X.J. ELECTRICS (HU BEI) GROUP CO., LTD
湖北香江電器集團股份有限公司

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

(Stock Code: 2619)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Revenue *(RMB'000)*	**518,146**	542,816
Gross profit *(RMB'000)*	**74,811**	107,567
Gross profit margin	**14.4%**	19.8%
(Loss) profit for the period *(RMB'000)*	**(31,124)**	25,313

The board (the "**Board**") of directors (the "**Directors**") of X.J. Electrics (Hu Bei) Group Co., Ltd (the "**Company**", together with its subsidiaries, the "**Group**" or "**we**") is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2026 (the "**Reporting Period**"), together with the comparative figures for the six months ended 30 June 2025, which have been reviewed by the audit committee of the Board (the "**Audit Committee**").

In this announcement, certain amounts and percentage figures have been subject to rounding adjustments. Any discrepancies in any tables, charts or elsewhere between total and sums of amounts set out therein are due to rounding.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	5	**518,146**	542,816
Cost of sales		**(443,335)**	(435,249)
Gross profit		**74,811**	107,567
Other income		**11,511**	12,747
Reversal of impairment losses under expected credit loss ("**ECL**") model, net		**2,821**	380
Other gains and losses, net		**(24,795)**	2,492
Selling expenses		**(12,303)**	(12,355)
Administrative expenses		**(54,793)**	(55,377)
Research and development expenses		**(15,699)**	(14,740)
Listing expenses		**–**	(1,881)
Finance costs		**(7,556)**	(8,083)
(Loss) profit before tax		**(26,003)**	30,750
Income tax expense	6	**(5,121)**	(5,437)
(Loss) profit for the period		**(31,124)**	25,313
Other comprehensive (expense) income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(7,056)**	818
Fair value loss, net of ECL and reclassification adjustments upon derecognition of trade receivables at fair value through other comprehensive income ("**FVTOCI**")		**(44)**	(34)
Other comprehensive (expense) income ("**OCI**") for the period		**(7,100)**	784
Total comprehensive (expense) income for the period		**(38,224)**	26,097

		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
(Loss) profit for the period attributable to:			
– Owners of the Company		**(31,114)**	25,313
– Non-controlling interests		**(10)**	–
		(31,124)	25,313
Total comprehensive (expense) income for the period attributable to:			
– Owners of the Company		**(38,214)**	26,097
– Non-controlling interests		**(10)**	–
		(38,224)	26,097
(Loss) earnings per share			
– Basic (RMB)	8	**(0.11)**	0.12

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2026

	Notes	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		**584,246**	613,175
Right-of-use assets		**82,515**	101,125
Investment properties		**12,012**	12,348
Intangible assets		**85**	100
Deferred tax assets		**9,978**	12,227
Trade receivables	9(a)	**34,004**	34,370
Prepayments for non-current assets		**2,578**	585
Prepayments and other receivables		**5,379**	6,667
Pledged and restricted bank deposits		**35,000**	35,000
		765,797	815,597
Current assets			
Inventories		**257,279**	201,209
Income tax recoverable		**263**	1,621
Trade receivables	9(a)	**255,923**	280,315
Prepayments and other receivables		**78,049**	86,313
Trade receivables at FVTOCI	9(b)	**8,133**	7,755
Pledged and restricted bank deposits		**41,002**	71,286
Bank balances and cash		**482,846**	490,975
		1,123,495	1,139,474
Current liabilities			
Trade and bills payables	10	**285,200**	259,488
Other payables and accruals		**55,393**	58,597
Income tax payable		**1,264**	1,833
Borrowings	11	**337,547**	347,719
Lease liabilities		**15,672**	20,457
Contract liabilities		**17,000**	12,872
Deferred income		**81**	163
		712,157	701,129
Net current assets		**411,338**	438,345
Total assets less current liabilities		**1,177,135**	1,253,942

	Notes	**30 June 2026** *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Non-current liabilities			
Borrowings	11	**79,005**	94,673
Lease liabilities		**20,922**	34,335
Deferred income		**1,884**	1,882
		101,811	130,890
Net assets		**1,075,324**	1,123,052
Capital and reserves			
Share capital	12	**272,880**	272,880
Reserves		**801,474**	849,192
Equity attributable to owners of the Company		**1,074,354**	1,122,072
Non-controlling interests		**970**	980
Total equity		**1,075,324**	1,123,052

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. GENERAL INFORMATION

X.J. Electrics (Hu Bei) Group Co., Ltd 湖北香江電器集團股份有限公司 (formerly known as X.J. Electrics (Hu Bei) Co., Ltd 湖北香江電器股份有限公司) (the "**Company**") was incorporated in the People's Republic of China (the "**PRC**") as a joint stock company with limited liability. The controlling shareholder of the Company are Mr. Pan Yun and Mr. Guangshe Pan, son of Mr. Pan Yun. The shares of the Company had been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 25 June 2025.

The Company and its subsidiaries (the "**Group**") is principally engaged in the businesses of research and development, design, manufacturing and sales of electric home appliances and non-electric household goods.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 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.

3. 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.

4. ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from the application of amendments to IFRS Accounting Standards, 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.

5. REVENUE AND SEGMENT INFORMATION

Types of goods

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Electric home appliances		
– Electro-thermic appliances	**263,707**	275,694
– Motor-driven appliances	**122,505**	111,458
– Electronic appliances	**31,772**	51,385
	417,984	438,537
Non-electric household goods		
– Garden hose	**94,057**	97,628
– Others *(note)*	**6,105**	6,651
	100,162	104,279
	518,146	542,816

Note: Others include cookware, cleaning tools and other household goods etc.

Segment information

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and performance assessment focuses on revenue analysis by products. No other discrete financial information is provided other than the Group's results and financial position as a whole. Accordingly, only entity-wide disclosures is presented.

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax:		
– PRC Enterprise Income Tax	**1,146**	5,615
– Hong Kong	**1,105**	473
– Indonesia	**33**	–
	2,284	6,088
Under (over) provision in prior years:		
– PRC Enterprise Income Tax	**588**	(1,944)
	2,872	4,144
Deferred tax	**2,249**	1,293
	5,121	5,437

PRC Enterprise Income Tax

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

The Company is accredited as High New Tech Enterprises and is subject to preferential tax rate of 15% during the accredited period.

Hong Kong

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's Hong Kong 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.

7. DIVIDENDS

The 2025 final dividend of RMB9,504,000 in aggregate (RMB0.03483 per ordinary share of final dividend) was approved at the annual general meeting of the Company held on 18 June 2026 and RMB770,000 (six months ended 30 June 2025: nil), withholding tax paid on behalf of the shareholders, has been paid in the current period, the remaining amount of RMB8,734,000 is included in other payables as at 30 June 2026 (six months ended 30 June 2025: nil). The directors of the Company do not recommend the payment of an interim dividend in respect of the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

8. (LOSS) EARNINGS PER SHARE

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

(Loss) earnings figures are calculated as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
(Loss) profit for the period attributable to owners of the Company for basic earnings per share *(RMB'000)*	**(31,114)**	25,313
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share *('000)*	**272,880**	206,921

The computation of diluted earnings per share for the period ended 30 June 2025 did not assume the exercise of over-allotment options as the exercise price of those options was higher than the average market price of the shares over the over-allotment period. No diluted earnings per share are presented as there were no potential dilutive ordinary shares in issue during the periods ended 30 June 2025 and 2026.

9. TRADE RECEIVABLES/TRADE RECEIVABLES AT FVTOCI

(a) Trade receivables

	At 30 June 2026 *RMB'000* **(Unaudited)**	At 31 December 2025 *RMB'000* (Audited)
Trade receivables	**296,204**	323,783
Less: allowance for ECL	**(6,277)**	(9,098)
	289,927	314,685
Analysed for reporting purposes as:		
Current assets	**255,923**	280,315
Non-current assets	**34,004**	34,370
	289,927	314,685

Ageing of trade receivables is prepared based on the dates of delivery of goods, which approximated the respective revenue recognition dates, as follows:

	At 30 June 2026 *RMB'000* **(Unaudited)**	At 31 December 2025 *RMB'000* (Audited)
Within 1 year	**245,155**	317,083
1–2 years	**45,897**	2,227
2–3 years	**1,275**	640
Over 3 years	**3,877**	3,833
	296,204	323,783

The normal credit term to the customers ranged between 22 to 215 days.

The Group granted extended payment terms, to certain customers, of up to two years beyond the original credit period, the Group has determined that these arrangements contain a significant financing component under IFRS 15, as the extended period is substantial and the customers pay interest at a specified rate that reflects of the time value of money. Accordingly, the transaction price is measured at the present value of the consideration, and the difference between the present value and the total amount to be received is recognised as interest income over the extended period using the effective interest method. As at 30 June 2026, the balances arising from these arrangements amounted to RMB34,004,000, and are classified as non-current assets (31 December 2025: RMB34,370,000).

(b) Trade receivables at FVTOCI

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Trade receivables at FVTOCI	**8,133**	7,755

The amounts represent the trade receivables that were held under the "hold to collect and sell" business model, whose objective is achieved by both collecting contractual cash flows and factoring trade receivables to the banks without recourse. Hence these trade receivables are classified as FVTOCI. In the opinion of the directors of the Company, when the trade receivables are factored to banks, the Group transfers substantially all the risks and rewards of ownership to banks, and accordingly the related trade receivables are derecognised. All of the Group's trade receivables at FVTOCI are aged within 1 year.

10. TRADE AND BILLS PAYABLES

	At 30 June 2026 *RMB'000* **(Unaudited)**	At 31 December 2025 *RMB'000* (Audited)
Trade payables	**275,938**	243,423
Bills payables	**9,262**	16,065
	285,200	259,488

The following is the ageing analysis of trade payables based on the date of goods and services received at the end of each reporting period:

	At 30 June 2026 *RMB'000* **(Unaudited)**	At 31 December 2025 *RMB'000* (Audited)
Within 1 year	**273,125**	240,588
1–2 years	**298**	474
2–3 years	**172**	89
Over 3 years	**2,343**	2,272
	275,938	243,423

The credit period on purchases of goods and services of the Group is within 120 days. All the bills payable are matured within one year.

11. BORROWINGS

During the six months ended 30 June 2026, the Group obtained new bank loans of RMB264,839,000 (six months ended 30 June 2025: RMB382,273,000), among which RMB5,045,000 were paid directly by bank to suppliers to settle the Group's trade payables (six months ended 30 June 2025: Nil).

Among the newly obtained bank loans, RMB218,820,000 carries interest at fixed market rates ranging from 2.40% to 3.60% per annum and are repayable in instalments over a period of five months to 1 year, RMB46,019,000 carries interest at Loan Prime Rate adjusted by floating up or down a certain percentage, ranging from 2.50% to 3.90% per annum, and are repayable in instalments over a period of six months to 3 years, with interest reset every 12 months.

During the six months ended 30 June 2026, the Group repaid borrowings of RMB290,542,000 (six months ended 30 June 2025: RMB315,335,000).

12. SHARE CAPITAL

	Number of shares	**Share capital**
		RMB'000
Ordinary shares of RMB1 each		
Registered, issued and fully paid		
At 1 January 2025 (audited)	204,659,509	204,660
Issue of shares upon listing *(note)*	68,220,000	68,220
At 30 June 2025 (unaudited)	272,879,509	272,880
At 1 January 2026 (audited) and at 30 June 2026 (unaudited)	272,879,509	272,880

Note: On 25 June 2025, upon listing on the Hong Kong Stock Exchange, the Company issued 68,220,000 H shares with par value of RMB1 each at HK$2.86 (equivalent to approximately RMB2.61) each with gross proceeds of approximately HK$195,109,000 (equivalent to approximately RMB178,092,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Group is a manufacturer of lifestyle household goods in the People's Republic of China (the "**PRC**" or "**China**"). The Group focuses on research and development, design, manufacturing and sales of electric home appliances and non-electric household goods. The Group's electric home appliances consist of three categories, namely (i) electro-thermic appliances, such as electric griddle, air fryer and kettle; (ii) motor-driven appliances, such as blender, mixer and electric can opener; and (iii) electronic appliances such as digital scale, humidifier and laser projector light. The Group also offers non-electric household goods such as garden hose and cookware.

Business Review

In the first half of 2026 (the "**Reporting Period**"), the global home appliance industry came under greater overall operating pressure amid multiple factors including adjustments in trade policies, rising raw material costs and exchange rate fluctuations. The kitchen small home appliance industry was characterised by divergence in export markets, cost pressure and contraction in profitability. During the Reporting Period, the Group recorded revenue of approximately RMB518.1 million, representing a decrease of approximately 4.5% as compared with RMB542.8 million for the six months ended 30 June 2025. During the period, the Group turned from profit to loss, recording a loss for the period of approximately RMB31.1 million, as compared with a profit of approximately RMB25.3 million for the corresponding period in 2025. The deterioration in financial results was mainly due to the decrease in revenue resulting from weak demand in overseas markets and uncertainties over tariff policies, as well as the decline in gross profit margin as a result of rising raw material prices and foreign exchange losses due to depreciation of the U.S. dollar against Renminbi.

By sales region, the Group's revenue was mainly derived from overseas markets. North America remained the Group's largest sales market, recording revenue of RMB404.3 million during the Reporting Period, accounting for approximately 78.0% of total revenue, and representing a decrease of approximately 9.2% as compared with RMB445.2 million for the first half of 2025. During the period, revenue from the European and Asian markets recorded growth. Revenue from the European market increased by approximately 34.9% from RMB44.3 million to RMB59.8 million; revenue from the Asian market (excluding the Chinese Mainland) increased by approximately 59.6% from RMB15.0 million to RMB23.9 million; revenue from the Oceania market decreased by approximately 26.3% from RMB28.3 million to RMB20.8 million. However, the growth in the European and Asian markets was not able to fully offset the decline in revenue from the North American and Oceania markets.

In terms of profitability, the Group's gross profit margin decreased by 5.4 percentage points from 19.8% for the first half of 2025 to 14.4% for the Reporting Period, mainly due to rising raw material prices and the depreciation of the U.S. dollar against Renminbi which reduced the amount recorded in Renminbi. During the Reporting Period, the Group recorded foreign exchange losses of approximately RMB24.0 million, as compared with foreign exchange gains of approximately RMB4.5 million for the corresponding period of 2025.

Business Prospects

Looking ahead to the second half of 2026, uncertainties in the global macroeconomic and geopolitical environment will persist, and demand in overseas markets, tariff policies and fluctuations in the Renminbi exchange rate will remain the key factors affecting the Group's business performance. Notwithstanding the periodic operating pressure faced during the Reporting Period, the Group will continue to closely monitor market and policy changes and steadfastly advance the following strategic initiatives, with a view to turning around to profit for the full year:

(I) Expanding the market for products with higher gross profit margins, developing new categories and optimising the product mix

The Group will continue to increase its R&D investment in electro-thermic products, enhance product added value through functional upgrades and design innovation, and capture the mid-to-high-end market. Specifically:

1. Rice cooker business: The Group's cooperation with a well-known U.S. home appliance brand has entered the stage of substantive production and sales, and a number of rice cooker products have achieved mass production and delivery. The Group is expected to further expand its market penetration, and sales of similar products for the full year of 2026 are expected to record growth as compared with last year.

2. Kettle business: The Group will continue to consolidate its leading market position in the kettle segment, enhance product added value through functional upgrades and design innovation, and kettle sales for the full year of 2026 are expected to record growth as compared with last year.

(II) Continuously optimising production efficiency and strengthening cost control to offset the impact of fluctuations in raw material prices

The Group will continue to optimise its production processes, enhance the level of automation and digitalisation, and strengthen supply chain management and cost control to offset the impact of fluctuations in raw material prices. The production bases in Indonesia and Thailand commenced operations successively in 2025. As production capacity continues to ramp up and operating efficiency improves, the economies of scale of overseas production capacity will gradually materialise, which will help reduce overall production costs.

(III) Consolidating the North American market and actively expanding customer base in Europe, Asia and other emerging markets to diversify market concentration risk

The Group will continue to consolidate its leading position in the North American market and deepen its cooperative relationships with existing core customers. At the same time, we will actively expand customer base in Europe, Asia and other emerging markets. During the Reporting Period, revenue from the European and Asian markets recorded growth of approximately 34.9% and 59.6%, respectively. Going forward, the Group will continue to intensify its market development efforts to further diversify market concentration risk. In addition, the Group plans to establish an overseas warehouse in North America, which is expected to enter the stage of substantive trial operation in the second half of 2026. The establishment of an overseas warehouse in North America will shorten the supply cycle, enhance service flexibility for significant customers and customer stickiness, reduce overall logistics costs through an optimised combination of bulk sea freight and local delivery, and strongly support business expansion, thereby further enhancing the Group's overall competitiveness in the North American market.

Financial Review

Revenue

The revenue of the Group decreased by 4.5% from RMB542,816 thousand for the six months ended 30 June 2025 to RMB518,146 thousand for the six months ended 30 June 2026, primarily attributable to weak demand in overseas markets and uncertainties in tariff policies, the slowdown in global economic growth in the first half of 2026, and weaker overall demand for kitchen small home appliances in the U.S.

Gross profit and gross profit margin

The gross profit of the Group decreased by 30.5% from RMB107,567 thousand for the six months ended 30 June 2025 to RMB74,811 thousand for the six months ended 30 June 2026, primarily due to rising material costs and the depreciation of U.S. dollar against Renminbi.

The gross profit margin of the Group decreased by 5.4% from 19.8% for the six months ended 30 June 2025 to 14.4% for the six months ended 30 June 2026, with the same reason for the decrease in gross profit.

Cost of sales

The cost of sales of the Group increased by 1.9% from RMB435,249 thousand for the six months ended 30 June 2025 to RMB443,335 thousand for the six months ended 30 June 2026, primarily due to the increase in raw materials prices.

Other income

The other income of the Group decreased from RMB12,747 thousand for the six months ended 30 June 2025 to RMB11,511 thousand for the six months ended 30 June 2026, mainly attributable to the decrease in government grants.

Other gains and losses, net

The other gains and losses of the Group turned around from a gain of RMB2,492 thousand for the six months ended 30 June 2025 to a loss of RMB24,795 thousand for the six months ended 30 June 2026, primarily due to an exchange gains in last period while an exchange loss in the Reporting Period caused by exchange rate fluctuations.

Selling expenses

The selling expenses of the Group decreased by 0.4% from RMB12,355 thousand for the six months ended 30 June 2025 to RMB12,303 thousand for the six months ended 30 June 2026, mainly due to a reduction in sales personnel staff cost.

Administrative expenses

The administrative expenses of the Group decreased by 1.1% from RMB55,377 thousand for the six months ended 30 June 2025 to RMB54,793 thousand for the six months ended 30 June 2026, primarily attributable to the Company's strengthened management and control of expenses.

Research and development expenses

The research and development expenses of the Group increased by 6.5% from RMB14,740 thousand for the six months ended 30 June 2025 to RMB15,699 thousand for the six months ended 30 June 2026, primarily due to the increase in new R&D projects.

Finance costs

The Group's financial costs decreased by 6.5% from RMB8,083 thousand for the six months ended 30 June 2025 to RMB7,556 thousand for the six months ended 30 June 2026, which was primarily due to the decrease in interest expense on lease liabilities.

Income tax expense

The income tax expenses decreased from RMB5,437 thousand for the six months ended 30 June 2025 to RMB5,121 thousand for the six months ended 30 June 2026, mainly due to a decline in profit before tax.

(Loss) profit for the period

As a result of the foregoing, the Group recorded a loss of RMB31,124 thousand for the six months ended 30 June 2026, compared to a profit of RMB25,313 thousand for the six months ended 30 June 2025.

Financial position

Shareholders' equity decreased from RMB1,123,052 thousand as at 31 December 2025 to RMB1,075,324 thousand as at 30 June 2026, mainly due to the loss recognised during the Reporting Period.

Liquidity and financial resources

As at 30 June 2026, the Group had a total of RMB482,846 thousand in bank balances and cash and pledged and restricted bank deposits of RMB76,002 thousand.

As at 30 June 2026, our bank borrowings were approximately RMB416,552 thousand (31 December 2025: RMB442,392 thousand).

As at 30 June 2026, the Group has not provided guarantees and pledges to related parties.

Gearing ratio

The Group's gearing ratio, being total liabilities divided by total assets and multiplied by 100%, was 42.56% and 43.08% as at 31 December 2025 and 30 June 2026, respectively.

Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Reporting Period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers' debtors. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that sufficient financial resources are available in order to meet its funding requirements and commitment timely.

Market Risks

The Group is exposed to various types of market risks, including changes in interest rates and risk of change in industry policies.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to the cash and bank deposits held by the Group, interest-bearing bank and other borrowings. The Group mainly controls its exposure to interest rate risks associated with certain cash holdings and bank deposits, interest-bearing bank and other borrowings by placing them in appropriate short-term deposits at fixed or floating interest rates and at the same time by borrowing loans at a mixture of fixed or floating interest rates.

The Group had not used any interest rate swaps to hedge its exposure to interest rate risk for the six months ended 30 June 2026.

Risk of change in industry policies

An array of laws, regulations and rules on the global lifestyle household goods industry, global small home appliance industry and global garden hose industry constitute the external regulatory and legal environment for the Company's ordinary and continuous operation and have great influence on the Company's business development, production and operation, domestic and foreign trade, and capital investment etc. Changes in relevant industry policies may have corresponding effects on the Company's production and operation.

Foreign exchange risk

Based on the global development of the Group's business and the establishment of overseas branches, our revenue is denominated in US dollars and Renminbi. As at 30 June 2026, the Group has not formulated any foreign currency hedging policies for foreign currency transactions, assets, and liabilities. The Group will regularly review foreign exchange risks and use derivative financial instruments to hedge such risks as necessary.

Contingent Liabilities

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

Information on Employees

As at 30 June 2026, the Group had 2,296 employees, including the executive Directors. Total staff costs (including Directors' emoluments) were approximately RMB102,584 thousand for the Reporting Period, as compared to approximately RMB103,300 thousand for the six months ended 30 June 2025. Remuneration is determined with reference to market norms and individual employees' performance, qualification and experience.

The Group places high value on recruiting, training and retaining its employees. The Group maintains high recruitment standards and provides competitive compensation packages. Remuneration packages for the Group's employees generally include basic salaries, performance salaries and bonuses. The Group also provides internal and external training to its employees to enhance their skills and knowledge. As required under PRC regulations, the Group participates in various employee social security plans that are organised by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity, and unemployment benefit plans.

Use of proceeds from the Global Offering

The Company was listed on the Stock Exchange on 25 June 2025. The net proceeds raised from the Global Offering were approximately HK$155.6 million.

As at 30 June 2026, the total net proceeds of approximately HK$122.47 million from the Global Offering remained unutilised. There has been no change in the intended use of net proceeds as previously disclosed in the section headed "Future Plans and Use of Proceeds" of the Prospectus. As at the date of this announcement, the Company does not anticipate any change to its plan on the use of proceeds.

	Approximate percentage of the total net proceeds from the Global Offering	Net proceeds from the Global Offering	Utilised amount from 1 January 2026 to 30 June 2026	Utilised amount from the Listing Date to 30 June 2026	Unutilised amount as at 30 June 2026	Expected time to utilise the remaining net proceeds in full *(Note)*
			(HK$ million)			
Set up our Thailand Factory to enhance our global presence						
– Acquisition of land	2.0%	3.11	0	3.11	0	N/A (utilised)
– Construction and renovation of production space	16.8%	26.14	25.95	26.14	0	N/A (utilised)
– Acquisition and installation of machines and equipment	23.1%	35.94	0	0.27	35.67	By the end of the year ending 31 December 2026
Increase the level of automation and digitalisation						
– Acquisition and installation of machines and equipment	15.8%	24.58	0	1.33	23.25	After 1 January 2027
Set up a new R&D Centre						
– Construction and renovation of the R&D centre	10.2%	15.87	0	0	15.87	After 1 January 2027
– Acquisition of equipment and software	10.9%	16.96	0	0	16.96	After 1 January 2027
– Procurement of materials and consumables for R&D	9.2%	14.32	0	0	14.32	After 1 January 2027
– Recruitment of staff	6.9%	10.74	0	0	10.74	After 1 January 2027
General working capital	5.0%	7.78	0	2.28	5.5	
Total	**100%**	**155.6**	**25.95**	**33.13**	**122.47**	

Note: The expected time to fully utilise the unutilised amount disclosed above is based on the Board's reasonable estimate based on the latest information as at the date of this announcement.

As at the date of this announcement, the Company does not anticipate any change to its plan on the use of proceeds.

Significant Investments Held

As at 30 June 2026, the Group did not hold any significant investment in equity interest in any other company.

Future Plans for Material Investments and Capital Assets

Save as disclosed in the Prospectus and in the section headed "Use of proceeds from the Global Offering" in this announcement, as at 30 June 2026, the Group did not have plans for material investments and capital assets.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures for the six months ended 30 June 2026.

Pledge of Assets of the Group

As at 30 June 2026, secured bank loans were secured by pledged and restricted bank deposits, trade receivables, property, plant and equipment, investment properties, and leasehold land. As at 30 June 2026, the Group had RMB302,047 thousand in bank loans secured by the Group's assets.

Continuing Disclosure Obligations pursuant to the Listing Rules

Save as disclosed in this announcement, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

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

During the six months ended 30 June 2026, there was no purchase, sale or redemption of any listed securities (including sale of treasury shares (as defined under the Listing Rules)) of the Company by the Company or any of its subsidiaries. As at 30 June 2026, the Company did not hold any treasury shares.

Model Code for Securities Transactions

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors.

The Board is pleased to confirm that, after making specific enquiries with all Directors, all Directors have fully complied with the standards required according to the Model Code set out in Appendix C3 to the Listing Rules during the Reporting Period.

Corporate Governance

The Company aims to achieve high standards of corporate governance, which are crucial to the Company's development and safeguard the interests of the Shareholders.

The Company has applied the principles of good corporate governance and adopted the code provisions of the Corporate Governance Code as its own code of corporate governance. The Company has complied with all applicable code provisions set out in Part 2 of the CG Code since the Listing Date to 30 June 2026, save as the below.

Pursuant to code provision C.2.1 of Appendix C1 to the Listing Rules, the roles of chairperson and chief executive should be separate and should not be performed by the same individual. However, in view of Mr. Pan Yun's extensive industry experience, personal profile and critical role in the Group's historical development, the Board is of the view that it would be in the best interests of the Group for Mr. Pan Yun to hold both positions. In addition, the current composition of the Board, including three independent non-executive Directors, will play an active role in ensuring a balance of power and authority.

The Group will continue to review and monitor the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

Interim Dividend

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

Events after the Reporting Period

Subsequent to the six months ended 30 June 2026 and up to the date of this announcement, no significant events that are relevant to the business or financial performance of the Group have come to the attention of the Directors.

Audit Committee

As at 30 June 2026, the Audit Committee has three members comprising Dr. Gu Zhaoyang (chairman), Dr. Huang Hanxiong and Dr. Li Jiannan, all being independent non-executive Directors.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group, the unaudited interim financial information of the Group for the six months ended 30 June 2026 and this announcement. The Audit Committee is of the opinion that the preparation of such financial information complied with the applicable accounting standards, the requirements under the Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

Review of Interim Results

The Audit Committee has, together with the management, reviewed the accounting policies adopted by the Group. They also discussed risk management, internal controls of the Group and financial reporting matters, including having reviewed and agreed to the unaudited condensed consolidated financial information during the Reporting Period.

Publication of Results Announcement and Interim Report

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.xjgroup.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 published on the above websites in due course.

DEFINITIONS

In this announcement, unless otherwise defined or the context otherwise requires, the following terms or expressions shall have the following meanings:

"Audit Committee"	the audit committee of the Board
"Auditor"	Deloitte Touche Tohmatsu, the external auditor of the Company
"Board"	the Board of Directors of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chairman"	chairman of the Board
"China" or "PRC"	the People's Republic of China, for the purpose of this announcement and for geographical reference only, excluding Hong Kong Special Administrative Region of the People's Republic of China, Macau Special Administrative Region of the People's Republic of China and Taiwan Region
"Company"	X.J. Electrics (Hu Bei) Group Co., Ltd (湖北香江電器集團股份有限公司), formerly known as X.J. Electrics (Hu Bei) Co., Ltd (湖北香江電器股份有限公司), a joint stock company with limited liability established in the PRC on 23 July 2012

"Director(s)"	director(s) of the Company
"Global Offering"	an offering of 68,220,000 H Shares, comprising a final Hong Kong public offering of 6,822,000 H Shares and a final international public offering of 61,398,000 H Shares
"Group", "we" or "our"	the Company and its subsidiaries
"H Share(s)"	ordinary share(s) in the share capital of our Company with nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and are to be listed on the Stock Exchange
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK cents"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"IFRS"	International Financial Reporting Standards
"Listing"	listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	25 June 2025, the date on which the H Shares of the Company were listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Prospectus"	the prospectus of the Company dated 17 June 2025
"Reporting Period"	the six months ended 30 June 2026
"Share(s)"	ordinary share(s) in the share capital of our Company with a par value of RMB1.00 each, including domestic unlisted shares and H shares
"Shareholder(s)"	holder(s) of the Shares

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

By Order of the Board
X.J. Electrics (Hu Bei) Group Co., Ltd
Mr. Pan Yun
Chairman and Executive Director

Shenzhen, PRC, 28 August 2026

As at the date of this announcement, the executive Directors are Mr. Pan Yun, Mr. Guangshe Pan, Ms. Ji Ying, Ms. Li Youxiang, Ms. Hu Yan and Mr. Xu Xiping; and the independent non-executive Directors are Dr. Huang Hanxiong, Dr. Li Jiannan and Dr. Gu Zhaoyang.