)*	Revised allocation of unutilised net proceeds resolved on 3 August 2026 *(RMB million)*	Expected timetable for utilisation of the revised allocation
Establish a supply chain base in Shanghai which include a warehouse and a logistic center and offices	7.0%	169.3	169.3	0.0	0.0	169.3	0.0	Not applicable
Deepen our digitalisation strategy, enhance information technology infrastructure, and further develop our technology and data-driven middle-office for our supply chain management, consumer community and proprietary platform operation and distribution channel management to improve operating efficiency	10.0%	241.9	229.4	4.1	16.6	225.3	55.0	By end of 2030
Strategic acquisitions of upstream and downstream businesses to acquire external high quality, complementary technologies, brands and businesses	15.0%	362.8	188.7	188.7	362.8	0.0	500.0	By end of 2030
Working capital and other general corporate purposes	10.0%	241.9	241.9	0.0	0.0	241.9	0.00	Not applicable
Strategic expansion of pet business	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	300.0	By end of 2030
Total:	**100%**	**2,418.8**	**1,661.0**	**261.6**	**1,019.4**	**1399.4**	**1,391.0**	

In addition, the Group has adopted a more prudent approach to implementing its investment and development plans. In light of the prevailing global economic conditions and market uncertainties, the management considers it appropriate to extend the expected timeline for utilisation of the unutilised Net Proceeds to by end of 2028 or 2030, as the case may be.

As at 30 June 2026, the remaining proceeds of approximately RMB1,399.4 million (equivalent to approximately HK$1,611.2 million). As at 30 June 2026, the Group used proceeds in accordance with the purposes as set out in the Prospectus. Majority of the unutilised net proceeds are deposited with reputable banks in Hong Kong or the PRC as at 30 June 2026.

INTERIM DIVIDEND

The Board resolved to declare an interim dividend of RMB0.0636 per Share (equivalent to HK$0.0735 per Share) for the six months ended 30 June 2026 (six months ended 30 June 2025: RMB0.0521 per Share), representing a dividend payout ratio of 40% (six months ended 30 June 2025: 40.0%), payable on or around Wednesday, 7 October 2026 to Shareholders on the register on Tuesday, 15 September 2026 (i.e. record date).

The interim dividend will be declared in RMB and paid in Hong Kong dollars. The Hong Kong dollar amount will be converted at the average central parity rate announced by the People's Bank of China for the period from Wednesday, 19 August 2026 to Tuesday, 25 August 2026.

As at the date of this announcement, there are no treasury shares held by the Company (whether held or deposited in the Central Clearing and Settlement System, or otherwise).

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to the interim dividend, the register of members of the Company will be closed from Thursday, 10 September 2026 to Tuesday, 15 September 2026, both days inclusive, during which period no share transfers of the Company will be registered. To qualify for the interim dividend, all transfers forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Wednesday, 9 September 2026.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance. During the Reporting Period, the Company has complied with all applicable code provisions under the CG Code as in force during the Reporting Period and adopted most of the best practices set out therein except for the following provision.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

However, the Company does not have a separate chairman and chief executive officer and the responsibilities of both chairman and chief executive officer vest in Ms. Chen Danxia. The Board believes that vesting the responsibilities of both chairman and chief executive officer in the same person has the benefit of ensuring the consistent leadership within the Group and enables more effective and efficient overall strategic planning of the Group. Besides, with three independent non-executive Directors out of a total of eight Directors in the Board, there will be sufficient independent voice within the Board to protect the interests of the Company and the Shareholders as a whole.

Therefore, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions since the Listing Date. Having been made specific enquiries, all of the Directors confirmed that he/she has complied with the required standards as set out in the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the Reporting Period, there are no treasury shares held by the Company.

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

PUBLIC FLOAT

Based on the information publicly available to the Company and to the knowledge of the Directors, the Company has maintained sufficient public float as required by the Listing Rules as at the date of this announcement. The Company maintained the minimum level of public float of 25% of its total number of issued Shares.

EVENTS AFTER THE PERIOD

Save as disclosed in this announcement, there was no significant subsequent event after the Reporting Period.

AUDIT COMMITTEE

The Board has established the Audit Committee, which comprises three independent non-executive Directors, namely, Mr. Chan Wan Tsun Adrian Alan (Chairman), Mr. Guo Sheng and Dr. Yu Rong and one non-executive Director, namely Mr. Chen Zexing. The Audit Committee has adopted written terms of reference which clearly set out its duties and obligations (the terms of reference are available on the websites of the Company and the Stock Exchange).

The Audit Committee has, together with senior management, reviewed the accounting principles and practices adopted by the Group and its unaudited condensed consolidated financial statements for the six months ended 30 June 2026.

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

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.cheerwin.com. The interim report of the Company for the six months ended 30 June 2026 containing all the information required by the Listing Rules will be despatched to the Shareholders upon their request and published on the respective websites of the Stock Exchange and the Company in accordance with the requirements under the Listing Rules.

By order of the Board
Cheerwin Group Limited
Chen Danxia
Executive Director, Chairman and Chief Executive Officer

Hong Kong, 25 August 2026

As at the date of this announcement, the Board comprises Ms. Chen Danxia, Ms. Wang Dong, Mr. Zhong Xuyi and Mr. Lv Yongji as executive Directors; Mr. Chen Zexing as non-executive Director; and Dr. Yu Rong, Mr. Guo Sheng and Mr. Chan Wan Tsun Adrian Alan as independent non-executive Directors.