C.banner International Holdings Limited
千百度國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1028)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of C.banner International Holdings Limited (the "**Company**" or "**C.banner**") is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**") together with comparative figures for the corresponding period in 2025, are as follows:

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue	**592,749**	640,165
Gross profit	**378,483**	381,867
Profit/(loss) before income tax	**16,569**	(134,713)
Income tax expenses	**(9,790)**	(7,087)
Profit/(loss) for the period	**6,779**	(141,800)
Profit/(loss) for the period attributable to:		
Owners of the Company	**6,743**	(141,978)
Non-controlling interests	**36**	178
	6,779	(141,800)
Earnings/(loss) per share		
– Basic *(RMB cents)*	**0.27**	(6.84)
– Diluted *(RMB cents)*	**0.27**	(6.84)

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	5	**592,749**	640,165
Cost of sales		**(214,266)**	(258,298)
Gross profit		**378,483**	381,867
Other income and other gains and losses	6	**20,396**	(124,452)
Distribution and selling expenses		**(317,067)**	(330,159)
Administrative and general expenses		**(65,081)**	(61,530)
Share of profits of associates		**377**	–
Finance costs	7	**(539)**	(439)
Profit/(loss) before income tax		**16,569**	(134,713)
Income tax expenses	8	**(9,790)**	(7,087)
Profit/(loss) for the period		**6,779**	(141,800)
Other comprehensive income/(expenses):			
Items that will not be reclassified to profit or loss:			
Fair value changes of equity investments at fair value through other comprehensive income/(expenses)		**390**	(7,579)
Other comprehensive income/(expenses) for the period		**390**	(7,579)
Total comprehensive income/(expenses) for the period		**7,169**	(149,379)

	Notes	Six months ended 30 June 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Profit/(loss) for the period attributable to:			
Owners of the Company		**6,743**	(141,978)
Non-controlling interests		**36**	178
		6,779	(141,800)
Total comprehensive income/(expense) attributable to:			
Owners of the Company		**7,133**	(149,557)
Non-controlling interests		**36**	178
		7,169	(149,379)
Earnings/(loss) per share	*10*		
– Basic *(RMB cents)*		**0.27**	(6.84)
– Diluted *(RMB cents)*		**0.27**	(6.84)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Notes	**30 June 2026** *RMB'000* **(unaudited)**	31 December 2025 *RMB'000* (audited)
Non-current assets			
Property, plant and equipment		**153,048**	167,121
Right-of-use assets		**69,826**	73,601
Other intangible assets		**52,242**	945
Goodwill		**107,434**	5,725
Interest in associates		**4,373**	1,996
Equity investments at fair value through other comprehensive income ("**FVTOCI**")		**9,390**	59,000
Deferred tax assets		**29,221**	30,854
Long-term deposits, other receivables and prepayments	*12*	**72,161**	75,943
		497,695	415,185
Current assets			
Inventories		**247,943**	267,537
Trade receivables	*11*	**256,468**	119,297
Other receivables and prepayments	*12*	**55,286**	36,223
Current tax assets		**322**	322
Bank balances and cash		**451,551**	561,365
		1,011,570	984,744
Current liabilities			
Trade payables	*13*	**111,427**	112,008
Other payables		**90,211**	90,743
Borrowings		**46,000**	–
Contract liabilities		**38,733**	37,743
Lease liabilities		**11,956**	10,369
Current tax liabilities		**30,996**	29,091
		329,323	279,954
Net current assets		**682,247**	704,790
Total assets less current liabilities		**1,179,942**	1,119,975

	Notes	**30 June 2026** ***RMB'000*** **(unaudited)**	31 December 2025 *RMB'000* (audited)
Non-current liabilities			
Lease liabilities		**9,699**	13,515
Deferred tax liabilities		**12,915**	–
		22,614	13,515
Net assets		**1,157,328**	1,106,460
Capital and reserves			
Share capital		**253,114**	253,114
Reserves		**874,877**	843,874
Total equity attributable to owners of the Company		**1,127,991**	1,096,988
Non-controlling interests		**29,337**	9,472
Total equity		**1,157,328**	1,106,460

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Equity attributable to owners of the Company										
	Share capital *RMB'000*	Share premium *RMB'000*	Other reserve *RMB'000*	PRC statutory reserve *RMB'000*	FVTOCI reserve *RMB'000*	Contributed surplus *RMB'000*	Retained profits *RMB'000*	Share-based payment reserve *RMB'000*	Sub-total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
Balance at 1 January 2025 (audited)	209,097	–	–	188,255	(8,051)	589,867	196,518	–	1,175,686	9,283	1,184,969
Total comprehensive (expenses)/income for the period (unaudited)	–	–	–	–	(7,579)	–	(141,978)	–	(149,557)	178	(149,379)
Transfer (unaudited)	–	–	–	2,218	–	–	(2,218)	–	–	–	–
At 30 June 2025 (unaudited)	**209,097**	**–**	**–**	**190,473**	**(15,630)**	**589,867**	**52,322**	**–**	**1,026,129**	**9,461**	**1,035,590**
Balance at 1 January 2026 (audited)	**253,114**	**32,655**	**–**	**192,157**	**(13,384)**	**589,867**	**42,579**	**–**	**1,096,988**	**9,472**	**1,106,460**
Total comprehensive income for the period (unaudited)	**–**	**–**	**–**	**–**	**390**	**–**	**6,743**	**–**	**7,133**	**36**	**7,169**
Transfer (unaudited)	**–**	**–**	**–**	**2,628**	**–**	**–**	**(2,628)**	**–**	**–**	**–**	**–**
Recognition of equity-settled share-based payments (unaudited) *(Note ii)*	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**10,581**	**10,581**	**–**	**10,581**
Acquisition of subsidiaries (unaudited)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**19,829**	**19,829**
Issue of warrants (unaudited) *(Note i)*	**–**	**–**	**13,289**	**–**	**–**	**–**	**–**	**–**	**13,289**	**–**	**13,289**
At 30 June 2026 (unaudited)	**253,114**	**32,655**	**13,289**	**194,785**	**(12,994)**	**589,867**	**46,694**	**10,581**	**1,127,991**	**29,337**	**1,157,328**

Notes:

(i) On 2 February 2026, 474,500,000 unlisted warrants were issued by the Company to nine independent subscribers at the issue price of HK$0.036 each for a total consideration, before expenses, of RMB15,428,000 (HK$17,082,000). The expenses directly attributable to the issue of the warrants amounted to RMB2,139,000 (HK$2,397,000). As a result, other reserve of RMB13,289,000 was credited and recognised during the six months ended 30 June 2026.

(ii) On 22 May 2026, the Company granted an aggregate of 249,240,000 share options to its eligible participants. This total grant was distributed among the Company's personnel, with 49,848,000 share options awarded to 2 executive Directors at the time and the remaining 199,392,000 share options granted to 11 other employee participants.

During the current period, the Group recognised a share option expense of RMB10,581,000. The exercise period for these share options commences on their respective vesting dates and has a contractual term that expires ten years from the grant date, ending on 21 May 2036. The vesting period for the options is staggered, with portions vesting on 22 May 2027 and 22 May 2028, respectively. Vesting is conditional upon meeting various performance targets in 2026 and 2027, and the grantees remaining as employees of the Company during the relevant periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. GENERAL INFORMATION

C.banner International Holdings Limited (the "**Company**") was incorporated in Bermuda under the Companies Act as an exempted company with limited liability on 26 April 2002. The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda. The address of its principal place of business is Suite 1503, Level 15, Admiralty Centre Tower 1, 18 Harcourt Road, Admiralty, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company is an investment holding company. Its subsidiaries and associates are principally engaged in manufacture and sale of branded fashion footwear and AI data services. The Company and its subsidiaries are collectively referred to as the "Group".

The condensed consolidated financial statements are presented in Renminbi ("**RMB**"), which is the functional currency of the Company.

2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standards ("**IAS**") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("**IASB**") and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

These condensed consolidated financial statements should be read in conjunction with the 2025 annual financial statements of the Group. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2025 of the Group.

3. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

In the current period, the Group has adopted all the new and revised IFRS Accounting Standards issued by the IASB that are relevant to its operations and effective for its accounting period beginning on 1 January 2026. IFRS Accounting Standards comprise International Financial Reporting Standards ("**IFRS**"); International Accounting Standards ("**IAS**"); and Interpretations. The adoption of these new and revised IFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current period and prior years.

The Group has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRS Accounting Standards but is not yet in a position to state whether these new and revised IFRS Accounting Standards would have a material impact on its results of operations and financial position.

4. OPERATING SEGMENT INFORMATION

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Segment revenue		
Retail and wholesale of shoes		
– external sales	**554,586**	566,406
Contract manufacturing of shoes		
– external sales	**22,178**	28,989
Retail of toys		
– external sales	**–**	44,770
AI data services		
– external sales	**15,985**	–
Segment revenue	**592,749**	640,165
Group revenue	**592,749**	640,165
Segment results		
Retail and wholesale of shoes	**21,651**	21,146
Contract manufacturing of shoes	**(935)**	(6,893)
Retail of toys	**–**	184
AI data services	**181**	–
	20,897	14,437
Finance costs	**(539)**	(439)
Net foreign exchange (loss)/gain	**(4,166)**	339
Impairment provision in respect of trade debt *(Note 12)*	**–**	(149,050)
Share of profits of associates	**377**	–
Profit/(loss) before income tax	**16,569**	(134,713)
Income tax expenses	**(9,790)**	(7,087)
Profit/(loss) for the period	**6,779**	(141,800)

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Segment assets		
Retail and wholesale of shoes	**1,893,733**	1,905,861
Contract manufacturing of shoes	**190,264**	43,221
AI data services	**421,888**	–
Total segment assets	**2,505,885**	1,949,082
Eliminations	**(1,039,926)**	(641,324)
Unallocated	**43,306**	92,171
Total consolidated assets	**1,509,265**	1,399,929
Segment liabilities		
Retail and wholesale of shoes	**444,085**	263,876
Contract manufacturing of shoes	**814,177**	642,430
AI data services	**101,790**	–
Total segment liabilities	**1,360,052**	906,306
Eliminations	**(1,039,117)**	(641,928)
Unallocated	**31,002**	29,091
Total consolidated liabilities	**351,937**	293,469

5. REVENUE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Retail and wholesale of shoes	**554,586**	566,406
Contract manufacturing of shoes	**22,178**	28,989
Retail of toys	**–**	44,770
AI data services	**15,985**	–
Total revenue	**592,749**	640,165

Disaggregation of revenue from contracts with customers:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Geographical markets		
The People's Republic of China (the "**PRC**")	**574,070**	612,972
The United States of America	**18,679**	27,193
Total	**592,749**	640,165
Major products/service		
Retail and wholesale of branded fashion footwear	**554,586**	566,406
Contract manufacturing of footwear	**22,178**	28,989
Retail of toys	**–**	44,770
AI data services	**15,985**	–
Total	**592,749**	640,165
Timing of revenue recognition		
At a point in time	**592,749**	640,165

6. OTHER INCOME AND OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Other income		
Government grants	**5,487**	7,697
Interest income on bank deposits	**2,984**	3,008
Gain on disposal of property, plant and equipment	**2**	9
Royalties fee income	**8,795**	8,111
Others	**7,416**	6,779
	24,684	25,604
Other gains and losses		
Net foreign exchange (loss)/gain	**(4,166)**	339
Impairment provision in respect of trade receivables	**(144)**	(1,345)
Impairment provision in respect of trade debt *(Note 12)*	**–**	(149,050)
Others	**22**	–
	(4,288)	(150,056)
Total other income and other gains and losses	**20,396**	(124,452)

7. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Leases interests	**539**	439

8. INCOME TAX EXPENSES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current tax – PRC Enterprise Income Tax		
Provision for the period	**8,242**	4,673
Current tax – PRC withholding tax		
Under-provision in prior periods	**–**	2,156
Deferred tax	**1,548**	258
Income tax expenses	**9,790**	7,087

The Group is not subject to taxation in Bermuda and the British Virgin Islands ("**BVI**").

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit in Hong Kong during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

PRC Enterprise Income Tax has been provided at a rate of 25% on the estimated assessable profit during the six months ended 30 June 2026 (six months ended 30 June 2025: 25%).

Under the relevant tax law and implementation regulations in the PRC, withholding income tax is applicable to dividends payable to investors that are "non-PRC tax resident enterprises", which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends have their sources within the PRC. Under such circumstances, dividends distributed from the PRC subsidiaries to non-PRC tax resident group entities in Hong Kong shall be subject to the withholding tax at 5% or 10%. Dividend distributed from a PRC subsidiary to a non-PRC tax resident group entity in the BVI shall be subject to the withholding tax at 10%.

9. DIVIDENDS

The directors of the Company did not recommend the payment of interim dividend for the six months ended 30 June 2026 and 2025.

10. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share attributable to owners of the Company is based on the profit for the period attributable to owners of the Company of approximately RMB6,743,000 (loss for the six months ended 30 June 2025: approximately RMB141,978,000) and the weighted average number of ordinary shares of 2,492,400,000 (six months ended 30 June 2025: 2,077,000,000) in issue during the period.

Diluted earnings/(loss) per share

The effects of all potential ordinary shares are anti-dilutive for the six months ended 30 June 2026. There was no dilutive potential ordinary share outstanding for the six months ended 30 June 2025. Accordingly, the diluted earnings/(loss) per share is same as basic earnings/(loss) per share for both periods.

11. TRADE RECEIVABLES

The Group's trading terms with other customers are mainly on credit. The credit terms generally range from 30 to 120 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors. The Group would also allow longer credit period for certain customers with long-term relationship.

	30 June 2026 *RMB'000* **(unaudited)**	31 December 2025 *RMB'000* (audited)
Trade receivables	**257,317**	120,002
Provision for loss allowance	**(849)**	(705)
	256,468	119,297

The aging analysis of trade receivables, based on the revenue recognition date, and net of allowance, is as follows:

	30 June 2026 *RMB'000* **(unaudited)**	31 December 2025 *RMB'000* (audited)
0 to 60 days	**192,353**	110,258
61 to 180 days	**45,506**	7,118
181 days to 1 year	**17,144**	755
Over 1 year	**1,465**	1,166
	256,468	119,297

12. OTHER RECEIVABLES AND PREPAYMENTS

	Note	**30 June 2026** **RMB'000** **(unaudited)**	31 December 2025 RMB'000 (audited)
Non-current assets			
Long-term deposits		**12,894**	13,196
Prepayments		**1,455**	1,608
Trade debts due from a former subsidiary	*(i)*	**57,812**	61,139
		72,161	75,943
Current assets			
Prepayments		**35,013**	23,652
Trade debts due from a former subsidiary	*(i)*	**2,000**	2,000
Value-added tax receivable		**472**	93
Interest receivables		**64**	111
Others		**17,737**	10,367
		55,286	36,223
Total		**127,447**	112,166

Note:

(i) Following the disposal of its 100% equity interest in Mayflower (Nanjing) Enterprise Limited ("**Nanjing Mayflower**") in July 2020, the Group executed a formal framework agreement to recover outstanding trade debts through property lease offsets and cash settlements. Despite the Group authorizing two subsequent extensions that deferred the final repayment maturity to 31 May 2024, the debtor failed to satisfy its financial obligations. Consequently, on 11 June 2024, the Company issued an official market announcement declaring Nanjing Mayflower in formal default of the remaining trade debt balance.

On 14 July 2025, the Group and Nanjing Mayflower reached a civil mediation settlement through the civil mediation proceedings chaired by the People's Court of Nanjing Qinhuai District (the "**Court**"), and the Court has issued a Civil Mediation Order (the "**Civil Mediation Order**"). Regarding the Civil Mediation Order, it was agreed by the Group and Nanjing Mayflower that the amount of RMB65,157,000 would be fully settled for repayments by installments from October 2025 to March 2045. If Nanjing Mayflower fails to make any payment on time or in full, the Group reserves the right to apply for compulsory enforcement of the remaining unpaid balance through the Court.

Taking into account the settlement terms under the Civil Mediation Order, the impairment loss of RMB149,050,000 on trade debts has been recognised for the year ended 31 December 2025.

As at 30 June 2026, the trade debts due from the Nanjing Mayflower with carrying amount of RMB59,812,000 (31 December 2025: RMB63,139,000) are secured by the Nanjing Mayflower's land use rights and buildings as collateral.

13. TRADE PAYABLES

	30 June 2026 *RMB'000* **(unaudited)**	31 December 2025 *RMB'000* (audited)
Trade payables	**111,427**	112,008

The aging analysis of trade payables, based on the invoice date, is as follows:

	30 June 2026 *RMB'000* **(unaudited)**	31 December 2025 *RMB'000* (audited)
0 to 90 days	**100,753**	109,761
91 to 180 days	**1,679**	358
181 days to 1 year	**8,940**	555
Over 1 year	**55**	1,334
	111,427	112,008

14. ACQUISITION OF SUBSIDIARIES

On 18 June 2026, Shanghai Qiandu Intelligent Technology Co., Ltd. (a wholly-owned subsidiary of the Company) acquired 90.9091% of the equity interests in Shanghai Benyuan Zhishu Enterprise Management Co., Ltd. and its subsidiaries (collectively refer to as "**Benyuan Zhishu**") for a total cash consideration of RMB300,000,000, comprising (i) a cash consideration of RMB150,000,000 for the acquisition of 83.3333% equity interests from the then existing shareholders; and (ii) a capital injection of RMB150,000,000 into Benyuan Zhishu. Benyuan Zhishu was engaged in data annotation services, providing multi-modal data annotation execution, quality review and process optimization services for customers in the internet, autonomous driving, medical and other fields during the period.

The fair value of the identifiable assets and liabilities of Benyuan Zhishu acquired as at the date of acquisition is as follows:

	RMB'000 (unaudited)
Net assets acquired:	
Property, plant and equipment	1,112
Other intangible assets	52,022
Trade receivables	118,651
Other receivables and prepayments *(Note i)*	114,127
Bank balance and cash	85,070
Right-of-use assets	3,626
Lease liabilities	(2,754)
Trade and other payables	(45,299)
Amount due to the Group	(50,000)
Contract liabilities	(3,135)
Current tax liabilities	(1,300)
Borrowings	(41,000)
Deferred tax liabilities	(13,000)
Total identifiable net assets	218,120
Less: Non-controlling interests (9.0909%)	(19,829)
Net assets acquired attributable to owners of the Company	198,291
Goodwill	101,709

	RMB'000 (unaudited)
Satisfied by:	
Cash paid/payable	150,000
Committed/paid capital injection	150,000
	300,000

Note:

(i) The Group made a capital injection of RMB150,000,000, including RMB60,000,000 which has been paid and disclosed in cash and cash equivalents. The remaining amount of RMB90,000,000 is included in other receivables and prepayments. If the acquisition had been completed on 1 January 2026, the total revenue of the Group for the current period would have been RMB736,052,000, and the profit for the current period would have been RMB11,719,000.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

In the first half of 2026, the global economy operated against the backdrop of intertwined geopolitical conflicts, oil price volatility, inflationary pressures and the rapid expansion of artificial intelligence ("**AI**") industry. Overall growth remained under pressure while certain market segments demonstrated resilience. The World Bank downgraded its forecast for global economic growth in 2026 to 2.5%. Elevated energy prices fuelled global inflation, yet large-scale investments in AI sector served as a key growth enabler.

Domestically, the World Bank projected China's gross domestic product (GDP) growth at 4.4% for 2026. According to the official data from the National Bureau of Statistics of China, China's GDP in the first half of 2026 reached RMB69,570.4 billion, representing a year-on-year increase of 4.7%, as the economy operated within a reasonable range. On the consumption front, total retail sales of consumer goods amounted to RMB24,872.2 billion, up by 1.3% year on year; retail sales excluding automobile consumption amounted to RMB22,903.4 billion, representing a year-on-year rise of 2.8%. A series of national policies were rolled out to boost consumption. China's consumer market is in a recovery phase, and the fundamental long-term positive outlook for the domestic economy remains intact.

AI has become a core growth driver of China's new economy. China hosts more than 6,000 AI-focused enterprises. China's core AI industry scale exceeded RMB1.2 trillion in 2025. In 2026, the inaugural year of the "15th Five-Year" Plan, the national "AI+" initiative continued to advance, driving sustained expansion of the trillion-renminbi intelligent economy and highlighting the growing value of high-quality data as a foundational component of digital infrastructure.

Faced with a complex macroeconomic and operating environment, the Company pressed ahead with strategic transformation, focusing on core business quality enhancement, omni-channel optimization and operational capability upgrading. On 5 June 2026, the Group announced the acquisition of controlling equity interests and new share subscription in Benyuan Zhishu, a leading domestic AI data service provider. This officially established the Group's dual main business model of "footwear business + AI data business". The consumer goods real economy segment generates stable cash flow, while the Group enters the high growth AI data track to foster its second growth curve and deliver sustainable long-term returns for its shareholders.

Operating Performance

During the Reporting Period, the Group continued to advance business restructuring in response to sluggish recovery in consumption spending. It dynamically adjusted operational strategies, optimised its store network and upgraded its inventory management system, delivering stable overall operations and outperforming industry averages.

For the six months ended 30 June 2026, the Group's total revenue recorded a year-on-year decrease of 7.4% to RMB592.7 million (H1 2025: RMB640.2 million); the profit recorded was RMB6.8 million (H1 2025: Loss of RMB141.8 million). With the sustained recovery of China's domestic consumer market, the Group expects its business to achieve steady and sustainable growth in the future.

In terms of store network layout, the Group continued to optimize its terminal network by closing inefficient stores and integrating operational resources during the Reporting Period. As at 30 June 2026, the Group operated a total of 897 retail stores, representing a net decrease of 42 stores from the beginning of the year; including 734 self-operated footwear retail stores (a net decrease of 41 stores period-to-date) and 163 third-party retail stores (a net decrease of 1 store period-to-date). Supported by the early-stage organizational restructuring and refined management system implementation, the Group stabilized overall profitability amid store structure adjustments, achieving high-quality and stable operations.

The following table shows the Group's geographic distribution of shoes outlet stores:

	C.banner		EBLAN	MIO		Natursun	
Distribution Regions	**Proprietary outlets**	**Third-party outlets**	**Proprietary outlets**	**Proprietary outlets**	**Third-party outlets**	**Proprietary outlets**	**Total**
Northeast region	70	9	13	8	10	1	111
Northern China	86	66	12	16	27	5	212
Eastern China	152	25	16	51	3	29	276
Shanghai area	53	–	–	7	–	6	66
Southern China	80	4	–	9	–	1	94
Western China	92	15	6	18	4	3	138
Total	**533**	**119**	**47**	**109**	**44**	**45**	**897**

Notes:

(1) Northeast region includes Jilin province, Liaoning province, Heilongjiang province and Hulunbuir City in Inner Mongolia Autonomous Region;

(2) Northern China includes Beijing, Tianjin, Inner Mongolia Autonomous Region (except Hulunbuir City), Hebei Province, Shanxi Province, Henan Province and Shandong Province;

(3) Eastern China includes Jiangsu Province, Anhui Province and Hubei Province;

(4) Shanghai area includes Shanghai City and Zhejiang Province;

(5) Southern China includes Hunan Province, Jiangxi Province, Fujian Province, Guangdong Province, Hainan Province and Guangxi Autonomous Region; and

(6) Western China includes Shaanxi Province, Qinghai Province, Gansu Province, Xinjiang Autonomous Region and Ningxia Autonomous Region, Sichuan Province, Guizhou Province, Yunnan Province, Chongqing City and Tibet Autonomous Region.

The Group is exploring sustainable profit models for shopping center stores, which is also one of the key strategic priorities in the future. There are currently 104 shopping center stores. We plan to gradually increase the number of shopping center stores to about 120 in the future.

Continuous Retail-Network Optimization: Improving Single-store Performance and Inventory Management Controls

The Group maintained its core channel strategy of "expanding high-performing stores and adjusting underperforming and inefficient outlets", prioritizing the layout of high-quality shopping center stores to boost in-store conversion rates and profit contribution. During the Reporting Period, the Group closed 41 self-operated footwear retail stores and 1 inefficient third-party store in aggregate. As at 30 June 2026, the Group operated 734 self-operated footwear retail stores and 163 third-party retail stores across China, covering 31 provinces, municipalities directly under the Central Government and autonomous regions and sustaining solid market coverage.

The Group orchestrated synergistic operations across three core offline channels: shopping centres, outlet stores and department stores. In the second half of 2026, the Group plans to phase out inefficient department-store outlets. For high-quality outlet-store and shopping-centre locations, it will adopt a "selective opening and dynamic adjustment" approach to ensure new-store profitability prospects. The Company's management remains prudently optimistic about distribution-channel development, and will continue dynamically screening outlets, exiting underperforming sites and optimizing resource allocation.

Full-cycle inventory management controls were implemented. Systematic channel evaluation and granular operations seek a dynamic balance among cost control, revenue growth, brand value and market share, with concerted efforts to improve same-store sales performance. In parallel, the Group pursued channel decentralization. Building on self-operated stores as its backbone, it rolled out a nationwide operating system, deepened penetration in core domestic markets and captured structural market opportunities.

Acquisition of Benyuan Zhishu: Dual-main-business Development of Footwear and AI-data Operations

(1) Transaction Overview

On 5 June 2026, Shanghai Qiandu Intelligent Technology Limited, a wholly-owned subsidiary of the Group, entered into an investment agreement with the original shareholders of Benyuan Zhishu. The consideration for the transaction totalled RMB300 million, of which RMB150 million will be used to acquire the existing equity interest held by the original shareholders, and another RMB150 million will be used to subscribe for newly-issued shares of Benyuan Zhishu to support its capacity expansion, technology research and development, and business development.

Upon completion of the transaction, the Group holds approximately 90.91% of the equity interest in Benyuan Zhishu. The founding management team of Benyuan Zhishu retains the remaining equity interest and continues to be responsible for daily operations, aligning the core team's long-term incentives and operational autonomy with the interests of the Group's shareholders.

(2) Strategic Positioning of Benyuan Zhishu

Benyuan Zhishu is positioned as an independent and neutral AI full-chain data service provider, dedicated to becoming a data infrastructure platform that connects AI models, professional talent, and real-world application scenarios.

Benyuan Zhishu's strategic focus is on the concentrated development of complex expert data and frontier scenario data. Its service capabilities cover key stages such as data collection, expert annotation, simulation, quality control, and evaluation. Spanning technical directions including large models, world models, and embodied intelligence, it stands as one of the few market participants in China equipped with multi-category, full-chain data delivery capabilities.

As the capabilities of AI models continue to advance, industry competition is gradually extending from purely computing power investment to high-quality, scenario-specific, and sustainably supplied data resources. Benyuan Zhishu is further elevating its core value to "establishing data production systems and defining data quality standards", aiming to capture the long-term development opportunities in the upstream of the AI industry chain.

(3) Core Competitive Advantages

Benyuan Zhishu possesses nearly a decade of industry experience in the AI data services sector. It has established a competitive barrier built upon a combination of expert resources, technical platforms, quality systems, compliance capabilities, and large-scale delivery capabilities.

Its client base includes leading domestic large-model developers, internet platforms, gaming enterprises and robotics companies. Leveraging rigorous supplier qualification screening, quality validation, and information security management, Benyuan Zhishu has become a core supplier to multiple head clients, providing high-value data services across domains such as mathematics, law, healthcare, virtual scenarios, and physical interactions.

Benyuan Zhishu currently operates 12 delivery centers within China, forming a nationwide and large-scale delivery network. Its self-developed data annotation, quality control, and crowdsourcing management systems combine expert judgment with automated tools, enabling the company to undertake large-scale and highly complex data projects under strict information security and data compliance requirements.

Benyuan Zhishu has also demonstrated strong commercialization capabilities. Its annual revenue for 2024 and 2025 amounted to RMB146.5 million and RMB156.2 million, respectively, with net profit after tax reaching RMB7.1 million and RMB11.1 million, respectively. In the first half of 2026, Benyuan Zhishu's business growth accelerated further, recording a revenue of RMB159.3 million, which has surpassed the full-year revenue of 2025. This reflects the rapid growth in demand for high-quality data related to large models, world models, and embodied intelligence, while also demonstrating the continuous enhancement of its client expansion, order conversion, and large-scale delivery capabilities. Against the backdrop where AI data service enterprises are generally in a continuous investment phase, Benyuan Zhishu's ability to maintain profitability and achieve accelerated revenue growth reflects that its delivery capabilities, client base, and business model have been validated by the market.

(4) Independent Development and Neutral Supplier Positioning

The Group regards the independent development of Benyuan Zhishu as the primary strategy for AI data business. The proceeds from the subscription of new shares will be utilized to expand capacity, refine technical and delivery platforms, enlarge the professional talent network, and enhance research and development, compliance, and project management capabilities.

Benyuan Zhishu will maintain its independent brand, autonomous operations, and data segregation mechanisms. The Group will not engage in the research and development of large models to avoid competing with Benyuan Zhishu's existing and potential clients, thereby safeguarding its market position as a neutral data supplier through governance mechanisms.

The Group will primarily provide support to Benyuan Zhishu in areas such as capital, brand credibility, corporate governance, and talent attraction. This model of "financial holding, operational independence, and data segregation" will help Benyuan Zhishu continue to maintain client trust, professional judgment, and market neutrality while gaining support from a listed company platform.

(5) Future Development Directions

Looking ahead, Benyuan Zhishu will adhere to a development path centered on being "high-value, specialized, and platform-based". With large models, world models, and embodied intelligence as its key focuses, it will continuously expand its network of professional experts and refine its full-chain capabilities covering collection, expert annotation, simulation, and evaluation.

Benyuan Zhishu will also continuously enhance the automation levels of its self-developed tools and its platform-based delivery efficiency. It will drive the consolidation of expert experience, quality standards, and project management capabilities onto a unified platform, expanding delivery scale, enhancing profitability, and increasing client stickiness under the premise of ensuring data quality and compliance requirements.

The Group will prioritize the independent growth of Benyuan Zhishu, supplemented by industrial synergy. Under the premise of maintaining client data segregation, information security, and business independence, the Group will prudently explore the application of Benyuan Zhishu's data governance and quality management methodologies in non-sensitive scenarios, such as product insights, inventory governance, online marketing and store operations, and will use practical, quantifiable operational improvements as the baseline for expanding synergy.

Deepened Digital Transformation, Enhanced Operational and Organisational Capabilities

The Group pressed forward with digital-transformation initiatives of footwear business and deepened its strategic cooperation with Alibaba Cloud. A business middle-platform and unified data-sharing centre were built to centralise merchandise management, enable real-time inventory visibility and unify multi-channel member systems, mitigating the pervasive footwear-sector challenge of simultaneous high inventory levels and frequent stock-outs. Following the consolidation of Benyuan Zhishu, the Group's data-processing, annotation and modelling competencies advanced substantially, further unlocking the commercial potential of its digital middle-platform.

Digital tools including AI-powered staff training, intelligent outbound-call systems and smart order-replenishment allocation were rolled out during the Reporting Period, supporting the enterprise's transition from product-centric operations toward a customer-centric, data-driven operating paradigm.

On front-line enablement, the Group faced a challenge of headcount reduction among sales associates: as of 30 June 2026, the associate headcount decreased by 10% year-on-year. Correspondingly, human-efficiency improvement became a core priority. Relevant measures included distilling best practices from top-performing sales staff, tracking operational behavioural data, establishing direct communication channels with front-line associates and instituting quantitative training mechanisms. In the first half of 2026, average per-associate output rose by 4% year-on-year. Targeted training for zero-transaction associates yielded a post-training order-closing rate of 56%, and associate content-sharing execution reached 81%.

A three-pillar training framework covering "product knowledge, sales proficiency and operational management" was implemented, encompassing product training, sales-skill workshops and private-domain-operation sessions. Training delivery leveraged AI-digital-person assessments, team-based incentive competitions and practice-oriented drills, with 100% full coverage of all retail-store associates. The objective is to transform sales associates from order-takers into styling consultants and private-domain-relationship stewards.

Practical operational constraints persisted: certain department-store groups imposed restrictions on private-domain and Youzan-related sales activities; regional-operations-staff turnover affected execution consistency; and price adjustments implemented in May 2026 lengthened consumer decision-making cycles and fostered wait-and-see purchasing sentiment. Mitigation strategies include deep-dive mining of existing member assets, strengthening value-oriented content output and scenario-driven product storytelling to reinforce perceived product value. The targets in the second half of 2026 include a further 10% improvement in average sales associate productivity.

Going forward, the Group will continue to integrate online-offline data streams, advance business-finance system integration, raise automation standards for order processing, inventory synchronisation and data reporting, and conduct joint research and development with Benyuan Zhishu to reinforce refined management.

Omni-channel Development and In-depth Online-offline Integration

The Group constructed a multi-dimensional online framework: "solidify baseline performance via platform e-commerce, capture incremental revenue through live-stream e-commerce, and strengthen repeat purchases via private-domain traffic". Tmall and JD flagship stores stabilised baseline sales through seasonal promotions and member-exclusive offers. Live-stream operations adopted the dual-driven model of "in-house brand live-streams + influencer collaborations". Corporate WeChat and mini-program-based malls accumulated core-member assets to improve stickiness and repeat-purchase metrics.

Functioning as “non-stop virtual storefronts”, mini-programs recorded a 3% year-on-year rise in visitor traffic during the Reporting Period. Three promotional campaigns were scheduled each month, with region-tailored merchandise assortments and streamlined purchasing workflows. Content operations deployed both graphic and short-video formats; systemised content campaigns attracted over 250,000 exposures and generated more than RMB2 million in targeted conversions, with associate one-click-share content-execution rates above 89%.

To resolve online-operational bottlenecks, digital-solution upgrades were delivered: AI-image-processing tools auto-generated product photos and detail-page materials to accelerate new-product launches; multi-platform automatic-data-matching workflows reduced redundant manual work; and AI-driven intelligent customer-service handled size-related enquiries, return-and-exchange workflows and logistics-related queries to shorten response latency and enhance customer experience.

Global marketing activities leveraged Douyin and Xiaohongshu. A tiered KOL-collaboration strategy was applied by the Group, while Meituan and Dianping integrations channelled online traffic to physical stores. Pre-sale mechanisms, inventory early-warning systems and accelerated supply-chain responsiveness mitigated inventory risks stemming from high live-stream-e-commerce return rates. For the second half of 2026, social-media priorities include streamlining low-value graphic-focused KOL placements, maximising secondary reuse of brand-ambassador and influencer-generated assets, and expanding production of AI-generated videos, unboxing reviews, street-style footage and short-form drama content to drive sales conversions.

Brand Marketing, Product Iteration and Terminal Experience Upgrades

(1) Omni-channel Brand Marketing and Brand-ambassador Initiatives

During the Reporting Period, the Group rolled out omni-channel communications featuring its brand ambassador, establishing a five-tier dissemination system: “official-account thought leadership, shopping-mall-driven foot-traffic generation, regional-branch market penetration, content-creator-matrix amplification, and fan-member-asset accumulation” to enable online-offline synergy. Multiple offline theme-focused events were executed by the Group at venues including Nantong MixC, Changzhou MixC and Changchun Eurasian Mall, encompassing pop-up exhibitions, “one-day store-manager” sessions, urban fashion shows and birthday fan-engagement activities. Several campaign dates delivered multi-fold year-on-year sales growth, engaging younger-generation consumers and boosting brand awareness and in-mall footfall.

Standardised campaign packages and SOP manuals were created to optimise resource allocation. The positioning of "one-day-store-manager" events was adjusted: such activities will no longer be primarily sales-driven, but will focus on brand exposure. Unified terminal-visual-material specifications were enforced to resolve visual-style conflicts and gift-overlap issues between ambassador-themed campaigns and regular monthly marketing. Terminal visuals migrated toward a minimalist premium aesthetic centred on product presentation. AI tools supported poster design and shooting-scheme development to shorten design cycles and expand creative boundaries.

The ambassador-themed marketing in the second half of 2026 follows two phases. From August 2026 to November 2026, under the theme "Encounter Brilliant Moments", autumn-winter new-product collections will launch, with emphasis on ambassador-endorsed commuting office-shoe hero products, high-end-member salon events and nationwide online topic challenges. From December 2026 to February 2027, the "New-Year Surprises" campaign will run for Christmas and Lunar-New-Year marketing cycles. Preparations are underway for the Spring-Summer 2027 marketing theme "Life at 45°", interpreting the balanced and self-assured life attitudes of contemporary women and translating brand philosophy into tangible walking-comfort value delivered by footwear products.

The flagship "***Blossoming Steps • 2026 Grand Opening***" marketing project in partnership with Sand River Outlet Malls combined runway showcases, immersive scenario building and cultural activation. Off-site sales reached three-times normal daily levels. Reusable standard-event templates and asset packages were produced for replication across regional branches.

(2) Core-product Portfolio and New-store-concept Implementation

Product strategy adheres to "consolidating classic offerings, innovating trendy silhouettes and reinforcing functional attributes". Classic business-oriented footwear maintains baseline sales volume. The flagship Silent Series underwent iterative upgrades, incorporating dual-density heel structures, anti-slip silent outsoles and mid-sole shock-absorption technologies tailored for office-and-commuting scenarios, securing strong consumer recognition.

The Group built an end-to-end hit-product-incubation workflow: "market insight → rapid R&D → precision marketing". Big-data analytics capture prevailing design trends, new styles are fast-tracked for development, and social-media plus live-stream-marketing channels drive commercial success for new releases. The proportion of fashion-casual and outdoor-sports footwear rose, aligning with scenario-based consumption trends.

The Group pioneered the "One-stop Family Shoe Store" retail concept to deliver comprehensive family-oriented footwear-shopping experiences covering men's, women's and children's footwear for all-age-group requirements. Stores curate trending silhouettes including snow boots, Birkenstock-inspired styles and dad sneakers, balancing timeless practicality and fashion appeal. Interiors adopt minimalist European-style fit-out design with dedicated children's play zones and book-swap areas. Professional in-store consultants provide one-on-one styling and size-consultation services to deepen emotional-brand connections and create memorable retail touch-points.

Outlook

Uncertainties persist in the global economic outlook for the second half of 2026. Domestic policies to expand domestic demand and stimulate consumption continue to be rolled out, creating growth opportunities within China's mid-to-high-end footwear market. Industry-wide headwinds include rising labour costs and intensified competition. Nevertheless, digital-technology advancement and the AI-data-industry boom deliver significant strategic opportunities for the Group's dual-main-business transformation.

The Group will remain committed to coordinated dual-main-business development, advancing corporate evolution from product-centric operations toward the dual-driven model of "customer-centric operation + data-driven operation".

Footwear-retail core business: AI-technology will penetrate product design, store operations, member management and inventory regulation to accelerate inventory turnover and lift omni-channel operational efficiency. Refined management will be applied to members, communities and live-stream ecosystems by the Group to build self-controlled private-domain closed-loop operating model and improve customer engagement and encourage repeat purchases.

The product matrix will be continuously optimised by the Group to merge functional-performance enhancements with fashion-design innovation. Data-driven insights will support customer demand-oriented product research and development and manufacturing.

The "Gold-medal Store Manager" and "Top-performer Growth" programmes will cultivate store managers as business operators and upskill sales associates into fashion consultants, targeting measurable improvements in store productivity, workforce efficiency and member-lifetime-value metrics. The channel-network will keep being optimised: the layout of high-quality shopping centre outlets will be prioritised while inefficient locations are dynamically adjusted, seeking balanced trade-offs among scale, profitability and inventory levels.

In terms of the AI data business, Benyuan Zhishu will adhere to the development direction of being “high-value, specialized, and platform-based”, with a primary focus on capturing the demand for high-quality data generated by the rapid evolution of large models, world models, and embodied intelligence. Looking ahead, Benyuan Zhishu will continuously expand its professional talent network, refine its capabilities in data collection, expert annotation, simulation, quality control, and evaluation, and strengthen the development of its self-developed tools and delivery platforms. Under the premise of ensuring data quality, information security, and compliance requirements, it aims to improve delivery efficiency, expand its major client base, and enhance profitability.

The Group will support Benyuan Zhishu in maintaining its independent operations and neutral market positioning, and will primarily provide support in areas such as capital, brand, governance, and talent. Under the premise of strictly adhering to data segregation and information security requirements, the Group will also prudently explore the application of relevant data governance and quality management capabilities in its footwear business, using practical, quantifiable operational outcomes as the baseline for expanding synergy.

Looking ahead, the Group will remain committed to rooting itself in the real economy while embracing technology. We will consolidate our foundation for development through the steady operation of the footwear business and unlock long-term growth space with the AI data business, continuously enhancing the Group’s profitability, growth potential, and counter-cyclical resilience to create sustainable long-term value for all shareholders.

FINANCIAL REVIEW

For the six months ended 30 June 2026, the Group’s total revenue amounted to RMB592.7 million, decreased by 7.4% as compared to the same period of last year. The Company recorded a profit of RMB6.8 million for the period, representing a turnaround from a loss of RMB141.8 million for the same period of last year.

Revenue

For the six months ended 30 June 2026, the Group’s revenue decreased by 7.4% to RMB592.7 million, compared to RMB640.2 million in the same period of last year. The decrease was primarily due to the divestment of the toy retail business in September 2025.

During the Reporting Period, the Group's revenue mix comprises revenue from retail and wholesale of shoes ("**Retail and Wholesale**"), contract manufacturing of shoes ("**Contract Manufacturing**") and AI data services ("**AI data services**"). The revenue distribution of corresponding businesses is set out as follows:

	Six months ended 30 June				
	2026		2025		
	RMB('000)	***% of Total Revenue***	*RMB('000)*	*% of Total Revenue*	*% of Growth*
Retail and Wholesale	**554,586**	**93.6**	566,406	88.5	(2.1)
Contract Manufacturing	**22,178**	**3.7**	28,989	4.5	(23.5)
Retail of toys	**–**	**–**	44,770	7.0	(100.0)
AI data services	**15,985**	**2.7**	–	–	100.0
Total	**592,749**	**100**	640,165	100	(7.4)

Profitability

For the six months ended 30 June 2026, the Group's gross profit decreased by 0.9% to RMB378.5 million, a decrease of RMB3.4 million from RMB381.9 million in the same period of last year. As of 30 June 2026, the gross profit margin was 63.9%, increased by 4.2 percentage points compared to 59.7% in the same period of last year. The growth was primarily driven by the fact that the Group no longer included the toy retail business during the Reporting Period, which had a relatively lower gross profit margin and was disposed in September 2025.

For the six months ended 30 June 2026, the Group's distribution and selling expenses reached RMB317.1 million, a decrease of RMB13.1 million or decreased by 4.0% from the same period of last year. The decrease was attributable to the Company's management's aggressive adjustment of continuously underperforming or loss-making stores. Distribution and selling expenses accounted for 53.5% of revenue, compared to 51.6% in the same period of last year. The improvement was primarily attributable to changes in the business mix.

For the six months ended 30 June 2026, the Group's administrative and general expenses amounted to RMB65.1 million, an increase of RMB3.6 million or 5.9% from the same period of last year. Administrative and general expenses accounted for 11.0% of revenue, compared to 9.6% in the same period of last year. The increase was primarily due to the recognition of share option expenses of RMB10.6 million during the Reporting Period.

For the six months ended 30 June 2026, the Group's other income and expenses and other gains and losses recorded a net gain RMB20.4 million, compared to a loss of RMB124.5 million in the same period of last year. The change was primarily due to the non-recurrence of the impairment provision for trade debts owed by Nanjing Mayflower for the six months ended 30 June 2025.

For the six months ended 30 June 2026, the Group recorded finance costs of RMB0.5 million, compared to RMB0.4 million in the same period of last year. The Group's finance costs are rental interests.

For the six months ended 30 June 2026, the Group's income tax expense increased by approximately RMB2.7 million or 38.0% to RMB9.8 million, compared to RMB7.1 million in the same period of last year. The increase was mostly attributed to the increase in operating profits.

For the six months ended 30 June 2026, the Company recorded a profit attributable to equity holder of RMB6.7 million, compared to a loss of RMB142.0 million recorded the same period of last year.

Current Assets and Financial Resources

As of 30 June 2026, the Group had bank balances and cash of RMB451.6 million (31 December 2025: RMB561.4 million).

For the six months ended 30 June 2026, net cash used in operating activities was RMB75.3 million, and the net cash generated from operating activities of RMB76.6 million in the same period last year.

For the six months ended 30 June 2026, net cash used in investing activities was RMB46.9 million, mainly due to the investment in the acquisition of a subsidiary, offset by the proceeds from the recovery of equity investments, compared to net cash used in investing activities of RMB12.3 million during the same period of last year.

For the six months ended 30 June 2026, net cash inflows from financing activities was RMB12.3 million, while net cash outflows from financing activities in the same period of last year was RMB10.6 million.

As of 30 June 2026, the net current assets of the Group were RMB682.2 million, compared with RMB704.8 million as of 31 December 2025, representing a net decrease of RMB22.6 million or 3.2%.

Pledge of Asset

As of 31 December 2025 and 30 June 2026, the Group had no pledged assets.

Contingent Liabilities

The Group did not have any substantial or contingent liabilities as of 30 June 2026.

Capital Commitments

As of 30 June 2026 and 31 December 2025, the Group had no capital commitments that have been contracted but not yet provided in the condensed consolidated financial statements.

Foreign Exchange Risk Management

The Group's sales are mainly denominated in RMB, while its Contract Manufacturing is mainly denominated in USD. For the six months ended 30 June 2026, the Contract Manufacturing accounted for 3.7% of total revenue. Nevertheless, the Board will keep monitoring the impact of the exchange rate on our business closely and take appropriate measures to mitigate the impact where necessary.

For the six months ended 30 June 2026, the Group recorded a RMB4.2 million loss from currency exchange, compared to RMB0.3 million gain in the same period of last year. The Group did not hold any derivative instruments for hedging against foreign exchange risk.

Future Plans for Material Investment or Capital Assets

Save as disclosed in this announcement, as of 30 June 2026, the Group had no concrete plans to acquire any material investment or capital assets other than in the Group's ordinary course of business.

Human Resources

As of 30 June 2026, the Group had 5,961 employees (31 December 2025: 3,797 employees). In order to retain top-notched talents, the Group offers competitive remuneration packages, including mandatory pension funds, insurance and medical benefits. In addition, the Group pays discretionary bonuses to qualified employees with reference to overall business performance and their individual work performance.

SIGNIFICANT SUBSEQUENT EVENTS

There was no significant event taken place subsequent to the end of the six months ended 30 June 2026.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix C3 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**").

Specific enquiry has been made of all the Directors and the Directors have confirmed that they had complied with such code of conduct throughout the six months ended 30 June 2026.

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders of the Company and to enhance corporate value and accountability. Save as disclosed below, the Company has complied with all applicable code provisions under the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules for the six months ended 30 June 2026. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

Pursuant to code provision C.1.5 of the CG Code, non-executive directors should attend the general meetings. Ms. Zhang Yichen, as the non-executive Director, didn't attend the Company's special general meeting held on 15 January 2026 due to her other business commitment.

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

For the six months ended 30 June 2026, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any).

As at 30 June 2026, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The audit committee of the Company had reviewed together with the management of the Company the accounting principles and policies adopted by the Group and the unaudited interim condensed consolidated results for the six months ended 30 June 2026.

PUBLICATION OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED RESULTS AND 2026 INTERIM REPORT ON THE WEBSITES OF THE HONG KONG STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Hong Kong Stock Exchange at www.hkexnews.hk and the Company at www.cbanner.com.cn, and the 2026 interim report containing all the information required by the Listing Rules will be sent to the shareholders of the Company and published on the respective websites of the Hong Kong Stock Exchange and the Company in due course.

By order of the Board
C.banner International Holdings Limited
Chen Yixi
Chairman

PRC, 31 August 2026

As at the date of this announcement, the executive Directors are Mr. CHEN Yixi, Mr. YUAN Zhenhua, Mr. LI Niyong and Mr. ZHANG Baojun; the non-executive Directors are Ms. FAN Yuanyuan and Ms. ZHANG Yichen; and the independent non-executive Directors are Mr. KWONG Wai Sun Wilson, Mr. ZHENG Hongliang and Dr. WANG Meng.