



MEGAIN Holding (Cayman) Co., Ltd. 美佳音控股有限公司*

(incorporated in the Cayman Islands with limited liability)

Stock code: 6939

A detailed image of a microchip mounted on a circuit board. The chip is square with a grid of pins around its perimeter. It has a blue, glowing, multi-layered appearance. The MEGAIN technology logo is visible on the top surface of the chip. The background is a blurred circuit board with various components and a blue-to-purple gradient overlay.

2026

INTERIM REPORT

* For identification purpose only

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DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this report:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of our Board
“BDO Limited”	BDO Limited Certified Public Accountants
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“China” or “PRC”	the People’s Republic of China and, for the sole purpose of this report, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	MEGAIN Holding (Cayman) Co., Ltd. (美佳音控股有限公司*), an exempted company incorporated in the Cayman Islands with limited liability on 22 June 2016, which is the holding company of our Group and the Shares of which are listed on the Main Board
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Corporate Governance Code(s)” or “CG Code(s)”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of our Company
“Executive Director(s)”	the executive director(s) of our Company
“GLC”	GOOD LOYAL CORPORATION (忠好有限公司), a company incorporated in the BVI with limited liability on 7 July 2017 and wholly owned by Mr. Yu, a substantial shareholder of our Company pursuant to the SFO as at the date of this interim report
“Global Offering”	the offer of 37,500,000 new Shares for subscription by the public in Hong Kong and the conditional placing of 87,500,000 new Shares to international investors by our Company at the offer price of HKD1.26

DEFINITIONS

“GMTL”	GLOBAL MEGAIN TECHNOLOGY PTE. LTD., an international business company incorporated in Belize on 23 December 2014 and wholly owned by Mr. Cheng, a substantial shareholder of our Company pursuant to the SFO as at the date of this interim report
“Group”	the Company and its subsidiaries
“HK\$”, “HKD” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IC”	integrated circuit, a set of electronic circuits where all the elements of the circuit are integrated together on a single semiconductor chipset
“Independent Non-executive Director(s)”	independent non-executive director(s) of our Company
“IoT”	Internet of Things, being a system of interrelated computing devices, mechanical and digital machines, objects and people with the ability to transfer data over a network; the system includes physical devices, vehicles, home appliances and other items embedded with electronics, software, sensors and actuators, which enables these objects to connect, collect and exchange data through various communication protocols
“Listing”	the listing of the Shares on the Main Board
“Listing Date”	31 March 2021, the date on which the Shares are listed and dealings in the Shares first commenced on the Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, modified or supplemented from time to time
“Main Board”	the Main Board of the Stock Exchange
“Mr. Cheng”	Mr. Cheng Hsien-Wei (鄭憲徽), a Non-executive Director, the deputy chairman of our Board and a substantial shareholder of our Company pursuant to the SFO as at the date of this interim report
“Mr. Lam”	Mr. Lam Tsz Leung (林子良), a former Non-executive Director and a substantial shareholder of our Company pursuant to the SFO as at the date of this interim report
“Mr. Yu”	Mr. Yu Yiding (余一丁), a substantial shareholder of our Company pursuant to the SFO as at the date of this interim report

DEFINITIONS

“Non-executive Director(s)”	non-executive director(s) of our Company
“Prospectus”	the prospectus of the Company dated 18 March 2021 in relation to the Global Offering and the Listing
“Relevant Period”	the six months ended 30 June 2026
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with a par value of HK\$0.01 each in the share capital of our Company
“Share Option Scheme”	the share option scheme conditionally adopted by our Company on 26 February 2021
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules, unless the context otherwise requires
“US”	the United States of America
“US\$” or “USD”	United States dollars, the lawful currency of the United States
“Zhuhai Megain”	Zhuhai Megain Technology Co., Ltd.* (珠海美佳音科技有限公司), a company incorporated in the PRC with limited liability on 13 September 2010 and an indirect wholly-owned subsidiary of our Company
“%”	per cent

* for identification purposes only

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Wang Dongjie (汪棟傑) (*Chairman of the Board*)
(Appointed as the Chairman of the Board and an executive Director on 13 August 2026)

Mr. Wang Yuanxue (王遠學) (*Chief Executive Officer*)
(Appointed as the Chief Executive Officer on 13 July 2026 and an executive Director on 13 August 2026)

Mr. Cheng Hsien-Wei (鄭憲徽) (*Chairman*)
(Re-designated as the Deputy Chairman of the Board and a non-executive Director on 13 August 2026)

Non-executive Directors

Mr. Cheng Hsien-Wei (鄭憲徽)
(Deputy Chairman of the Board)
(Re-designated as the Deputy Chairman of the Board and a non-executive Director on 13 August 2026)

Mr. Lam Tsz Leung (林子良)
(Resigned on 13 August 2026)

Ms. Yu Erhao (余尔好)

Mr. Liu Tao (劉濤) (Appointed on 13 August 2026)

Independent Non-executive Directors

Mr. Chen Mark Da-jiang (陳大江)

Mr. Kao Yi-Ping (高亦平) (Resigned on 13 August 2026)

Mr. Li Huaxiong (李華雄)

Professor Sun Wenhong (孫文紅)
(Appointed on 13 August 2026)

AUDIT COMMITTEE MEMBERS

Mr. Li Huaxiong (李華雄) (*Chairman*)

Mr. Chen Mark Da-jiang (陳大江)

Mr. Kao Yi-Ping (高亦平)
(Resigned on 13 August 2026)

Professor Sun Wenhong (孫文紅)
(Appointed on 13 August 2026)

REMUNERATION COMMITTEE MEMBERS

Mr. Chen Mark Da-jiang (陳大江) (*Chairman*)

Mr. Li Huaxiong (李華雄)

Ms. Yu Erhao (余尔好)

NOMINATION COMMITTEE MEMBERS

Mr. Wang Dongjie (汪棟傑) (*Chairman*)
(Appointed on 13 August 2026)

Mr. Cheng Hsien-Wei (鄭憲徽) (*Chairman*)
(Ceased as the Chairman and a member of the Nomination Committee on 13 August 2026)

Mr. Chen Mark Da-jiang (陳大江)

Mr. Kao Yi-Ping (高亦平) (Resigned on 13 August 2026)

Mr. Li Huaxiong (李華雄)

Ms. Yu Erhao (余尔好)

Professor Sun Wenhong (孫文紅)
(Appointed on 13 August 2026)

COMPANY SECRETARY

Mr. Wong Cheuk Lam (黃焯琳)
HKICPA, CPAA, HKACG, ACG

AUTHORISED REPRESENTATIVES

Mr. Wang Dongjie (汪棟傑)
(Appointed on 13 August 2026)

Mr. Cheng Hsien-Wei (鄭憲徽)
(Ceased as an Authorised Representative on 13 August 2026)

Mr. Wong Cheuk Lam (黃焯琳)

REGISTERED OFFICE

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CORPORATE INFORMATION

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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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16 Harcourt Road
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CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

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AUDITOR

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LEGAL ADVISER

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PRINCIPAL BANKS

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The PRC

DBS Bank (Hong Kong) Limited
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COMPANY'S WEBSITE

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STOCK CODE

6939

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		% Increase/ (decrease)
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)	
Revenue	73,198	70,766	3.4%
Cost of sales	(66,656)	(60,828)	9.6%
Gross profit	6,542	9,938	(34.2)%
Gross profit margin	8.9%	14.0%	(5.1) percentage points
Loss before tax	(40,974)	(36,707)	11.6%
Loss for the period	(41,096)	(38,575)	6.5%
Basic and diluted loss per share (in RMB)	(0.079)	(0.074)	6.8%

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)	% Changes Increase/ (decrease)
Total assets	274,095	334,908	(18.1)%
Total liabilities	29,582	47,967	(38.3)%
Net assets	244,513	286,941	(14.7)%

KEY FINANCIAL RATIOS

	Notes	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)	Changes in percentage points Increase/ (decrease)
Current ratio	1	10.9	6.4	4.5 points
Quick ratio	2	10.2	5.9	4.3 points
Gearing ratio	3	0%	4.2%	(4.2) percentage points

Notes:

1. Current ratio is calculated by dividing total current assets by total current liabilities as at the respective dates.
2. Quick ratio is calculated by dividing current assets (net of inventories) by total current liabilities as at the respective dates.
3. Gearing ratio represents total borrowing divided by total equity as at the end of a period and multiplying the resulting value by 100%.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the research, design, development and sales of compatible cartridge chips and other chips. Our compatible cartridge chips are broadly applicable to (i) desktop laser printers; (ii) desktop inkjet printers; and (iii) commercial printers. Other chips are mainly IoT related chips such as (i) Hall sensor chips, a kind of magnetic field sensor that are generally used for positioning, speed detection and proximity sensing and ultimately applied to different kinds of electronic products including automobiles, 5G base stations, fans, toys, etc.; (ii) power management ICs (“PMICs”); and (iii) battery charge management ICs. In addition, the Group is also engaged in the trading of ICs and other cartridge components, including plastic parts and toners, as ancillary services to our customers, and the provision of technical and design services for chips at the request of customers.

Compatible Cartridge Chips Business

During the Relevant Period, the operating environment for the Group’s compatible printer cartridge chip business was largely a continuation of that for 2025. In the first half of 2026, despite the energy crisis and resurgence of inflation caused by geopolitical instability in the Middle East, which led to an uncertain global investment outlook, global demand for printer cartridge chips remained remarkably stable. Home office and small-to-medium enterprise (SME) applications served as the key drivers of printer cartridges demand.

During the Relevant Period, the Group’s sales volume of compatible printer cartridge chips increased from approximately 7,673,000 pieces for the six months ended 30 June 2025 to approximately 9,479,000 pieces, representing an increase of approximately 23.5%. However, the keen competition in the compatible printer cartridge chips industry significantly impacts the gross profit. The average selling price per piece of the Group’s compatible printer cartridge chip decreased by approximately 11.4% from approximately RMB3.5 per piece in the same period last year to approximately RMB3.1 per piece during the Relevant Period. The Group’s gross profit margin of compatible printer cartridge chips for the Relevant Period narrowed significantly as shown in the table in the section “Gross profit and gross profit margin” below.

The number of newly developed compatible printer cartridge chips of the Group during the Relevant Period and the comparative data of the same period last year are as follows:

	As at 30 June	
	2026 Number of newly developed compatible printer cartridge chips	2025 Number of newly developed compatible printer cartridge chips
Compatible printer chips applied to the following products:		
Desktop laser printer	15	59
Desktop inkjet printer	56	48
Total:	71	107

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (Continued)

Compatible Cartridge Chips Business (Continued)

The number of newly developed compatible printer cartridge chips for the Relevant Period was reduced from 107 pieces for the corresponding period for 2025 to 71 pieces as the printer manufacturers developed very few new models of printers during the Relevant Period. In general, the profit margin of newly developed compatible printer cartridge chips is higher than that of old models.

Internet of Things Chips Business

Since the commencement of the IoT chips business, the Group has developed a series of IoT chips such as Hall sensor chips, PMICs, battery charge management ICs, low-dropout regulating chips (the “LDO”) for power management, silicon carbide metal oxide semiconductor field effect transistor (the “SiCMOS”) (碳化矽金屬氧化物半導體場效電晶體) for electric current control, etc. At the same time, we have also developed IoT products such as temperature and humidity measuring instruments to provide customers with IoT solutions.

The IoT chips market is huge, with the characteristics of having a wide range of applications, a large number of buyers but small amount per transaction, and hence it takes a long time to build up a customer base. The Group has just entered this market, which is still in the early stage of production and market development, and has not yet achieved economies of scale.

Trading of ICs and other Cartridge Components

We also engaged in the trading of ICs and other cartridge components, including plastic parts and toner, as ancillary services to our customers.

In order to further increase the Group’s sales channels and product categories, the Group commenced an online sales business in 2024, mainly selling compatible printer cartridges, toner and other finished printer consumables.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Our overall revenue increased by approximately 3.4% from approximately RMB70.8 million for the six months ended 30 June 2025 to approximately RMB73.2 million for the Relevant Period. The following table summarises the revenue for each of the product categories by application during the periods indicated:

	Six months ended 30 June							
	2026 (Unaudited)				2025 (Unaudited)			
	Revenue	% of total revenue	Sales volume 000' pieces	Average selling price	Revenue	% of total revenue	Sales volume 000' pieces	Average selling price
	RMB'000	%	of chips	RMB	RMB'000	%	of chips	RMB
Sales of chips								
Product category-application								
– Desktop laser printers	12,701	17.4	5,673	2.2	19,209	27.1	6,165	3.1
– Desktop inkjet printers	15,779	21.5	3,733	4.2	6,815	9.6	1,395	4.9
– Commercial printers ¹	797	1.1	73	10.9	969	1.4	113	8.6
Sub-total	29,277	40.0	9,479	3.1	26,993	38.1	7,673	3.5
Sales of other chips	7,851	10.7	13,287	0.6	8,491	12.0	9,509	0.9
Trading of ICs and other cartridge components²	36,070	49.3	N/A	N/A	35,282	49.9	N/A	N/A
Total	73,198	100			70,766	100		

Notes:

1. Includes mainly commercial laser printers.
2. In addition to the provision of chips, we also engaged in the trading of ICs and other cartridge components, including plastic parts and toner, as ancillary services to our customers, and the sales of compatible cartridges, toner and other printer consumables in online shop.

FINANCIAL REVIEW (Continued)

Revenue (Continued)

(i) Sales of compatible cartridge chips

Our revenue from the sales of compatible cartridge chips increased by approximately 8.5% from approximately RMB27.0 million for the six months ended 30 June 2025 to approximately RMB29.3 million for the Relevant Period. The increase was mainly attributable to the increase in revenue from the sales of chips for inkjet printers from approximately RMB6.8 million for the six months ended 30 June 2025 to approximately RMB15.8 million for the Relevant Period.

The sales volume of compatible cartridge chips increased to approximately 9,479,000 pieces for the Relevant Period from approximately 7,673,000 pieces for the corresponding period for 2025. However, the average selling price of our compatible cartridge chips decreased to approximately RMB3.1 per piece for the Relevant Period from approximately RMB3.5 per piece for the corresponding period of last year. The decrease of average selling price was mainly due to the intensifying competition in the industry.

(ii) Sales of other chips

In addition to the Hall sensor chips the Group launched in 2021, the Group developed some new IoT chips such as PMICs, battery management ICs, etc. We also provide customised IoT solution to clients. The sales of other chips for the Relevant Period decreased by approximately 7.5% from approximately RMB8.5 million for the six months ended 30 June 2025 to approximately RMB7.9 million for the Relevant Period. The decrease was mainly due to the decline in the selling price of Hall sensor chips and the decrease in the sales volume of metal-oxide-semiconductors.

(iii) Trading of ICs and other cartridge components

Our revenue generated from trading of ICs and other cartridge components increased by approximately 2.2% from approximately RMB35.3 million for the six months ended 30 June 2025 to approximately RMB36.1 million for the Relevant Period mainly due to the increase in the sales of compatible printer cartridges in online shop.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (Continued)

Cost of sales and services

Our cost of sales and services increased from approximately RMB60.8 million for the six months ended 30 June 2025 to approximately RMB66.7 million for the Relevant Period. The increase was mainly caused by the increase in the provision for impairment on inventories such as compatible printer cartridge chips, IoT chips and finished printer related consumables due to the decline in market prices of these inventories.

Gross profit and gross profit margin

Our overall gross profit decreased by approximately 34.2% from approximately RMB9.9 million for the six months ended 30 June 2025 to approximately RMB6.5 million for the Relevant Period. Our overall gross profit margin decreased from approximately 14.0% for the six months ended 30 June 2025 to approximately 8.9% for the Relevant Period. The following table sets forth a breakdown of our gross profit and gross profit margin for each of the product categories by application during the periods indicated:

	Six months ended 30 June			
	2026 (Unaudited)		2025 (Unaudited)	
	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %
Sales of chips				
Product category-application				
– Desktop laser printers	1,161	9.1	6,508	33.9
– Desktop inkjet printers	(1,083)	(6.9)	84	1.2
– Commercial printers	310	39.0	301	31.1
Sub-total	388	1.3	6,893	25.5
Sales of other chips	(1,162)	(14.8)	1,321	15.6
Trading of ICs and other cartridge components	7,316	20.3	1,724	4.9
Total	6,542	8.9	9,938	14.0

FINANCIAL REVIEW (Continued)

Gross profit and gross profit margin (Continued)

(i) Sales of compatible cartridge chips

The gross profit from the sales of compatible cartridge chips decreased from approximately RMB6.9 million for the six months ended 30 June 2025 to approximately RMB0.4 million for the Relevant Period, mainly due to the decrease in gross profit from the sales of our chips for (a) desktop laser printers from approximately RMB6.5 million for the six months ended 30 June 2025 to approximately RMB1.2 million for the Relevant Period; and (b) desktop inkjet printers from approximately RMB0.08 million for the six months ended 30 June 2025 to approximately negative RMB1.1 million for the Relevant Period. The decline in the gross profits was a result of making provisions for impairment losses on inventories, due to the decline in market prices caused by keen competition among manufacturers of compatible printer cartridge chips.

Our gross profit margin of compatible cartridge chips decreased from approximately 25.5% for the six months ended 30 June 2025 to approximately 1.3% for the Relevant Period, mainly due to the reasons mentioned in the last paragraph.

(ii) Sales of other chips

The gross profit from the sales of other chips decreased from approximately RMB1.3 million for the six months ended 30 June 2025 to approximately negative RMB1.2 million for the Relevant Period. The gross profit margin of the sales of other chips declined from approximately 15.6% for the six months ended 30 June 2025 to approximately negative 14.8% for the Relevant Period. The decline in the gross margin of the sales of other chips was driven by clearance of existing inventories and hence the increase in provision for inventory losses.

(iii) Trading of ICs and other cartridge components

Our gross profit from trading of ICs and other cartridge components increased from approximately RMB1.7 million for the six months ended 30 June 2025 to approximately RMB7.3 million for the Relevant Period as a result of the increase in the online sales of printer consumables. The increase in gross profit margin from approximately 4.9% for the six months ended 30 June 2025 to approximately 20.3% for the Relevant Period was mainly due to the high proportion of the online sales of printer consumables, which has a higher gross profit margin in the total sales of trading of ICs and other cartridge components, and the high gross profit margin for the one-off revenue from chips reworking.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (Continued)

Other net income

Our other net income decreased by approximately 22.3% from approximately RMB3.0 million for the six months ended 30 June 2025 to approximately RMB2.4 million for the Relevant Period, which was mainly due to the decrease in bank interest income.

Provision for impairment losses of assets

During the Relevant Period, the Group recognized provision of impairment losses of (i) property, plant and equipment, (ii) intangible assets, and (iii) trade receivables of approximately RMB1.0 million, RMB6.0 million, and RMB0.3 million respectively due to operating losses.

Research and development expenses

Our research and development expenses decreased by approximately 22.1% from approximately RMB10.2 million for the six months ended 30 June 2025 to approximately RMB8.0 million for the Relevant Period. Such decrease was mainly because we reallocated more resources to the research projects launched on the second half of the year.

Selling and distribution expenses

Our selling and distribution expenses increased by approximately 164.3% from approximately RMB6.9 million for the six months ended 30 June 2025 to approximately RMB18.4 million for the Relevant Period. Such increase was mainly attributable to the increase in expenses for developing overseas markets and online business, overseas transportation costs, and severance compensation for sales staff.

Administrative expenses

Our administrative expenses increased by approximately 11.6% from approximately RMB14.2 million for the six months ended 30 June 2025 to approximately RMB15.9 million for the Relevant Period mainly due to the increase in professional fees and exchange losses.

Income tax expenses

Our income tax expenses decreased by approximately 93.5% from approximately RMB1.9 million for the six months ended 30 June 2025 to approximately RMB0.1 million for the Relevant Period, attributable to the fact that the Company did not incur any withholding tax for the dividend payment for the Relevant Period.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (Continued)

Net loss and net loss margin

The Group recorded a net loss attributable to owners of the Company of approximately RMB41.1 million during the Relevant Period as compared with the net loss attributable to owners of the Company of approximately RMB38.6 million for the corresponding period in 2025 mainly because of the decrease in gross profit of our compatible cartridge chips business and IoT business, and the increase in provision of impairment loss of assets discussed above.

Our net profit margin changed from negative 54.5% for the six months ended 30 June 2025 to negative 56.1% for the Relevant Period mainly due to the further contraction in gross profit margin discussed above.

Net current assets

We recorded net current assets of approximately RMB224.1 million as at 30 June 2026 and RMB215.6 million as at 31 December 2025 respectively. Our current assets decreased from approximately RMB255.2 million as at 31 December 2025 to approximately RMB246.6 million as at 30 June 2026, mainly due to the decrease in inventories, trade receivables, and prepayments. Our current liabilities decreased from approximately RMB39.6 million as at 31 December 2025 to approximately RMB22.6 million as at 30 June 2026 primarily due to the decrease in trade payables, bank borrowings, and accruals and other payables.

Property, plant and equipment

The net book value of our property, plant and equipment decreased from approximately RMB23.7 million as at 31 December 2025 to approximately RMB18.8 million as at 30 June 2026 mainly due to the making of provision for impairment loss and the disposal of several machinery items.

Intangible assets

Our intangible assets consisted mainly of software and patents. The net book value of our intangible assets decreased from approximately RMB13.3 million as at 31 December 2025 to approximately RMB6.6 million as at 30 June 2026 mainly due to the assets impairment provision made.

Inventories

Inventories primarily comprised raw materials, finished goods, goods-in-transit and right to recover returned goods. Inventories decreased from approximately RMB22.1 million as at 31 December 2025 to approximately RMB15.5 million as at 30 June 2026 mainly due to the recognition of impairment loss provision caused by the decline in market prices of several inventories.

Trade receivables

Our trade receivables decreased from approximately RMB53.7 million as at 31 December 2025 to approximately RMB36.5 million as at 30 June 2026 mainly due to shorter receivables turnover days for our online business.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (Continued)

Deposits, prepayments and other receivables

Our deposit, prepayments and other receivables decreased from approximately RMB14.6 million as at 31 December 2025 to approximately RMB8.0 million as at 30 June 2026 mainly due to the decrease in the deposits and prepayments related to leases.

Trade payables

Our trade payables decreased from approximately RMB15.1 million as at 31 December 2025 to approximately RMB12.0 million as at 30 June 2026 mainly due to the scaling down of our finished printing consumables business in the PRC.

Indebtedness

The table below sets out the breakdown of the indebtedness of our Group as at the respective dates indicated:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Current liabilities		
Bank borrowings due within one year	–	12,000
Lease liabilities	2,761	2,776
Non-current liabilities		
Lease liabilities	6,776	8,148
	9,537	22,924

As at 30 June 2026, our Group, as a lessee, had outstanding contractual lease payments amounting to approximately RMB9.5 million in aggregate in relation to the remaining lease terms of certain lease contracts, which were unsecured and unguaranteed. Our lease liabilities represent the obligations arising from the right to use certain properties through tenancy agreements.

Outlook and future plan

The performance of the Group is closely related to the economic cycle. Looking forward, we expect that the pace of China's economic development, Sino-US trade disputes, regional military conflicts, and interest rate movement shall still affect the global economic development, indirectly affecting the demand for compatible printer cartridge chips. From the industry's perspective, we expect, at least in the short run, excessive competition among compatible printer cartridge chip manufacturers will continue to drive down the selling price of the compatible printer cartridge chips and the uncertain global economic outlook will continue to undermine the desire of original printer producers to produce more new models of original printer.

Coupled with the nebulous future, we shall continue the strategy of diversification, so that the Group can fully take advantage of its research capability and expand our business horizon.

As at 30 June 2026, the Group did not have any plans for material investments and acquisition of capital assets.

MANAGEMENT DISCUSSION AND ANALYSIS

OTHER FINANCIAL INFORMATION

Liquidity and Financial Resources

During the Relevant Period, the Group financed its operations mainly by cash generated from operations, debt financing, and the proceeds of the Listing. The Group will continue to follow a prudent treasury policy in managing its cash balances and maintain a strong and healthy liquidity to ensure that it is well placed to take advantage of growth opportunities for the business.

As at 30 June 2026, the Group had cash and cash equivalents, and bank deposits of approximately RMB186.4 million (as at 31 December 2025: approximately RMB164.6 million).

As at 30 June 2026, the Group had net current assets of approximately RMB224.1 million (as at 31 December 2025: approximately RMB215.6 million) and net assets of approximately RMB244.5 million (as at 31 December 2025: approximately RMB286.9 million).

Taking into account the cash flow generated from operations, debt financing, and the net proceeds from the Listing, the Directors are of the view that the Group has sufficient working capital to meet its current liquidity demand and the liquidity demand within at least 12 months from the end of the Relevant Period.

Capital Structure

A. Borrowing

The total bank borrowing of the Group as at 30 June 2026 was nil (as at 31 December 2025: approximately RMB12 million). The Group's borrowing patterns did not exhibit any significant seasonality, as its financing needs were relatively stable throughout the Relevant Period. During the Relevant Period, the Group did not experience any difficulties in utilising its banking facilities with its lenders.

B. Gearing Ratio

As at 30 June 2026, the Group's gearing ratio was 0% (as at 31 December 2025: 4.2%), calculated as the total borrowings divided by the total equity as at the end of the Relevant Period multiplied by 100%. The decrease was mainly due to the repayment of all bank borrowings of the Group during the Relevant Period. The Group's gearing ratio demonstrated that the financial position of the Group was healthy as the borrowing level of the Group was very low as at the end of the Relevant Period.

Pledge of Assets

As at 30 June 2026, the Group did not pledge any assets of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

OTHER FINANCIAL INFORMATION (Continued)

Contingent Liabilities

As at 30 June 2026 and 2025, the Group did not have any material contingent liabilities.

Material Acquisition and Disposal by the Group

During the Relevant Period, the Group did not make any material acquisition or disposal of subsidiaries, associates and joint ventures.

Significant Investments

The Group did not hold any significant investments as at 30 June 2026.

Foreign Currency Exposure

The majority of the Group's assets, liabilities and cash flows were denominated in RMB and part of the Group's assets such as cash and cash equivalents and trade receivables, were denominated in USD or HKD. We are exposed to foreign currency risk arising from fluctuations in exchange rates between RMB against USD or HKD. During the Relevant Period, the change of RMB against USD or HKD did not have any significant effect from translation. During the Relevant Period, the Group did not engage in any hedging activities and the Group has no intention to carry out any hedging activities in the near future. The management of the Group will continue to closely monitor the foreign currency market and consider carrying out hedging activities when necessary.

Human Resources

As at 30 June 2026, we had approximately 126 full-time employees, of which 116 were based in the PRC and 10 were based in Taiwan and Hong Kong. The Group has adopted policies on recruitment, compensation, dismissal, equal opportunities, diversity, anti-discrimination, and other benefits and welfare. The Group provides induction to new employees on its business, culture, structure, and products. We also provide regular training to our employees. Our employees' remuneration comprises salaries, bonuses, employee retirement fund and social security contributions and other welfare payments. The Group also adopted the Share Option Scheme as part of the incentive package. We regularly assess the performance of our employees, the results of which would form the basis for salary increments, bonuses and promotions.

Dividend

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

OTHER INFORMATION

DISCLOSURE OF INTERESTS

(A) Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As far as the Company is aware, as at 30 June 2026, the interests and/or short positions of the Directors and chief executive of our Company in the shares, underlying shares and debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange are as follows:

Name of Director	Capacity/Nature of Interest	Number of Shares ⁽¹⁾	Approximate Percentage of Shareholding
Mr. Cheng	Interest in a controlled corporation ⁽²⁾	38,812,500 (L)	7.48%
Mr. Lam	Beneficial owner	30,250,000 (L)	5.83%

Notes:

- (1) The letter "L" denotes a long position in the Shares.
- (2) As at 30 June 2026, the Company is approximately 7.48% directly owned by GMTL. As at 30 June 2026, GMTL was wholly owned by Mr. Cheng. By virtue of the SFO, Mr. Cheng is deemed to be interested in all the Shares held by GMTL.
- (3) Please refer to the section headed "Change of Controlling Shareholder and the Unconditional Mandatory Cash Offer" on page 24 of this interim report.

Save as disclosed above, none of the Directors and the chief executive of the Company nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 June 2026.

OTHER INFORMATION

(B) Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares

So far as the Directors are aware, as at 30 June 2026, the following persons have an interest or a short position in the Shares and the underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Capacity/Nature of Interest	Number of Shares ⁽¹⁾	Approximate Percentage of Shareholding
GMTL	Beneficial owner ⁽²⁾	38,812,500 (L)	7.48%
Mr. Cheng	Interest in a controlled corporation ⁽²⁾	38,812,500 (L)	7.48%
GLC	Beneficial owner ⁽³⁾	55,500,000 (L)	10.70%
Mr. Yu	Interest in a controlled corporation ⁽³⁾	55,500,000 (L)	10.70%
Mr. Lam	Beneficial owner	30,250,000 (L)	5.83%
Pantum Technology Co., Ltd. (formerly known as Ninestar Corporation)	Interest in a controlled corporation ⁽⁴⁾	314,750,000 (L)	60.67% ⁽⁵⁾

Notes:

- (1) The letter "L" denotes a long position in the Shares.
- (2) As at 30 June 2026, our Company is approximately 7.48% directly owned by GMTL. As at 30 June 2026, GMTL was wholly owned by Mr. Cheng. By virtue of the SFO, Mr. Cheng is deemed to be interested in all the Shares held by GMTL.
- (3) As at 30 June 2026, our Company is approximately 10.70% directly owned by GLC. As at 30 June 2026, GLC was wholly owned by Mr. Yu. By virtue of the SFO, Mr. Yu is deemed to be interested in all the Shares held by GLC.
- (4) The 314,750,000 Shares comprised 211,000,000 Sale Shares agreed to be acquired under the Share Purchase Agreement and 103,750,000 Subscription Shares agreed to be subscribed for under the Subscription Agreements. Completion of those agreements took place on 16 July 2026. Accordingly, as at 30 June 2026, such interest included interests in underlying Shares arising under the Share Purchase Agreement and Subscription Agreements. Please refer to the section headed "Change of Controlling Shareholder and the Unconditional Mandatory Cash Offer" on page 24 of this interim report.
- (5) The percentage is calculated on the basis of 518,750,000 shares of the Company in issue as at 30 June 2026.

Save as disclosed herein, our Directors are not aware of any person who, as at 30 June 2026, has an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

SHARE OPTION SCHEME

On 26 February 2021, the Company conditionally adopted the Share Option Scheme. Under the Share Option Scheme, the Board may, at their absolute discretion, at any time within a period of ten years commencing on 26 February 2021 offer to grant to any eligible persons, including employees, directors, consultants, suppliers, customers and shareholders of any member of the Group, options to subscribe for the Shares. Details of the Share Option Scheme are set out in the section headed “Report of Directors” in the Company’s annual report for the year ended 31 December 2025.

No share option has been granted by the Company under the Share Option Scheme since its adoption.

ARRANGEMENT FOR DIRECTORS TO PURCHASE SHARES OR DEBENTURES

At no time during the Relevant Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouses or minor children, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate.

DIRECTORS’ AND SUBSTANTIAL SHAREHOLDERS’ INTEREST IN COMPETING INTERESTS

During the Relevant Period, none of the Directors or their respective close associates (other than members of the Group) has any interest in a business, apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group which would require disclosure under Rule 8.10 of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

According to the information disclosed publicly and as far as the Directors are aware, during the Relevant Period, the Company maintained the amount of public float as required under the Listing Rules.

PURCHASES, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the Relevant Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities (including treasury shares (“Treasury Shares”) (as defined under the Listing Rules)). As at 30 June 2026, the Company did not hold any Treasury Shares.

GOING CONCERN

Based on the current financial position and the available financing facilities, the Group has sufficient financial resources for ongoing operation in the foreseeable future. As such, the financial statements in this report were prepared on a “going concern” basis.

OTHER INFORMATION

USE OF NET PROCEEDS FROM THE LISTING

The Shares were listed on the Main Board on the Listing Date. The Group received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the Global Offering and the exercise of over-allotment option of approximately HKD118 million (equivalent to approximately RMB98.5 million). The Group intended to use the net proceeds according to the section headed “Future Plans and Use of Proceeds” in the Prospectus.

UPDATE ON THE EXPECTED TIMETABLE AND CHANGE IN THE USE OF THE NET PROCEEDS FROM THE GLOBAL OFFERING

According to the announcement of the Company dated 10 January 2025 (the “Change in UOP Announcement”), the Board informed the shareholders of the Company that the net proceeds from the Global Offering which remained unutilised as of 31 December 2024 were approximately HK\$47.3 million (the “Unutilised Net Proceeds”). Having considered the reasons set out in the sub-paragraph headed “Reasons for the updated expected timetable and the change in the use of the net proceeds from the Global Offering” in the Change in UOP Announcement, the Board has resolved to extend the expected deadline for the use of the Unutilised Net Proceeds and change the use of the Unutilised Net Proceeds. The following table illustrates the status of the use of net proceeds according to the revised use in the Change in UOP Announcement as at 30 June 2026:

Intended use of net proceeds from the Global Offering	Approximate percentage of total amount	Allocation of net proceeds as disclosed in the Prospectus (RMB million) (approximately)	Revised allocation of the Unutilised Net Proceeds (RMB million) (approximately)	Actual utilised amount as at 30 June 2026 (RMB million) (approximately)	Unutilised Net Proceeds as at 30 June 2026 (RMB million) (approximately)
Strengthening the Group's product development capacity and diversifying the Group's product portfolio	51.4%	50.7	9.5	9.3	0.2
Accelerating the development of the Group's hardware design capabilities through acquisition of integrated circuit design company	16.8%	16.6	–	–	–
Increasing the Group's presence in the compatible cartridge industry through forward vertical expansion	16.8%	16.6	–	–	–
Increasing the Group's presence in the compatible cartridge industry through online channels	–	–	30.30	28.3	2.0

OTHER INFORMATION

Intended use of net proceeds from the Global Offering	Approximate percentage of total amount	Allocation of net proceeds as disclosed in the Prospectus (RMB million) (approximately)	Revised allocation of the Unutilised Net Proceeds (RMB million) (approximately)	Actual utilised amount as at 30 June 2026 (RMB million) (approximately)	Unutilised Net Proceeds as at 30 June 2026 (RMB million) (approximately)
Stepping up the Group's sales and marketing efforts to cater for the expansion of the Group's product offerings	2.5%	2.5	–	–	–
Improving the functionality of the Group's back office to support its business growth	2.5%	2.5	–	–	–
General working capital	10.0%	9.9	4.0	4.0	–
Total:	100%	98.5	43.8	41.6	2.2

Note: The figures in the above table are subject to rounding adjustments. The discrepancy (if any) between totals and sums of separate figures listed are due to rounding adjustments.

For further details, please refer to the Change in UOP Announcement and the annual report of the Company for the year ended 31 December 2025.

The revised timetable to use the Unutilised Net Proceeds is based on the Directors' best estimation, barring any unforeseen circumstances, and it may be subject to change based on the market conditions. In the event of any material change in the timetable of the use of the Unutilised Net Proceeds, the Company will make appropriate announcement(s) in due course.

CORPORATE GOVERNANCE PRACTICES

The Board strives to uphold the principles of corporate governance set out in the CG Code contained in Appendix C1 to the Listing Rules, and adopted various measures to enhance the internal control system, the Directors' continuing professional training and other areas of practice of the Company. While the Board strives to maintain a high level of corporate governance, it also works hard to create value and achieve maximum return for its Shareholders. The Board will continue to conduct review and improve the quality of corporate governance practices with reference to local and international standards.

During the Relevant Period, the Company complied with the code provisions as set out in Appendix C1 to the Listing Rules.

OTHER INFORMATION

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “Model Code”) as its own code governing securities transactions of the Directors.

Specific enquiries have been made to all Directors and all Directors have confirmed that they have fully complied with the required standard of dealings as set out in the Model Code during the Relevant Period.

REVIEW BY AUDIT COMMITTEE

We established the Audit Committee on 26 February 2021 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code.

The Audit Committee, which approved the interim results announcement and the interim report for the period ended 30 June 2026, has three members, namely Mr. Li Huaxiong, Mr. Chen Mark Da-jiang and Professor Sun Wenhong, all being our Independent Non-executive Directors. Mr. Li Huaxiong has been appointed as the chairman of the Audit Committee, and is the Independent Non-executive Director possessing the appropriate professional qualifications as required under Rule 3.10(2) of the Listing Rules.

The financial statements in this report have been reviewed but not been audited by the auditor of the Company, BDO Limited. The Audit Committee has reviewed with the management of the Company the unaudited financial statements, the interim results announcement and the interim report of the Company for the Relevant Period and agreed with the accounting treatments adopted by the Company, and was of the opinion that the preparation of the financial statements of the Company for the Relevant Period complies with the applicable accounting standards and the requirements under the Listing Rules and adequate disclosures have been made.

CHANGE OF CONTROLLING SHAREHOLDER AND THE UNCONDITIONAL MANDATORY CASH OFFER

The Subscription Agreements

On 8 January 2026 and 23 January 2026, the Company and Geehy International Limited (the “Offeror”) entered into the subscription agreements (the “Subscription Agreements”), pursuant to which the Offeror has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 103,750,000 shares in the Company (the “Subscription Share(s)”) at HK\$0.61 per Subscription Share. The Subscription Shares were allotted and issued pursuant to the specific mandate to allot and issue shares in the Company granted to the Directors by a resolution of the Shareholders passed at the extraordinary general meeting held on 29 June 2026.

The Share Purchase Agreement

The Board was informed by the Offeror that on 8 January 2026, the Offeror (as purchaser) and several existing Shareholders (as sellers) entered into the share purchase agreement (the “Share Purchase Agreement”) for the acquisition of an aggregate of 211,000,000 Shares at a total consideration of HK\$105,500,000 (being HK\$0.50 per Sale Share).

All conditions under the Subscription Agreements and the Share Purchase Agreement were fulfilled and the completions of the Subscription Agreements and the Share Purchase Agreement (the “Completions”) took place on 16 July 2026.

Unconditional Mandatory Cash Offer

Immediately upon the Completions, the Offeror was interested in 314,750,000 Shares, representing approximately 50.56% of the total issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares pursuant to the Subscription Agreements. Accordingly, the Offeror was required to make an unconditional mandatory cash offer (the “Offer”) pursuant to Rule 26.1 of the Hong Kong Code on Takeovers and Mergers (the “Takeovers Code”) for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it). The price of the Offer was HK\$0.61 per Share payable in cash. The Offer was closed on 12 August 2026. The Offeror had received three valid acceptances in respect of a total of 28,050 Shares under the Offer. Immediately after the close of the Offer, the Offeror and the parties acting in concert with it held an aggregate of 314,778,050 Shares, representing approximately 50.57% of the issued share capital of the Company.

For the details of the Subscription Agreements, the Share Purchase Agreement and the Offer, please refer to the joint announcement dated 23 January 2026, 21 May 2026, 16 July 2026 and 12 August 2026, and the composite document dated 22 July 2026 issued by the Company and the Offeror.

EVENTS AFTER THE RELEVANT PERIOD

Reference should be made to the section headed “Unconditional Mandatory Cash Offer” on page 25 for the details of the Offer.

On 20 August 2026, the Company entered into a purchase framework agreement and a supply framework agreement with Pantum Technology Co., Ltd (奔圖科技股份有限公司) (“Pantum Technology”) in relation to the purchase and supply of consumable chips, other chips and related products (as applicable). Pantum Technology has become a connected person of the Company under Chapter 14A of the Listing Rules since 16 July 2026 and the transactions contemplated thereunder constitute continuing connected transactions of the Company. The transactions are subject to the reporting, announcement, annual review, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. For details, please refer to the Company’s announcement dated 20 August 2026.

By order of the Board
MEGAIN Holding (Cayman) Co., Ltd.
Wang Dongjie
Chairman

26 August 2026

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



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TO THE BOARD OF DIRECTORS OF MEGAIN HOLDING (CAYMAN) CO., LTD.

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim condensed consolidated financial statements set out on pages 28 to 48 which comprise the condensed consolidated statement of financial position of MEGAIN Holding (Cayman) Co., Ltd. and its subsidiaries (collectively referred to as the “Group”) as of 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the interim condensed consolidated financial statements, including material accounting policy information (the “interim condensed consolidated financial statements”). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors are responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on the interim condensed consolidated financial statements based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

BDO Limited

Certified Public Accountants

Chan Tsz Hung

Practising Certificate Number P06693

Hong Kong, 26 August 2026

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	4	73,198	70,766
Cost of sales		(66,656)	(60,828)
Gross profit		6,542	9,938
Other net income	6	2,351	3,027
Provision for impairment losses of trade receivables, net	8	(322)	(616)
Provision for impairment losses of property, plant and equipment	8	(959)	(4,868)
Provision for impairment losses of intangible assets	8	(5,853)	(9,938)
Provision for impairment losses of prepayments	8	(234)	(2,473)
Research and development expenses		(7,951)	(10,201)
Selling and distribution expenses		(18,358)	(6,946)
Administrative expenses		(15,898)	(14,244)
Finance costs	7	(292)	(386)
Loss before taxation	8	(40,974)	(36,707)
Income tax expense	9	(122)	(1,868)
Loss for the period		(41,096)	(38,575)
Other comprehensive income, net of tax			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(1,332)	(551)
Total comprehensive income for the period		(42,428)	(39,126)
Loss for the period attributable to:			
Owners of the Company		(41,077)	(38,575)
Non-controlling interests		(19)	–
		(41,096)	(38,575)
Total comprehensive income for the period attributable to:			
Owners of the Company		(42,409)	(39,126)
Non-controlling interests		(19)	–
		(42,428)	(39,126)
Loss per share – Basic and diluted	11	(RMB0.079)	(RMB0.074)

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	12	18,800	23,712
Intangible assets	13	6,565	13,341
Prepayments	16	21	356
Deposits and other receivables	16	1,997	2,092
Finance lease receivable		92	227
Bank deposits		–	40,000
Total non-current assets		27,475	79,728
Current assets			
Inventories	14	15,462	22,095
Trade receivables	15	36,512	53,654
Deposits, prepayments and other receivables	16	7,991	14,565
Finance lease receivable		269	264
Bank deposits		40,000	20,000
Cash and cash equivalents		146,386	144,602
Total current assets		246,620	255,180
Current liabilities			
Trade payables	17	12,014	15,091
Accruals and other payables	18	5,746	8,170
Bank borrowings	19	–	12,000
Lease liabilities		2,761	2,776
Contract liabilities		350	667
Provisions		1,568	870
Tax payable		122	–
Total current liabilities		22,561	39,574
Net current assets		224,059	215,606
Total assets less current liabilities		251,534	295,334

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Note	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current liabilities			
Lease liabilities		6,776	8,148
Deferred tax liabilities		245	245
Total non-current liabilities		7,021	8,393
NET ASSETS		244,513	286,941
Capital and reserves			
Share capital	20	4,325	4,325
Reserves		239,463	281,872
Equity attributable to owners of the Company		243,788	286,197
Non-controlling interests		725	744
TOTAL EQUITY		244,513	286,941

On behalf of the board of directors

Cheng Hsien-Wei
Director

Yu Erhao
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Reserves								Total equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Statutory reserve RMB'000	Foreign exchange reserve RMB'000	Retained earnings RMB'000	Attributable to owners of the Company RMB'000	Non-Controlling interests RMB'000	
Balance at 1 January 2026	4,325	132,637	8,460	34,500	4,336	101,939	281,872	744	286,941
Loss for the period	-	-	-	-	-	(41,077)	(41,077)	(19)	(41,096)
<i>Other comprehensive income</i> Exchange differences arising from translation of foreign operations	-	-	-	-	(1,332)	-	(1,332)	-	(1,332)
Total comprehensive income	-	-	-	-	(1,332)	(41,077)	(42,409)	(19)	(42,428)
Balance at 30 June 2026 (Unaudited)	4,325	132,637	8,460	34,500	3,004	60,862	239,463	725	244,513

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Reserves							
	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Statutory reserve RMB'000	Foreign exchange reserve RMB'000	Retained earnings RMB'000	Total reserves RMB'000	Total equity RMB'000
Balance at 1 January 2025	4,325	132,637	8,460	34,500	5,235	185,630	366,462	370,787
Loss for the period	–	–	–	–	–	(38,575)	(38,575)	(38,575)
<i>Other comprehensive income</i>								
Exchange differences arising from translation of foreign operations	–	–	–	–	(551)	–	(551)	(551)
Total comprehensive income	–	–	–	–	(551)	(38,575)	(39,126)	(39,126)
Balance at 30 June 2025 (Unaudited)	4,325	132,637	8,460	34,500	4,684	147,055	327,336	331,661

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cash flows from operating activities		
Cash used in operations	(4,957)	(8,001)
Income tax paid	–	(1,127)
Withholding tax paid	–	(1,850)
Net cash used in operating activities	(4,957)	(10,978)
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	(579)	(722)
Proceeds from disposal of property, plant and equipment	654	–
Payment for the purchase of intangible assets	(11)	(3,621)
Repayment in finance lease receivables	130	126
Place of fixed deposit	–	(20,000)
Withdrawal of bank deposits	20,000	50,000
Interest received	1,467	1,920
Net cash generated from investing activities	21,661	27,703
Cash flows from financing activities		
Repayment of bank borrowings	(12,000)	–
Proceeds from new bank borrowings	–	2,000
Interest paid on bank borrowings	(110)	(180)
Repayment of principal portion of the lease liabilities	(1,371)	(1,269)
Interest paid on lease liabilities	(182)	(206)
Net cash (used in)/generated from financing activities	(13,663)	345
Net increase in cash and cash equivalents	3,041	17,070
Cash and cash equivalents at beginning of the period	144,602	172,352
Effect of foreign exchange rate changes	(1,257)	167
Cash and cash equivalents at end of the period	146,386	189,589
Analysis of balances of cash and cash equivalents		
Cash and bank balances	146,386	169,589
Non-pledged time deposits with original maturity of less than three months when acquired	–	20,000
	146,386	189,589

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. GENERAL INFORMATION

MEGAIN Holding (Cayman) Co., Ltd. (the “Company”) was incorporated in the Cayman Islands on 22 June 2016 as an exempted company with limited liability and its shares have been listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company’s registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of its subsidiaries is the People’s Republic of China (the “PRC”).

The principal activity of the Company is investment holding. The Company and its subsidiaries (together the “Group”) are engaged in the provision of research, design, development and sales of compatible cartridge chips.

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements of the Group for the six months ended 30 June 2026 (the “Relevant Period”) have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”), issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). These interim condensed consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (‘000) except when otherwise indicated.

The accounting policies and basis of preparation used in the preparation of these interim condensed consolidated financial statements are the same as those used in the Group’s annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the revised Hong Kong Financial Reporting Standards (“HKFRSs”) for the first time during the Relevant Period. Details of any changes in accounting policies are set out in Note 3 below.

In preparing these interim condensed consolidated financial statements in compliance with HKAS 34, the significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual consolidated financial statements for the year ended 31 December 2025.

These interim condensed consolidated financial statements do not include all information and disclosures required in the Group’s annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2025.

These interim condensed consolidated financial statements are unaudited, but has been reviewed by BDO Limited in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the HKICPA. BDO Limited’s independent review report to the Board of Directors is included on pages 26 to 27.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

3. CHANGES IN ACCOUNTING POLICIES

The Group has applied a number of amended HKFRSs, which are issued by the HKICPA to these interim condensed consolidated financial statements for the current accounting period.

The amended HKFRSs are discussed below, but they had no impact on the Group's interim condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7, Amendments to the Classification and Measurement of Financial Instruments

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's interim condensed consolidated financial statements.

Amendments to HKFRS 9 and HKFRS 7, Contracts Referencing Nature-dependent Electricity

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's interim condensed consolidated financial statement.

Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7, Annual Improvements to HKFRS Accounting Standards – Volume 11

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

4. REVENUE AND SEGMENT REPORTING

The executive director of the Company has been identified as the chief operating decision maker of the Group who reviews the Group's internal reporting in order to assess the performance of the Group on a regular basis and allocate resources.

The Group is principally engaged in the provision of research, design, development and sales of compatible cartridge chips and trading of integrated circuits and other cartridge components. The chief operating decision maker assesses performance of the business based on a measure of operating results and consider the business in a single operating segment. Information reported to the chief operating decision maker for the purposes of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated. Accordingly, the Group has identified one operating segment and no segment information is presented.

All of the Group's revenue is derived from contracts with customers.

(a) Disaggregation of the Group's revenue from contracts with customers

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Products		
Sales of chips	37,128	35,484
Trading of integrated circuits and other cartridge components	36,070	35,282
	73,198	70,766
Timing of revenue recognition		
Point in time	73,198	70,766

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

4. REVENUE AND SEGMENT REPORTING (Continued)

(b) Geographic information

The Company is an investment holding company and the principal place of the Group's operation is in the PRC. The following table provides an analysis of the Group's revenue from external customers and non-current assets other than financial assets and prepayments:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
External revenue by location of the customers		
PRC	36,655	30,225
Overseas	36,543	40,541
	73,198	70,766

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current assets by location of assets		
PRC	25,118	36,031
Overseas	247	1,022
	25,365	37,053

5. SEASONALITY OF OPERATIONS

The principal operations of the Group are provision of research, design, development and sales of compatible cartridge chips in the PRC.

Due to the seasonal nature of its products, higher sales revenue in the last quarter of the year are usually expected. The directors believe that such seasonality is mainly attributable to (i) the marketing effects of the Group's participation in the industry exhibition in Zhuhai that usually takes place in October of each year; and (ii) the higher demand for the Group's products during the last quarter of each year due to the need of its customers and its downstream customers to stock up in light of possible disruption of supply during the Chinese New Year.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

6. OTHER NET INCOME

An analysis of other net income is as follows:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Bank interest income	1,291	1,920
Exchange gains, net	21	–
Government grants (<i>Note</i>)	597	58
Gain on write off of intangible assets (<i>Note 13</i>)	–	833
Sundry income	442	216
	2,351	3,027

Note:

Government grants were mainly comprised of subsidies related to the Group's innovation projects and refund of value-added tax. There are no unfulfilled conditions or contingencies attaching to these grants.

7. FINANCE COSTS

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Interest on bank borrowings	110	180
Interest on lease liabilities	182	206
	292	386

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

8. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Carrying amount of inventories sold	50,671	54,138
Impairment losses of inventories	8,505	–
Cost of inventories recognised as expense	59,176	54,138
Amortisation of intangible assets	870	2,110
Auditor's remuneration	657	594
Depreciation of property, plant and equipment		
– Owned property, plant and equipment	2,240	1,039
– Right-of-use assets	1,431	1,425
Loss on disposals of property, plant and equipment	180	20
Provision for impairment losses of trade receivables, net	322	616
Provision for impairment losses of property, plant and equipment (<i>Note</i>)		
– Owned property, plant and equipment	959	1,586
– Right-of-use assets	–	3,282
Provision for impairment losses of intangible assets (<i>Note</i>)	5,853	9,938
Provision for impairment losses of prepayments (<i>Note</i>)	234	2,473
Short-term leases expenses	354	262
Research and developments expenses (other than staff costs)	4,320	5,846
Staff costs (including directors' emoluments)		
– Salaries, wages and other benefits	11,452	11,246
– Retirement scheme contributions	1,829	1,664
	13,281	12,910

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

8. LOSS BEFORE TAXATION (Continued)

Note:

For the six months ended 30 June 2026

The Group's gross profit margin of sales of chips business CGU ("Chips CGU") decreased significantly as a result of keen competition of the compatible cartridge chips industry. The Group considered it is an indication of impairment and accordingly, the Group has performed impairment assessment for the Chips CGU.

For the purpose of impairment assessment of non-financial assets, property, plant and equipment, intangible assets and prepayments that generate cash flows together are included in a CGU for the purpose of impairment assessment. Chips CGU is identified as the only CGU of the Group.

The recoverable amount of the Chips CGU has been determined by the directors on the basis of fair value less cost of disposal ("FVL COD") with reference to independent professional valuation report issued by Yinxin Assets Appraisal Co., Ltd.

The FVL COD was determined using income approach and market approach, where applicable, which largely used both observable and unobservable inputs, including royalty rate for trademark and patents, discount rate of time value, as well as price adjustment index for property, plant and equipment. The fair value of the Chips CGU subject to FVL COD calculation is within level 3 of the fair value hierarchy.

The key assumptions used for the FVL COD of Chips CGU are as follows:

Annual royalty for trademark and patents	RMB90,000 to RMB2,110,000
Discount rate of time value	12.07% to 15.99%
Price adjustment index for property, plant and equipment	50% to 72%

As at 30 June 2026, the recoverable amount for the Chips CGU is RMB26,320,000. The recoverable amount is below the carrying amount of the Chips CGU by RMB7,046,000. Accordingly, impairment losses on property, plant and equipment, intangible assets and prepayments amounted to RMB959,000, RMB5,853,000 and RMB234,000 respectively are recognised during the period.

For the six months ended 30 June 2025

The Group conducted an impairment assessment in response to the declining gross profit ratio, which was adversely affected by intensified competition in the compatible cartridge chip industry. As a result of the assessment, the recoverable amount, which determined based on value in use (the "VIU") of the major cash-generating unit that operates in Zhuhai, the PRC (the "CGU"), was estimated at RMB111,399,000. This amount is lower than the CGU's carrying value of RMB128,678,000, and accordingly, an impairment loss of RMB17,279,000 is recognised for the period.

The VIU calculation is based on cash flow projections from approved financial forecast covering a five-year period. Cash flows beyond the five-year period is extrapolated at a growth rate of 0% which does not exceed the long-term average growth rate for the industry.

The key assumptions applied to the underlying cash flow projections for the VIU are as follows:

- Growth rate ranged from 2% to 6%
- Gross profit ratio ranged from 26.13% to 44.84%
- Pre-tax discount rate of 10.92%

The growth rates used and gross profit ratios have been determined based on past performance, and management's expectations for market share, after taking into consideration published market forecast and research. Discount rate used reflects specific risks related to the CGU.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

9. INCOME TAX

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
PRC enterprise income tax		
– Current period	–	114
– Under/(over) provision in prior years	122	(106)
Deferred tax		
– Charged to profit or loss for the period	–	10
Withholding tax	–	1,850
Income tax expense	122	1,868

Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and BVI.

Subsidiaries operating in Hong Kong are subject to Hong Kong profits tax. Hong Kong profits tax is calculated at two-tiered tax rates on the estimated assessable profits arising in Hong Kong at 8.25% on assessable profits up to Hong Kong dollars (“HK\$”) 2 million and 16.5% on any part of assessable profits over HK\$2 million. For the six months ended 30 June 2026 and 2025, under the two-tiered tax rates regime, if an entity has one or more connected entities, the two-tiered tax rates would only apply to the one which is nominated to be chargeable at the two-tiered tax rates.

For those entities which do not qualify for the two-tiered profits tax rates, a profits tax rate of 16.5% on assessable profit shall remain in calculating Hong Kong Profits Tax.

Under the PRC Enterprise Income Tax Law, which became effective on 1 January 2008, the Group's PRC entities are subject to income tax at a rate of 25%, unless otherwise specified. One of the Group's subsidiaries, Zhuhai Megain Technology Co., Ltd. (“Zhuhai Megain”) is eligible for a preferential income tax rate of 15% as a high new technology enterprise during the period. For the six months ended 30 June 2026 and 2025, income tax provision is calculated at 15% of the assessable income of Zhuhai Megain.

10. DIVIDENDS

The directors do not recommend the payment of any dividend for the six months ended 30 June 2026 and 2025.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

11. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Loss		
Loss for the period attributable to owners of the Company	(41,077)	(38,575)

	Six months ended 30 June	
	2026 Number'000 (Unaudited)	2025 Number'000 (Unaudited)
Number of shares		
Weighted average number of ordinary shares	518,750	518,750

Note:

Weighted average of 518,750,000 shares for the six months ended 30 June 2026 and 2025 represents the number of shares in issue throughout the period.

Diluted loss per share were the same as the basic loss per share as the Group had no potential dilutive ordinary shares during the six months ended 30 June 2026 and 2025.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired items of office equipment with a total cost of RMB579,000 (six months ended 30 June 2025: RMB722,000). Items of plant and machinery with a net book value of RMB834,000 (six months ended 30 June 2025: RMB20,000) were disposed of during the six months ended 30 June 2026, resulting in loss on disposals of RMB180,000 (six months ended 30 June 2025: a loss on disposal of RMB20,000).

In addition, the Group has entered into a lease for office during the six months ended 30 June 2025. Right-of-use assets amounting to RMB11,769,000 have been recognised for the six months ended 30 June 2025. There was no new lease entered during the six months ended 30 June 2026.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

13. INTANGIBLE ASSETS

During the six months ended 30 June 2026, the Group had addition of patents for circuit technology, software installed in the electronic chips analysis machines, computer software and patent and trademarks of polytoner with a total cost of RMB11,000 (six months ended 30 June 2025: RMB10,234,000).

During the six months ended 30 June 2026, the Group has terminated certain patent rights with the licensor and agreed with the licensor to waive the related license fee payable, resulting a net book value of RMB167,000 and RMB1,000,000 of the patents and payables were written off respectively with a gain of RMB833,000 was recognised (Note 6). No such amount is recognised during the six months ended 30 June 2026.

14. INVENTORIES

During the six months ended 30 June 2026, a provision of RMB8,505,000 (six months ended 30 June 2025: Nil) was made against the carrying value of inventories.

15. TRADE RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	39,721	59,173
Less: Loss allowance for trade receivables	(3,209)	(5,519)
	36,512	53,654

Notes:

- (a) All of the trade receivables are expected to be recovered within one year.

During the Relevant Period, the Group offered credit periods ranging from 30 to 120 days to its customers. Before accepting any new customer, the Group assesses the potential customer's credit quality. Credit term granted to customers is reviewed regularly.

- (b) Included in trade receivables are trade debtors (net of impairment losses) with the following ageing analysis, based on invoice dates, as at the end of Relevant Period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 90 days	34,801	34,707
91 to 180 days	773	15,696
Over 180 days	938	3,251
	36,512	53,654

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

16. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Deposits and other receivables		
– Non-current	1,997	2,092
– Current	1,009	3,466
	3,006	5,558
Other taxes recoverable		
– Current	1,611	1,043
	4,617	6,601
Prepayments		
– Non-current	255	356
– Current	5,371	10,056
Less: Provision for impairment losses	(234)	–
	5,392	10,412
	10,009	17,013

Movements in provision for impairment losses during the period/year were as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
1 January	–	–
Impairment losses recognised	(234)	–
30 June/31 December	(234)	–

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

17. TRADE PAYABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade payables	12,014	15,091

Notes:

- (a) A credit period granted by suppliers is normally 30 days to 60 days. Due to short maturity periods, the carrying values of the Group's trade payables are considered to be a reasonable approximation of their fair values.
- (b) Included in trade payables are trade creditors with the following ageing analysis, based on invoice dates, as at the end of Relevant Period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 30 days	8,948	11,423
31 to 90 days	2,579	2,368
Over 90 days	487	1,300
	12,014	15,091

18. ACCRUALS AND OTHER PAYABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Accruals	3,017	4,624
Other payables	1,776	3,088
Refund liabilities	953	458
	5,746	8,170

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

19. BANK BORROWINGS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Current – unsecured		
Bank loans due for repayment within one year	–	12,000

Note:

The bank loans were denominated in RMB, unsecured and their interests were charged at 2.50% per annum. The loans have been fully settled during the six months ended 30 June 2026.

20. SHARE CAPITAL

	Number of shares '000	Amount RMB'000
Ordinary shares, issued and fully paid:		
At 1 January 2025, 31 December 2025 and 30 June 2026 (unaudited)	518,750	4,325

21. CAPITAL COMMITMENTS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Commitments for acquisition of intangible assets	697	1,036

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

22. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The following table shows the carrying amounts of financial assets and liabilities:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Financial assets		
<i>Financial assets at amortised cost</i>		
– Trade receivables	36,512	53,654
– Finance lease receivable	361	491
– Deposits and other receivables	3,006	5,558
– Bank deposits	40,000	60,000
– Cash and cash equivalents	146,386	144,602
Financial liabilities		
<i>Financial liabilities at amortised cost</i>		
– Trade payables	12,014	15,091
– Accruals and other payables	4,793	7,712
– Bank borrowings	–	12,000
<i>Lease liabilities</i>	9,537	10,924

Financial instruments not measured at fair value

The above financial instruments which are measured at amortised cost are not measured at fair value. Due to their short term nature, the carrying values of the above financial instruments approximate their fair values.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

23. EVENTS AFTER THE REPORTING PERIOD

On 16 July 2026, following completion of the share purchase agreement entered into between certain shareholders of the Company and Geehy International Limited (the “Offeror”) and the subscription agreements entered into between the Offeror and the Company, the Offeror acquired and subscribed an aggregate of approximately 50.56% of the enlarged issued share capital of the Company and became the immediate holding company of the Company. As a result, the Offeror was required under Rule 26.1 of the Hong Kong Code on Takeovers and Mergers to make an unconditional mandatory cash offer for all the issued shares of the Company not already owned or agreed to be acquired by the Offeror and parties acting in concert with it (the “Offer”).

The Offer closed on 12 August 2026. Valid acceptances in respect of an aggregate of 28,050 shares were received under the Offer, representing approximately 0.0045% of the issued share capital of the Company as at the close of the Offer. Subject to the completion of the transfer and registration of the accepted shares, the Offeror and parties acting in concert with it would hold an aggregate of 314,778,050 shares of the Company, representing approximately 50.57% of the issued share capital of the Company.

Further details of the transaction and the Offer are set out in the Company’s announcements dated 23 January 2026, 13 February 2026, 13 March 2026, 13 April 2026, 13 May 2026, 21 May 2026, 22 June 2026, 16 July 2026, 22 July 2026 and 12 August 2026, and the Company’s circular dated 12 June 2026 and composite document dated 22 July 2026.