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林清轩
Forest Cabin

SHANGHAI FOREST CABIN COSMETICS GROUP CO., LTD.
上海林清軒化妝品集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2657)

(1) INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026; (2) PROPOSED ADOPTION OF THE DIVIDEND PLAN FOR THE NEXT THREE YEARS (2026-2028); AND (3) PROPOSED ADOPTION OF THE 2026 H SHARE SCHEME

This announcement is made by Shanghai Forest Cabin Cosmetics Group Co., Ltd. (the "**Company**") in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

(1) INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026

The board (the "**Board**") of directors (the "**Directors**") of the Company hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended June 30, 2026 (the "**Reporting Period**"), together with the comparative figures for the corresponding period of 2025. These unaudited interim results are extracted from the consolidated financial statements of the Company and have been reviewed by the audit committee of the Board (the "**Audit Committee**").

In this announcement, "we" and "Forest Cabin" refer to the Company and (if the context otherwise indicates) the Group.

	For the six months ended June 30,		
	2026	**2025**	**Year-on-Year change**
	(RMB in thousands, except for percentages)		
	(Unaudited)	(Audited)	
Revenue	**1,499,716**	1,051,768	42.6%
Gross profit	**1,224,407**	866,206	41.4%
Profit before tax	**302,482**	212,705	42.2%
Profit for the period	**255,882**	181,849	40.7%
Adjusted profit for the period [Note]	**285,417**	200,848	42.1%

Note: We define adjusted profit for the period (non-IFRS measure) as profit for the period adjusted by adding back listing expenses, share-based payments and foreign exchange losses.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

We are a premium domestic skincare brand in China with a focus on the anti-wrinkle and firming skincare market, distinguished by our longstanding commitment to premium skincare solutions rooted in camellia-based ingredients under our flagship brand "Forest Cabin". Since embarking on our camellia-based skincare research journey in 2012, we have pioneered the "oil-based skincare" philosophy and the camellia facial essence oil, and remain committed to providing safe and effective skincare products. Our inaugural Camellia Essence Oil was launched in 2014, serving as the foundational product that established our signature oil-based skincare product line.

BUSINESS REVIEW

Our products

Camellia Anti-Wrinkle Repairing Essence Oil (山茶花抗皺修護精華油)

Our Camellia Anti-Wrinkle Repairing Essence Oil, the fifth-generation of our signature product initially launched in 2014, is designed to address signs of aging by promoting skin rejuvenation and repair. With over 70 million bottles sold cumulatively since its launch as of June 30, 2026, the product ranked first in China by total retail sales across all sales channels among all facial essence oil products for 12 consecutive years since 2014. We have leveraged over 22 years of expertise in combining natural ingredients and innovative technology, along with a decade of focused research into alpine camellia flowers, to create this signature product. The Camellia Anti-Wrinkle Repairing Essence Oil is formulated with fermented camellia seed oil using Molecular Recombination Bio-Fermentation Technology. This advanced formulation promotes deep cellular-level rejuvenation, delivering targeted anti-wrinkle, firming and skin repair benefits.

In May 2026, Forest Cabin Camellia Anti-Wrinkle Repairing Essence Oil was successfully selected into the "Cultural, Business and Tourism Directory (Selected) Recommendation List of WorldSkills (《世賽文商旅名錄(部分)推薦》)". As a representative of the "Shanghai Gifts", it showcases the craftsmanship and oriental aesthetics of domestic premium skincare brands to global visitors. During the "618 Shopping Festival" in 2026, Forest Cabin ranked TOP1 in both the facial essence oil list on Douyin platform and the transaction volume list of the facial essence oil category on JD.com platform.

Forest Cabin Camellia Anti-Wrinkle Peptide Dewy Essence Toner (林清軒山茶花抗皺肽微珠精華水)

In July 2025, Forest Cabin Camellia Anti-Wrinkle Peptide Dewy Essence Toner, an essence-grade toner, was launched. As the pioneer of camellia oil microbeads, each bottle contains approximately 4,300 camellia oil microbeads, utilizing our proprietary microfluidic suspension techniques to deliver both water-and oil-based nourishment. The formula incorporates six types of low-molecular peptides designed to support skin firmness and reduce the appearance of fine lines, together with edelweiss extract sourced from high-altitude regions. These active ingredients can improve skin elasticity, brightness and overall skin texture. The product also applies our dual-adhesion formulation approach, which targets type VII and type XVII collagen to help reinforce the skin's basement membrane and provide structural support.

In 2026, the Forest Cabin Camellia Anti-Wrinkle Peptide Dewy Essence Toner (i.e. the "Little Gold Pearl" essence toner series) was awarded the "ICIC Technological Innovation Anti-Wrinkle Product Award (ICIC科技創新抗皺產品獎)", and our microfluidic suspension techniques were awarded the "ICIC Technological Innovation Potency Preservation Technology Award (ICIC科技創新鎖鮮技術獎)". In addition, Forest Cabin's "Little Gold Pearl" Essence Toner was selected into the list of 2026 "Fashion Shanghai" issued by Shanghai Municipal Commission of Economy and Informatization. During the "618 Shopping Festival" in 2026, Forest Cabin ranked TOP 1 in the toner category on Douyin platform.

Camellia Black Gold Rejuvenate Peptide Anti-Wrinkle Brightening Essential Cream (山茶花黑金時光肽抗皺煥亮精華霜)

In January 2025, the Company launched the "Forest Cabin Black Gold Cream 2.0 (林清軒黑金霜2.0)". The upgraded Camellia Black Gold Rejuvenate Peptide Anti-Wrinkle Brightening Essential Cream targets wrinkle reduction at the cellular level, and is designed to address skin issues such as collagen loss, dullness and sagging. The product includes a complex aimed at increasing the levels of NAD+ within cells and enhancing adenosine triphosphate production. The cream features different types of micro-peptides and other key ingredients to support the synthesis of proteins that maintain skin firmness and elasticity. It also includes technology to protect against thermal aging and environmental stressors, helping to prevent collagen degradation. The cream is available in two textures to suit different skin types.

In 2026, the Camellia Black Gold Rejuvenate Peptide Anti-Wrinkle Brightening Essential Cream was awarded the "ICIC Technological Innovation Anti-aging Product Award (ICIC科技創新抗衰產品獎)".

Forest Cabin Brilliant Whitening Spot-Fading Plus Anti-Wrinkle Essence Oil (林清軒耀白淡斑抗皺精華油)

In May 2026, the Company launched the Forest Cabin Brilliant Whitening Spot-Fading Plus Anti-Wrinkle Essence Oil (also known as "Forest Cabin Whitening Essence Oil"), featuring Camellia Melanin-Inhibitor 677 (山茶噬黑677), a core proprietary ingredient of Forest Cabin, combined with multiple effective substances such as camellia extracts, glabridin, hexylresorcinol. While significantly promoting the glutathione peroxidase activity, reducing the tyrosinase activity, and inhibiting the expression of melanin synthesis transcription factor MITF, it blocks melanin transport and activates cellular autophagy to construct a five-dimensional full-chain brightening and spot-fading system through "Intercepting, Suppressing, Reducing, Blocking and Devouring Melanin". In terms of technology, Forest Cabin applies nano-encapsulation to prepare Camellia Melanin-Inhibitor 677 into particles with an average size of 27.2 nanometers, with 527 Dalton-based small molecule transdermal delivery technology to achieve significantly higher skin penetration for 6 hours compared to serums of the same concentration, reaching the basal layer directly.

During the "618 Shopping Festival" in 2026, Forest Cabin Whitening Essence Oil ranked TOP 1 in Tmall's new product list of whitening and brightening facial essence oils, TOP 1 in JD.com's new product list of facial essences, and TOP 2 in Douyin's positive review list of facial essential oils. The product has become one of the representative products of Forest Cabin after expanding from the "oil-based skincare" segment to the "oil-based whitening" segment, further solidifying the brand's leading position in the essence oil category.

While promoting the launch of the product, the Company released the 2026 China Oil-Based Whitening Market Insights Blue Book (《2026中國以油養白市場洞察藍皮書》), the first authoritative report in China to systematically expound the application of the "oil-based whitening" concept to the whitening sector. It validates for the first time the scientific rationale and commercial potential of "oil-based whitening" from three dimensions, namely dermatological science, market data and consumer insights, thereby establishing industry standards and thought leadership for this emerging category from a theoretical perspective.

Forest Cabin Brilliant Whitening Spot-Fading Plus Anti-Wrinkle Oil Mask (林清軒耀白淡斑抗皺雙倉油養面膜)

In June 2026, Forest Cabin launched the Brilliant Whitening Spot-Fading Plus Anti-Wrinkle Oil Mask (also known as the "Whitening Oil Mask"), further expanding the application scenarios of "oil-based whitening" products. This is another signature product in the whitening series of Forest Cabin after the Brilliant Whitening Spot-Fading Plus Anti-Wrinkle Essence Oil.

The product features a dual-chamber design that separates camellia whitening essence oil from botanical extract serum, enabling instant mixture and activation upon use to maximize the freshness and efficacy of active ingredients. It features the "Camellia Melanin-Inhibitor 677", a core proprietary patent of Forest Cabin, delivering full-cycle brightening and spot fading through a five-dimensional full chain of intercepting, suppressing, reducing, blocking and devouring melanin. The product, containing more than 98% natural ingredients and free from colorants, alcohol and mineral oil, is suitable for daily use for all skin types. The Whitening Oil Mask utilizes the "oil application" technique to achieve continuous penetration and long-lasting retention and nourishment of essence ingredients, offering consumers an advanced solution for brightening skincare through oil-based whitening and mask-based nourishment.

This product forms a complementary combination of "daily essence care + periodic intensive care" with the Brilliant Whitening Spot-Fading Plus Anti-Wrinkle Essence Oil launched concurrently, marking Forest Cabin's ongoing expansion of its "oil-based whitening" skincare system to drive the brand to further expand into the whitening efficacy segment.

Research and development

Forest Cabin attaches great importance to R&D and innovation, regarding it as the cornerstone of the brand's core competitiveness. Our R&D services, primarily driven by independent R&D and complemented by strategic collaborations, focus on in-depth exploration and application of camellia-based ingredients and related skincare technologies, and continuously iterate product development to cater to consumer needs. As of June 30, 2026, we have 151 experienced R&D personnel, with team members covering multiple disciplines including botany, biology, dermatology, and applied chemistry. Over 58% of them hold master's degrees or higher, ensuring the professionalism and farsightedness of our R&D activities. In terms of R&D investment, the research and development costs were RMB34.0 million during the Reporting Period, representing a year-on-year increase of 88.8% and demonstrating the long-term commitment of the Company to technological innovation.

Ingredients

In the first half of 2026, we completed the filing for two new cosmetic ingredients, namely CAMELLIA CHEKIANGOLEOSA (浙江紅山茶) flower extract, CAMELLIA CHEKIANGOLEOSA leaf extract. These proprietary new ingredients will be used in core products in the future to keep building of ingredient advantages of the Company surrounding the market mindshare of "CAMELLIA CHEKIANGOLEOSA".

Patent achievements

In the first half of 2026, we applied for 28 patents, including 23 invention patents; and were granted 18 patents, including three invention patents. As at June 30, 2026, we have been granted 103 patents, including 49 invention patents related to core ingredients, technologies, or camellia formulations, covering patented components such as Qingxuan Extract and Camellia Melanin-Inhibitor 677, providing strong support for product differentiation.

Scientific Influence

In the first half of 2026, we published eight scientific papers, primarily focusing on core ingredients related to CAMELLIA CHEKIANGOLEOSA flowers, leaves and seeds, with in-depth exploration of their component composition, mechanisms of action and efficacy. In addition, eleven of our conference papers have been accepted by the IFSCC 2026 International Science Conference on Cosmetic and will be presented as conference posters at the Conference. Key achievements include:

- Eleven conference papers have been accepted by the IFSCC 2026 International Science Conference on Cosmetic, expanding from the skin cellular level to the organelle mitochondrial level to explore the efficacy regulation mechanisms of red camellia-related core ingredients.

- Eight studies were published in core and general Chinese journals such as Fine Chemicals (《精細化工》), China Surfactant Detergent & Cosmetics (《日用化學工業(中英文)》), Chinese Wild Plant Resources (《中國野生植物資源》) and Detergent & Cosmetics (《日用化學品科學》), continuing to explore the multi-dimensional development and efficacy verification of camellia flowers/leaves/seeds, and deepening the research on target mechanism.

In the first half of 2026, we co-hosted the frontier forum on skin anti-aging with the ICIC International Innovation Conference on Cosmetic, engaging in scientific discussions on technology, ingredients and solutions with industry experts around the core technical directions of efficacy anti-aging fields such as "oil-based skincare" and "active potency preservation".

In terms of standard development, in the first half of 2026, the Company, in conjunction with relevant national and industry departments, associations and leading enterprises, participated in the formulation and release of 13 national standards, industry standards and group standards, covering ingredient standards, product standards, efficacy evaluation methods, testing methods and technical specifications. These mainly include two national standards, namely the Test for Water Content of Surfactants (《表面活性劑含水量的測試》) and the Determination of Interfacial Tension of Surfactants by Drop Volume Method (《表面活性劑界面張力的測定滴體積法》); two industry standards, namely the Toner (《化妝水》) and the Quality Traceability System Specification for Daily Chemical Products (《日用化學用品質量追溯體系規範》); and nine group standards such as the Technical Specifications for Essential Oils in Oil-Based Whitening and Spot-Removing Products (《以油養白功效型美白祛斑精華油技術規範》), the Technical Specifications for Essential Oils in Oil-Based Skincare Products (《以油養膚功效型精華油技術規範》) and the Pterostilbene used for Cosmetic Use (《化妝品用原料紫檀芪》). In addition, the group standards included four standards related to "oil-based skincare" and "oil-based whitening", continuously consolidating the scientific concept of "oil-based skincare" while further extending toward the standardized development of the "oil-based whitening" segment.

Sales network

We have established an integrated sales network that strategically combines diversified online channels with a strong offline presence through deep integration of online and offline channels. The online-merge-offline strategy not only enhances the in-depth interaction between the brand and consumers, but also drives sustainable growth across all channels.

Offline channels

Our offline channels are essential for building long-term consumer trust and loyalty. By strategically positioning in major cities across the country, we have built a broad and deep offline network, providing a solid foundation for in-depth interaction between the brand and users. Our offline channels consist of offline stores, including directly-operated stores and store partners, as well as sales to offline retailers, enterprise customers and distributors. We prioritize the strategic expansion of our offline stores as a cornerstone of our brand development. Most of our stores are located in premium, commercially vibrant shopping malls, which enhance brand recognition and reinforce our premium market positioning. In addition, we enhance customer experience while demonstrating our product efficacy firsthand by offering in-store experiential skincare services. Through authentic experiences and personalized services, we are able to continuously strengthen customer relationships in interaction, thereby converting product value into customer trust in our brand. As of June 30, 2026, we had 638 stores nationwide, of which a total of 410 stores were directly operated.

Our store network is dispersed across all city tiers in China. While maintaining our presence in top-tier cities to enhance our brand identity and stay abreast of market trends, we have continued to penetrate lower-tier cities with promising potential for consumption growth. While income levels in lower-tier cities remain lower in absolute terms compared to those in first-tier and new first-tier cities, income growth in these markets has outpaced that of higher-tier cities in recent years. This robust income growth is supporting increasing affordability and spending power among households in lower-tier cities, driving demand for premium skincare products. Consumers in these markets are increasingly willing to pay for high-quality products with trusted efficacy and strong brand reputation. This balanced layout strategy ensures we reach a broad spectrum of consumers and establish brand visibility across all city tiers. The following table sets forth a breakdown of our store coverage by city tier in China as of the dates indicated:

	As of June 30,	
	2026	2025
First-tier cities	**73**	61
New first-tier cities	**202**	171
Second-tier cities	**102**	86
Third-tier cities	**164**	146
Other lower-tier cities	**97**	90
Total	**638**	554

Our revenue from all city tiers in China demonstrated steady growth during the Reporting Period. The following table sets forth a breakdown of our revenue from offline stores by city tier in China for the periods indicated:

	For the six months ended June 30,			
	2026		2025	
	Amount	**Percentage of total revenue of offline stores**	Amount	Percentage of total revenue of offline stores
	(RMB in thousands, except for percentage)			
First-tier cities	**44,701**	**13.1**	38,292	13.4
New first-tier cities	**121,519**	**35.6**	101,543	35.6
Second-tier cities	**43,091**	**12.6**	37,628	13.2
Third-tier cities	**88,633**	**26.0**	70,607	24.8
Other lower-tier cities	**42,994**	**12.7**	37,057	13.0
Total revenue from offline stores	**340,938**	**100.0**	285,127	100.0

Online channels

Leveraging our strong brand image, product advantages and consumer trust cultivated through our offline channels, and in order to adapt to the evolution of consumers' digital consumption habits, we are rapidly expanding our online channels centered on online direct sales and retailers, aiming to provide customers with more convenient and diversified consumption channels.

Our online direct sales channel comprises sales to end customers through self-operated stores across major e-commerce and social commerce platforms.

The following table sets forth a breakdown of our revenue from online direct sales by channel for the periods indicated:

	For the six months ended June 30,			
	2026		2025	
	Amount	**Percentage of total revenue of online direct sales**	Amount	Percentage of total revenue of online direct sales
	(RMB in thousands, except for percentage)			
Tmall	**119,431**	**12.9**	112,338	18.2
Douyin	**595,078**	**64.3**	345,001	55.9
WeChat	**90,571**	**9.8**	84,056	13.6
JD.com	**13,014**	**1.4**	8,286	1.3
Others[(1)]	**107,600**	**11.6**	67,094	11.0
Total revenue from online direct sales	**925,694**	**100.0**	616,775	100.0

Note:

(1) Others primarily include social media and e-commerce platform, such as Pinduoduo, Aikucun, Kuaishou and Jinglinggou.

Marketing and branding

During the Reporting Period, we continued to further implement our strategy of omnichannel marketing that integrated online and offline channels. Online channels achieved steady growth through mainstream e-commerce platforms such as Tmall, Douyin and JD.com, while offline channels continued to solidify our brand foundation through store expansion and experience upgrade. Guided by the content-driven marketing strategy, we built brand identity centered on the concept of oriental plant-based skincare, consistently enhancing brand recognition and consumer loyalty through diversified initiatives such as cross-sector collaborations, cultural activities, new product releases and member experiences. Some of our brand and product marketing activities organized during the Reporting Period were as follows:

"Forest Cabin × Suzhou Museum" Co-branded Collaboration

In 2026, Forest Cabin entered into an in-depth strategic partnership with Suzhou Museum to launch the "Golden Horse, Red Rhyme (金馬紅韻)" New Year limited-edition gift box, which is inspired by the "Carved-red lacquer round box with seahorse decoration (剔紅海馬紋圓盒)", a collection of Suzhou Museum, and harmoniously blends the layered luster of carved-red lacquer with the gentle glow of camellia red. With a golden horse galloping across waves that bloom into flowers, this ingenious design of "flowers within flowers (花裏有花)" echoes the Horse Year blessing of "walking a path of flowers (馬上走花路)". The co-branded gift boxes and related products have been released simultaneously in both offline stores and online channels, and were displayed in cultural exhibition settings such as the "Trendy Suzhou Creations (潮品蘇創)" Museum Cultural and Creative Products Alliance at Suzhou Museum.

In the same year, the parties teamed up again, taking the 20th anniversary of Suzhou Museum as an opportunity to launch the "Light Ascension and Graceful Rhythm (光啟雅韻)" co-branded gift box. The architectural philosophy of "letting light be the design" of Suzhou Museum perfectly aligns with Forest Cabin's brand mission of "decode the secret of glowing skin". This co-branded gift box is inspired by Suzhou Museum's iconic architectural language, using lattice windows as the "eyes" and geometric light-and-shadow interplay as the "rhythm", while blending the brand's signature camellia silhouettes and elements to orchestrate an aesthetic resonance of "oriental elegance".

These two co-branded partnerships represented a significant initiative of Forest Cabin in cultural brand building, further deepening its cultural expression and making oriental aesthetics a valuable bond for deep resonance between the brand and the new generation of consumers. By leveraging Suzhou Museum's cultural influence among young consumers, the brand was enabled to effectively reach the new generation of consumers who have a strong identification with the China-chic culture, thereby injecting new vitality into the continuous accumulation of the brand's cultural assets.

Yuyuan Lantern Festival

In February 2026 when Lunar New Year holiday took place, we participated in the Yuyuan Lantern Festival in Shanghai. Mr. SUN Laichun, our founder, and Mr. SUN Fuchun, the co-founder, attended the lighting ceremony of the lantern festival together. Via traditional culture, we deeply integrated the oriental plant-based brand philosophy of Forest Cabin with the traditional Chinese lantern festival culture. Through the collaboration with Yuyuan Garden, an iconic landmark of oriental culture, we further reinforced our brand's oriental aesthetic roots and premium positioning, attracting significant attentions from tourists and the media, and effectively enhancing brand visibility and cultural recognition.

Camellia Art Festival of Forest Cabin: One Flower, One Universe (一花一宇宙)

In March 2026, with the theme of "One Flower, One Universe", Forest Cabin held the Camellia Art Festival of Forest Cabin and launch event for the new sunscreen product "Light Whitening Umbrella (光白傘)" at the Shanghai Carbon Neutrality Research and Manufacturing Base (上海碳中和科研智造基地).

Centered on the core concept of "The Epic Life of a Flower", the exhibition transformed the journey of camellia from seeds, growth to blooming into a spatial narrative. It brought together the on-site creations of 10 domestic and international cross-disciplinary artists, covering various forms such as painting, photography, audio technology and multimedia installations. The exhibition was divided into different spaces based on the structure of camellia, namely roots, branches, leaves, petals and stamens, delivering an immersive viewing experience. Meanwhile, films about the brand's origins were shown to introduce its layout of camellia planting bases and raw material research in regions like Pan'an, Zhejiang. During the event, Mr. SUN Laichun, the founder of Forest Cabin, guided guests in the exhibition for immersive experience, engaging in in-depth dialogues with the artists and collectively interpreting the creative concepts behind each art piece. This "Artist-Residence" project extended the story of Forest Cabin's raw materials from the research context to cultural expression level.

Camellia Spring Provenance Tour

In March 2026, we organized the Camellia Spring Provenance Tour, inviting core members, media and KOLs to visit red camellia planting bases in regions such as Pan'an, Zhejiang, transforming the "field-to-bottle" story of ingredients of our brand into a tangible brand experience through on-site visits.

During the tour, participants visited alpine red camellia plantations to witness in person the full chain of Forest Cabin's raw material quality control from the source and personally experienced the planting process of camellia trees, thereby gaining a deep understanding of the ingredient foundations behind the "oil-based skincare" philosophy of our brand. This traceability tour not only deepened consumers' understanding of the brand's ingredient quality and commitment to sustainability, but also offered an opportunity to experience the meticulous craftsmanship of the product on site effectively enhancing the brand's reputation and consumer trust. Through on-site visits and authentic sharing by KOLs and core members, contents about the provenance tour generated secondary dissemination across social platforms, effectively amplifying the brand's professional recognition and credibility regarding its core "camellia" ingredient in consumer perception. Furthermore, the narrative of shared prosperity in the industry woven into the event also infused the brand with a more heartfelt value proposition, enabling the cultural connotation and social sentiment of Forest Cabin to be perceived by more consumers.

Cross-Sector Collaboration with Shanghai Chenshan National Botanical Garden (上海辰山國家植物園)

In March 2026, Forest Cabin entered into a strategic partnership with Shanghai Chenshan National Botanical Garden (Shanghai Chenshan Plant Science Research Center of the Chinese Academy of Sciences (中科院上海辰山植物科學研究中心)), jointly unveiling the "Forest Cabin × Chenshan Botanical Garden Aromatic Camellia Valley". As a leading botanical and horticultural research institution in China, Shanghai Chenshan National Botanical Garden possesses rich germplasm resources of camellia and a profound scientific accumulation. This collaboration is centered on four key areas: joint breeding and domestication of new camellia varieties, tackling tissue culture technologies for the enrichment of active compounds in camellia, the creation of the "Aromatic Camellia Valley" themed IP, and the exploration of the sustainable use of plant resources. It will, beyond scientific research and cultivation function, launch diverse cultural and tourism projects such as seasonal flower viewing, themed study tours, and hands-on workshops, allowing tourists to experience the full chain from "flower appreciation" to "flower understanding" and explore the scientific stories behind the products, allowing consumers to upgrade their perception of value from "recognizing the camellia" to "understanding Forest Cabin's scientific research story" through their own experience, further solidifying Forest Cabin's brand identity of "camellia-based skincare".

Brand endorsements that showcase the beauty of oriental skincare

In 2026, Forest Cabin successively announced two ambassadors, employing a targeted endorsement matrix to cover core product lines, and continuously enhancing brand momentum and consumer recognition. The two ambassadors represent our two core categories, namely the essence oils and face creams, thereby reaching distinct consumer groups. Brand content featuring ambassadors went viral and spark discussion on social media, effectively enhancing the recognition and favorability of our brand among young consumers.

In February 2026, Forest Cabin officially announced YU Shi (于適), an actor, as the global brand ambassador for its essence oil series, initiating a deep dialogue with new generation consumers through the new core narrative of "oil-based skincare, you are the light (以油養膚，你就"適"光)". In June 2026, YU Shi made a high-profile appearance at JD MALL in Wuhan as the "Whitening Oil Store Manager", attracting widespread attention. At the same time, Forest Cabin announced YU Wenwen (于文文), a singer and an actress, as the ambassador for its face cream, promoting the "Cellular Energy Black Gold Cream" with the core message of "Inner energy restores youth (能量內生，"文"定年輕)" and initiating a new dialogue that bridges skin energy with female empowerment.

Membership system

We have established a unified membership system covering both online and offline channels, enhancing customer lifetime value through refined operations. Customized benefits and services are provided based on membership levels to enhance the sense of belonging of members. We have established direct connections with our members by delivering exclusive content and personalized offers through WeCom to enhance user stickiness. Meanwhile, members are continuously invited to participate in activities such as "Camellia Planting Base Provenance Tours", the "Camellia Art Festival", "Member Salons", and "New Product Experience and Launch Events", which allow members to experience the sustainable practices and artisanal craftsmanship of our products up close during visits, thereby deepening their appreciation of our brand values.

As of June 30, 2026, the Company had over 7.3 million active members, with a repurchase rate of 32.5% in the first half of 2026. We continuously enhanced customer loyalty and brand stickiness through a tiered benefits system and in-depth membership management, laying a solid foundation for long-term sustainable growth.

OUTLOOK AND PLANNING

We believe that our continued success ahead lies in the following strategic planning.

To capitalize on opportunities arising from the rise of domestic brands, the Company adheres to pursuing long-term, high-quality development. With premiumization, multi-brand development, and globalization as its core brand development direction, it takes "1+4+N" product category portfolio as its core pillars and "strengthening offline channels, expanding online channels" as its channel strategy to build a comprehensive, multi-tiered, and sustainable strategic development system underpinned by seven core competencies and corporate culture, continually consolidating Forest Cabin's leading position in the premium skincare sector.

Brand strategy

Premiumization: solidify the brand's position as a benchmark for premium domestic products and enhance brand value

We continue to deepen the premium positioning to break the stereotype of domestic products as "affordable alternatives", create a domestic benchmark which is comparable to international premium brands, and drive the upgrade of brand value towards technological and cultural value.

- **Premium product upgrade:** Leveraging the advantages of the Shanghai factory in integrated "scientific research and production", we strictly control product quality and reinforce core efficacy endorsements such as "cellular-level anti-wrinkle", so as to further consolidate the leading position of the Company's products in the premium cosmetic market.

- **Premium channel consolidation:** We optimize omni-channel strategies and focus on mid-to-high-end consumer scenarios. For offline channels, we continuously enhance single store performance, while delivering an exceptional skincare experience. For online channels, we deepen cooperation with core platforms such as Tmall and Douyin, while conveying a premium brand image. These efforts drive channel synergy between online and offline models and achieve precise reach and retention of targeted consumers.

- **Shaping premium brand value:** We have increased R&D investments and enhanced in-depth cooperation with renowned research institutions to establish joint laboratories, breaking through core technological bottlenecks and underpinning premium positioning with technical strength. At the same time, we have entered into cooperation with industry partners such as Shanghai Chenshan National Botanical Garden (上海辰山國家植物園) to cultivate new varieties of camellia, enhancing active ingredients at source, thereby improving product efficacy. With upgrades in both technology and ingredients, we create products that meet premium skincare requirements.

Multi brands: breaking through the growth boundaries of single brand to cover market segments and enhance risk resilience

We have formed a multi-brand portfolio featuring "flagship brand for the premium market, sub-brands for market segments" to create a variety of sub-brands with clear positioning and target customer groups. Such initiative aims to empowering the Company's gradual transit from "product-driven" to "multi-brand success", adding new paths and injecting driving forces to our long-term performance growth.

- Strengthening the core leadership role of the flagship brand: Forest Cabin continues to focus its flagship brand on the premium oriental plant-based skincare segment. Taking Camellia Essence Oil as its signature product, it deepens its core positioning such as "oil-based skincare" and "cellular-level anti-wrinkle", increases investment in R&D and brand culture dissemination, creating a domestic benchmark comparable to international premium brands, thereby providing brand endorsement, resource support, and management experience for sub-brands. The flagship brand will focus on performing the functions of "establishing a premium image, accumulating core resources, and driving technological innovation". It will continue to increase brand value and market influence, promoting the synergistic development of the entire brand portfolio.

- Incubating sub-brands for market segments: Based on market demand and its resource strengths, the Company internally incubates sub-brands to create differentiated products covering more segment needs. Meanwhile, the Company explores mergers and acquisitions opportunities in the market for acquiring brands with strong cultural compatibility, with an aim to accelerating expansion in segments by leveraging the acquired brands' channels and reputation, thereby achieving a dual-engine multi-brand development model of "internal incubation + external mergers and acquisitions".

Globalization: steadily advancing brand globalization for culture and market presences

With the core principle of "brand globalization rather than capacity globalization", the Group is expanding its market presence in an orderly manner by adopting a strategy of "small steps for expanding presence with precision (小步慢跑、精準佈局)" and continues to promote the Eastern culture of China's alpine red camellia worldwide. At the strategic level, the Group prepares to open a Black Gold image store in Hong Kong, establishing a global brand image by leveraging Hong Kong's position as an international hub. This marks the brand's official entrance into a critical phase of internationalization. Meanwhile, the Group has initiated a forward-looking deployment in the Southeast Asian market, steadily advancing its comprehensive global brand strategy to promote both cultural values and overseas market expansion.

In the future, Forest Cabin will gradually implement the above brand strategy by consolidating market position through premium positioning, exploring market segments with multi brands, and expanding room for growth through globalization. This approach balances short-term operational efficiency with long-term brand value enhancement, contributing to the Company's progress toward high-quality sustainable development.

Product strategy

The Company adopts a product development approach, which features a signature product, full-category synergy and comprehensive coverage of all scenarios, that aims at building "1+4+N" category matrix. Adhering to the principles of breaking through boundaries of our signature product, making stable contributions from main categories, and complemented and extended by innovative categories, we strive to build a category matrix system with clear structure, rational tiers, and sustainable growth.

Strengthening "1" signature product

Focusing on our Camellia Essence Oil as the brand's principal strategic product, we continue to iterate and upgrade its formula and process to reinforce core concept such as "cellular-level anti-wrinkle" and "oil-based skincare", expand its leading advantages in the facial essence oil segment. Leveraging this signature product to deeply educate users and capture market mindshare, we will drive overall brand recognition and repurchase growth, thereby forming a positive cycle of strong product, strong brand, and strong channel.

Developing "4" core category products

Centering on our signature product, we are committed to developing four pillar categories, including facial creams, essence toners, sunscreens, and facial masks, forming a systematic skincare solution designed to be used with the essence oil.

Expanding "N" innovative and extended products

We will expand N supplementary products around demographic segments and scenarios to enrich consumer scenarios, fill market gaps, and enhance brand resilience and growth flexibility.

Channel strategy

The Company adheres to an omni-channel development strategy of "strengthening offline channels, expanding online channels". Taking premium scenarios as the carrier, digital operations as the driver, and user experience as the core, we are building a channel system which can drive in-depth online and offline integration, efficient synergy, and sustainable growth.

Strengthening offline channels: consolidating channel foundation and enhancing store quality and user experience

Guiding by premiumization, experience, and refinement, we will reinforce our major offline markets and strengthen brand image and user stickiness.

- We will optimize the structure of store layout to maintain the leading position of domestic premium skincare brands both in terms of scale and quality of our offline stores. By upgrading store aesthetics, service standards, and experiential scenarios, we will create an ultimate experiential space and strengthen perception of premium brand.

- We will enhance the refined operation of our stores and optimize the online traffic generation and offline conversion model to promote new customer acquisition and improve conversion rate, thereby achieving "quality growth and store efficiency enhancement".

Expanding online channels: building an omni-channel growth engine for synergistic scale and branding

Taking content-driven, brand-oriented, and refined operations as the core, we will expand our online business scale and improve the quality of growth.

- We will enhance the operations on mainstream e-commerce platforms such as Douyin, Tmall, and JD.com, by strengthening brand live streaming, influencer co-creation, and targeted advertising to boost online brand awareness and sales conversion, building a stable, healthy, and sustainable online growth curve.

- We will optimize the diversified structure of the platforms, actively deploying high-end vertical channels of cosmetics products, private domain operations, and official brand mini-programs to form a closed-loop system of "public domain traffic generation + private domain retention + omni-channel conversion", enhancing user lifetime value.

- We will strengthen the output of quality content and science-based education on product efficacy, and remain committed to capturing the market with product value, so as to achieve simultaneous growth in both online scale and brand value.

Organizational support

To ensure the efficient implementation of its strategy, the Company takes seven core competencies as its backbone and corporate culture as its soul to construct a modern governance system and organizational support system with clear responsibilities and strong execution, providing solid support for high-quality development in the long run.

Forging seven core competencies to build an efficient operation management system

The Company will continue to enhance its seven core competencies – strategic capability, product capability, marketing capability, store operation capability, cost capability, organizational capability, and internal control capability – to form an integrated operational capability characterized by "strategic leadership, product-driven growth, marketing breakthroughs, retail efficiency improvement, cost refinement, organizational support, and closed-loop internal control".

Upholding the core of corporate culture to foster spiritual strength for long-term development

Corporate culture is the root and soul of the Company's development. Forest Cabin always takes vision, mission, and values as its guide when unifying thinking, building consensus, and driving action, the results of which have formed the shared value principle and code of conduct for all employees.

Mission: To decode the secret of glowing skin using modern technology and natural botanical extracts.

Vision: To make the skin of humanity and the Earth more beautiful.

Values: To be customer-centric; be guided by business results; emphasize teamwork; learn from benchmarks, thereby embracing self-reflection and replicating success.

In the future, the Company will continue to leverage its strong organizational capabilities and exceptional corporate culture as the foundation to ensure the steady implementation and efficient execution of its strategies, driving Forest Cabin's leapfrog from a benchmark in China's premium skincare sector to a leading brand in the world.

FINANCIAL REVIEW

Revenue

Revenue by product category

The following table sets forth the breakdown of our revenue by product category for the periods indicated:

	For the six months ended June 30,			
	2026		2025	
	Amount	**%**	Amount	%
	(RMB in thousands, except for percentage)			
	(Unaudited)		(Audited)	
Essence oil	**514,977**	**34.3**	478,592	45.5
Lotion and toner	**354,775**	**23.7**	97,408	9.3
Face cream	**203,393**	**13.6**	153,933	14.6
Serum	**161,868**	**10.8**	95,788	9.1
Facial mask	**132,280**	**8.8**	94,997	9.0
Sunscreen	**44,487**	**3.0**	42,075	4.0
Other cosmetic products(1)	**87,211**	**5.8**	88,593	8.5
Others(2)	**725**	**0.0**	382	0.0
Total	**1,499,716**	**100.0**	1,051,768	100.0

Notes:

(1) Other cosmetic products primarily consisted of eye cream, cleanser, body care and color cosmetics.

(2) Others primarily represent brand licensing fees income.

We recorded a revenue of RMB1,499.7 million for the six months ended June 30, 2026, representing an increase of 42.6% from RMB1,051.8 million for the six months ended June 30, 2025, primarily due to increase in revenue from essence oil, lotion and toner and face cream. The increase was primarily due to the product sales growth driven by the launch of new SKUs as well as the upgrade of the existing signature product.

Revenue by sales channel

The following table sets forth a breakdown of our revenue by sales channel for the periods indicated:

	For the six months ended June 30,			
	2026		2025	
	Amount	**% of total revenue**	Amount	% of total revenue
	(RMB in thousands, except for percentage)			
	(Unaudited)		(Audited)	
Offline channels	**446,932**	**29.8**	363,474	34.6
Offline stores	**340,938**	**22.7**	285,127	27.1
– Directly-operated stores	**298,763**	**19.9**	252,766	24.0
– Store partners	**42,175**	**2.8**	32,361	3.1
Sales to offline retailers and enterprise customers	**29,433**	**2.0**	8,281	0.8
Distributors	**76,561**	**5.1**	70,066	6.7
Online channels	**1,052,059**	**70.2**	687,912	65.4
Online direct sales	**925,694**	**61.8**	616,775	58.6
Sales to online retailers	**126,365**	**8.4**	71,137	6.8
Others[(1)]	**725**	**0.0**	382	0.0
Total	**1,499,716**	**100.0**	1,051,768	100.0

Note:

(1) Others primarily consisted of brand licensing fees paid by joint operators and franchisees.

Revenue from our offline channels increased from RMB363.5 million for the six months ended June 30, 2025 to RMB446.9 million for the six months ended June 30, 2026, primarily due to (i) the continued growth in revenue from offline stores, which was driven by the expansion of our offline store network through the establishment of new directly-operated stores and collaborations with new store partners, as well as increased sales per store; and (ii) the continued growth in revenue from offline retailers and enterprise customers as a result of the initiation and expansion of our collaborations with them.

Revenue from our online channels increased from RMB687.9 million for the six months ended June 30, 2025 to RMB1,052.1 million for the six months ended June 30, 2026, primarily due to our intensified sales and marketing activities on e-commerce platforms.

Cost of Sales

Our cost of sales primarily consisted of (i) cost of inventories sold, (ii) logistics and transportation costs, (iii) labor costs, (iv) taxes and surcharges, and (v) other cost of sales.

Our cost of sales increased by 48.4% from RMB185.6 million for the six months ended June 30, 2025 to RMB275.3 million for the six months ended June 30, 2026, primarily due to increases in cost of inventories sold, logistics and transportation expenses and labor costs in line with the growth of our business.

Gross Profit and Gross Profit Margin

Our gross profit represents our total revenue less our total cost of sales, and gross profit margin represents gross profit divided by total revenue, expressed as a percentage.

Gross profit and gross profit margin by product category

The following table sets forth our gross profit and gross profit margin by product category for the periods indicated:

	For the six months ended June 30,			
	2026		2025	
	Gross profit	**Gross profit margin (%)**	Gross profit	Gross profit margin (%)
	(RMB in thousands, except for percentage)			
	(Unaudited)		(Audited)	
Essence oil	**442,596**	**85.9**	412,670	86.2
Lotion and toner	**284,651**	**80.2**	77,190	79.2
Face cream	**169,868**	**83.5**	129,049	83.8
Serum	**134,781**	**83.3**	81,382	85.0
Facial mask	**102,021**	**77.1**	73,208	77.1
Sunscreen	**32,453**	**72.9**	32,195	76.5
Other cosmetic products(1)	**57,312**	**65.7**	60,130	67.9
Others(2)	**725**	**100.0**	382	100.0
Total	**1,224,407**	**81.6**	866,206	82.4

Notes:

(1) Other cosmetic products primarily consisted of eye cream, cleanser, body care and color cosmetics.

(2) Others primarily represent brand licensing fees income.

Gross profit and gross profit margin by sales channel

The following table sets forth the breakdown of our gross profit and gross profit margin shown by sales channel for the periods indicated:

	For the six months ended June 30,			
	2026		2025	
	Gross profit	**Gross profit margin (%)**	Gross profit	Gross profit margin (%)
	(RMB in thousands, except for percentage)			
	(Unaudited)		(Audited)	
Offline channels	**358,465**	**80.2**	297,213	81.8
Offline stores	**289,739**	**85.0**	243,677	85.5
– Directly-operated stores	**258,222**	**86.4**	219,505	86.8
– Store partners	**31,517**	**74.7**	24,172	74.7
Sales to offline retailers and enterprise customers	**19,174**	**65.1**	5,661	68.4
Distributors	**49,552**	**64.7**	47,875	68.3
Online channels	**865,217**	**82.2**	568,611	82.7
Online direct sales	**772,861**	**83.5**	514,184	83.4
Sales to online retailers	**92,356**	**73.1**	54,427	76.5
Others[1]	**725**	**100.0**	382	100.0
Total	**1,224,407**	**81.6**	866,206	82.4

Note:

(1) Others primarily consisted of brand licensing fees paid by joint operators and franchisees.

Our gross profit increased from RMB866.2 million for the six months ended June 30, 2025 to RMB1,224.4 million for the six months ended June 30, 2026, primarily due to growth in sales revenue. Our gross profit margin remained relatively stable at 82.4% and 81.6% respectively for the six months ended June 30, 2025 and the six months ended June 30, 2026.

Other income and gains

Our other income and gains primarily consisted of (i) government grants, which mainly represented subsidies granted by local governments for the purpose of encouraging industry development, which were mainly one-off in nature, and had no condition or contingencies attached or were recognized upon compliance with the attached conditions; (ii) investment income on financial assets at fair value through profit or loss, which mainly represented our investment income from wealth management products; (iii) bank interest income; and (iv) other income, primarily comprising insurance claims and revenue related to the closure of stores operated by store partners, which represent income generated from the early termination of store operations by joint operators and franchisees, including forfeited security deposits and penalties arising from breaches of contract.

Our other income and gains increased by 96.8% from RMB9.7 million for the six months ended June 30, 2025 to RMB19.1 million for the six months ended June 30, 2026, primarily due to higher bank interest income.

Selling and distribution expenses

Our selling and distribution expenses primarily consisted of (i) marketing and promotion expenses, (ii) labor costs, (iii) depreciation and amortization, (iv) store operation fees, and (v) others, primarily comprising logistics service fees, entertainment and travel expenses and office expenses.

Our selling and distribution expenses increased by 38.8% from RMB580.6 million for the six months ended June 30, 2025 to RMB805.8 million for the six months ended June 30, 2026, primarily due to increases in marketing and promotional expenses and labor costs. In particular, (i) marketing and promotion expenses increased by 43.8% from RMB360.7 million for the six months ended June 30, 2025 to RMB518.5 million for the six months ended June 30, 2026, primarily due to increased brand exposure, intensified brand promotion efforts, and investments in channel development; (ii) labor costs increased by 29.1% from RMB133.2 million for the six months ended June 30, 2025 to RMB172.0 million for the six months ended June 30, 2026, primarily due to an increase in the number of sales personnel in 2026 in line with the Group's business expansion.

Administrative expenses

Our administrative expenses primarily consisted of (i) labor costs, (ii) depreciation and amortization, (iii) professional and consulting fees mainly related to consulting services from external experts, primarily including management training, audit and business strategy consulting, (iv) listing expenses, (v) software service fees, (vi) office, property management and utilities expenses, (vii) travel and business entertainment expenses, and (viii) bank charges.

Our administrative expenses increased by 20.6% from RMB61.1 million for the six months ended June 30, 2025 to RMB73.7 million for the six months ended June 30, 2026, primarily due to increased employee benefit expenses; and increased sales taxes and surcharges in line with the growth of our revenue.

Research and development costs

Our research and development expenses primarily consisted of (i) labor costs, (ii) testing expenses, (iii) direct material costs and (iv) depreciation and amortization.

Our research and development expenses increased by 88.8% from RMB18.0 million for the six months ended June 30, 2025 to RMB34.0 million for the six months ended June 30, 2026, primarily due to increased new product development and R&D activities.

Other expenses

Other expenses primarily include write-downs of inventory and foreign exchange losses. For the six months ended June 30, 2025 and the six months ended June 30, 2026, our other expenses were RMB1.0 million and RMB26.8 million, respectively, primarily due to increase in foreign exchange losses.

Finance costs

Finance costs include interest expense on lease liabilities and interest expense on interest-bearing bank borrowings. For the six months ended June 30, 2025 and the six months ended June 30, 2026, our finance costs were RMB2.6 million and RMB2.1 million, respectively, primarily due to the repayments of bank borrowings during the Reporting Period.

Reversal of impairment losses on financial assets

Impairment losses or reversal of impairment losses on financial assets primarily refer to credit losses or reversal of credit losses on trade receivables and other receivables. For the six months ended June 30, 2025, our reversal of impairment losses on financial assets was RMB0.1 million, compared to reversal of impairment losses on financial assets of RMB1.4 million for the six months ended June 30, 2026, primarily due to a decrease in expected credit losses resulting from the subsequent recovery of trade receivables.

Income tax expense

For the six months ended June 30, 2025 and the six months ended June 30, 2026, we recorded income tax expense of RMB30.9 million and RMB46.6 million, respectively, primarily due to an increase in profit before tax.

Profit and total comprehensive income for the Reporting Period

As a result of the above, our profit and total comprehensive income for the Reporting Period increased by 40.7% from RMB181.8 million for the six months ended June 30, 2025 to RMB255.9 million for the six months ended June 30, 2026.

Non-IFRS measure

To supplement our consolidated statement of profit or loss and other comprehensive income which is presented under IFRS Accounting Standards, we also use adjusted profit for the period as a non-IFRS measure, which is not required by, or presented in accordance with IFRS Accounting Standards. We believe that the presentation of non-IFRS measure, together with the presentation of corresponding IFRS measures, provides useful information to investors and our management, which facilitates comparisons of our operating performance from period to period by eliminating certain non-operating or non-recurring expenses that do not affect the ongoing operating performance of the Company (including listing expenses, share-based payments and foreign exchange losses). We define adjusted profit for the period (non-IFRS measure) as profit for the period adjusted by adding back listing expenses, share-based payments and foreign exchange losses. Our adjusted profit for the period amounted to RMB285.4 million for the six months ended June 30, 2026, representing an increase of 42.1% as compared with RMB200.8 million for the six months ended June 30, 2025.

	For the six months ended June 30,	
	2026	2025
	(RMB'000)	*(RMB'000)*
	(Unaudited)	(Audited)
Profit for the period	**255,882**	181,849
Add: Listing expenses	**–**	13,232
Share-based payments	**4,155**	5,720
Foreign exchange losses	**25,380**	47
Adjusted profit for the period	**285,417**	200,848

In future periods, there may be other items that will be excluded from our review of the financial results. The use of such non-IFRS measure has limitations as an analytical tool, and shareholders (the "**Shareholder(s)**") and potential investors of the Company should not consider it in isolation from, or as a substitute for or superior to analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards. In addition, the definition of such non-IFRS measure may be different from similar terms used by other companies, and therefore may not be comparable to similarly-titled measures of other companies.

Inventory

Our inventory consists of raw materials, work in progress and finished goods. The table below provides the breakdown of our inventory for the periods indicated:

Item	**As of June 30, 2026** ***(RMB'000)*** **(Unaudited)**	As of December 31, 2025 *(RMB'000)* (Audited)
Raw materials	**36,900**	54,566
Finished goods	**264,968**	231,237
Work in progress	**59,586**	20,334
Write-down of inventory	**(1,393)**	(1,405)
Total	**360,061**	304,732

Our inventory increased by 18.2% from RMB304.7 million as of December 31, 2025 to RMB360.1 million as of June 30, 2026, primarily due to stockpiling of finished goods to meet anticipated increasing procurement demand in view of projected sales growth.

Trade and bills payables

Our trade and bills payables primarily consist of trade and bills payables to suppliers for packaging materials and raw materials. Trade and bills payables are generally settled within 30 to 90 days. Our trade and bills payables decreased by 16.8% from RMB167.5 million as of December 31, 2025 to RMB139.3 million as of June 30, 2026, primarily due to settlement of amounts payable to suppliers.

Other payables and accruals

Our other payables and accruals decreased by 19.6% from RMB261.6 million as of December 31, 2025 to RMB210.3 million as of June 30, 2026, primarily due to (i) the payment of employees' bonuses for 2025, resulting in a decrease in salaries and benefits payable; and (ii) the optimization of the marketing efficiency of online platforms and offline advertising campaigns, resulting in a decrease in accrued expenses for advertising and promotion services.

Liquidity and capital resources

Sources of liquidity and working capital

Our primary use of cash is to fund our working capital needs and other recurring expenses. During the Reporting Period, we financed our operations primarily through cash generated from our operating activities. We will closely monitor our working capital levels, prudently review future cash flow requirements and adjust our operation and expansion plans when necessary to ensure that we maintain sufficient working capital to support our business operations. We had cash and cash equivalents of RMB1,217.9 million as of June 30, 2026, compared to RMB1,541.5 million as of December 31, 2025.

Cash flows

The following table sets forth a summary of our cash flows for the periods indicated:

	For the six months ended June 30,	
	2026	2025
	(RMB'000)	*(RMB'000)*
	(Unaudited)	(Audited)
Net cash generated from operating activities	**224,240**	37,871
Net cash used in investing activities	**(417,593)**	(40,083)
Net cash used in financing activities	**(104,946)**	(36,602)
Cash and cash equivalents at the beginning of the period	**1,541,547**	440,322
Effect of foreign exchange differences, net	**(25,380)**	(47)
Cash and cash equivalents at the end of the Reporting Period	**1,217,868**	401,461

Net cash generated from operating activities

For the six months ended June 30, 2026, our net cash generated from operating activities was RMB224.2 million, primarily due to profit before tax of RMB302.5 million, as adjusted for: (i) non-cash and non-operating items, primarily comprising depreciation of right-of-use assets of RMB37.6 million, foreign exchange differences, net of RMB25.4 million and depreciation of property, plant and equipment of RMB19.4 million; (ii) changes in working capital, primarily comprising an increase of RMB17.3 million in prepayments, other receivables and other assets, and an increase of RMB55.3 million in inventories.

Net cash used in investing activities

For the six months ended June 30, 2026, net cash used in investing activities was RMB417.6 million, primarily due to (i) purchase of items of property, plant and equipment of RMB37.9 million; and (ii) purchase of time deposits with maturity of over 3 months of RMB378.6 million.

Net cash used in financing activities

For the six months ended June 30, 2026, net cash used in financing activities was RMB104.9 million, primarily consisting of (i) cash inflows of RMB142.0 million from proceeds of the issuance of shares pursuant to the exercise of the over-allotment option; (ii) dividends paid of RMB134.5 million; and (iii) cash outflows of RMB62.7 million from the repayment of principal and interest upon maturity of interest-bearing bank borrowings.

Indebtedness

The table below sets out the details of our indebtedness as of the dates indicated:

	As of June 30, 2026 **(*RMB'000*)** **(Unaudited)**	As of December 31, 2025 (*RMB'000*) (Audited)
Current		
Interest-bearing bank borrowings	**–**	23,432
Lease liabilities	**40,793**	50,509
Non-current		
Interest-bearing bank borrowings	**–**	38,952
Lease liabilities	**52,356**	40,884
Total	**93,149**	153,777

Bank borrowings

As at June 30, 2026, the Group did not have bank borrowings. As at December 31, 2025, the Group's bank borrowings amounted to RMB62.4 million.

Contingent liabilities

As of June 30, 2026, we did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group.

Commitments

Our capital commitments consisted primarily of property, plant, and equipment, as well as other intangible assets. Our total capital commitments increased by 65.4% from RMB7.1 million as of December 31, 2025 to RMB11.7 million as of June 30, 2026.

Capital expenditures

During the Reporting Period, our capital expenditures primarily consisted of purchases of property, plant, and equipment, as well as other intangible assets. For the six months ended June 30, 2026, our capital expenditures amounted to RMB39.9 million. We intend to fund future capital expenditures through a combination of operating cash flow, equity and debt financing, and net proceeds from the Global Offering.

Key financial ratios

The table below sets forth the key financial ratios for the six months ended June 30, 2025 and the six months ended June 30, 2026:

Item	For the six months ended June 30, 2026	2025
Gross profit margin (%)[1]	**81.6%**	82.4%
Net profit margin (%)[2]	**17.1%**	17.3%
Return on total assets (%)[3]	**10.1%**	15.7%
Current ratio[4]	**4.8**	2.3
Quick ratio[5]	**4.0**	1.6
Gearing ratio (%)[6]	**0.0%**	9.7%

Notes:

(1) Gross profit margin equals gross profit divided by revenue and multiplied by 100%.

(2) Net profit margin equals profit for the period divided by revenue and multiplied by 100%.

(3) Return on total assets equals profit for the period divided by the average of the beginning and ending total assets and multiplied by 100%.

(4) Current ratio is calculated by dividing current assets by current liabilities.

(5) Quick ratio is calculated by dividing current assets less inventories by current liabilities.

(6) Gearing ratio equals total interest-bearing bank borrowings divided by total equity and multiplied by 100%.

Significant investments held

The Group subscribed for structured deposit products issued by reputable commercial banks with certain portion of its temporary idle funds (including surplus cash received from its business operations) for treasury management purpose to enhance the efficiency, the utilization of and the return on its temporary idle funds. These products are of low risk nature with satisfactory liquidity. The Group expects that the structured deposit products will earn a better yield than current deposits generally offered by commercial banks in the PRC while offering flexibility to the Group in terms of treasury management. The Group has implemented adequate and appropriate internal control procedures to ensure that the subscriptions of structured deposit products would not affect the working capital or the operations of the Group, and that such investments would be closely monitored and conducted in accordance with the Group's treasury policy. The financial center of the Company is responsible for formulating relevant proposals based on the Company's capital management requirements and submitting the same to the president for review. In accordance with the Chapter 14 of the Listing Rules, the relevant proposals shall first obtain the approval from our president SUN

Laichun, the Board (where applicable) and/or the shareholders' meeting (where applicable), and then be put up for implementation by the financial center of the Company. As such, the Board is of the view that the subscriptions of the structured deposit products (as listed below) are fair and reasonable and are on normal commercial terms, and the subscriptions of the structured deposit products are in the interests of the Company and the Shareholders as a whole.

Immediately before June 30, 2026, the Group maintained the structured deposit products with a total outstanding principal amount of RMB370.0 million, representing 14.3% of the Group's total assets. During the Reporting Period, the total principal amount of the structured deposit products that the Group has subscribed for was RMB370.0 million, and the amount of investment income that the Group has recognized as fair value gains on financial assets at fair value through profit or loss was approximately RMB0.3 million.

The following table sets forth a breakdown of the structured deposit products subscribed for by the Group and remain outstanding immediately before June 30, 2026:

Name of the issuer of the structured deposit product	Name of the structured deposit product	Commencement date of the deposit	Maturity date	Principal amount of the structured deposit product	Expected annualized rate of return on investment	Realized/ Fair value immediately before June 30, 2026	Percentage of the total assets of the Group as of June 30, 2026
China Everbright Bank	2026 Exchange Rate-Linked Customized Structured Deposit for Corporate Clients Series 6 Product 325	June 15, 2026	June 30, 2026	RMB370,000,000	1.8%	RMB370,259,000	14.3%

Save as disclosed above, as of June 30, 2026, the Group did not hold any significant investments representing 5% or more of the Group's total assets.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

During the Reporting Period, we did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

Pledge of assets

As of June 30, 2026, we did not have any encumbered assets.

Future plans for material investments and capital assets

Save as disclosed in this announcement and the prospectus of the Company dated December 18, 2025 (the "**Prospectus**"), as of the date of this announcement, we have no specific future plan for material investments and acquisition of capital assets.

Currency and exchange rate fluctuation risk

We receive most of our revenue in RMB and most of the expenditures as well as capital expenditures are also denominated in RMB, which is the functional currency of the Company's subsidiaries. Our exposure to foreign currency risk arises mainly from certain bank balances, which are denominated in foreign currencies. Except for the above items denominated in foreign currencies, we did not have any other monetary assets or liabilities denominated in foreign currencies as of June 30, 2026.

The foreign exchange risk exposure of the Group mainly arises from the risk of exchange of United States dollars and Hong Kong dollars to Renminbi. We managed our foreign exchange risk by regularly reviewing net foreign exchange exposures, so as to conduct risk management. The management of the Group continued to pay attention to the market environment and the Group's own foreign exchange risk profile, and to consider taking appropriate hedging measures when necessary. During the Reporting Period, the Group did not enter into any hedging transaction against foreign exchange risks.

Employees and remuneration policies

As of June 30, 2026, the Group had 3,096 employees. The number of employees employed by the Group varies from time to time depending on needs. The staff costs including Directors' emoluments were approximately RMB271.4 million for the six months ended June 30, 2026.

Our success depends on our ability to attract, retain and motivate qualified personnel. The remuneration package for our employees generally includes salary, bonuses and share incentive scheme. We have a unified compensation management system and employee internal transfer management methods to ensure the fairness of compensation and promotion, and the salary and promotion decisions stipulated in the system are based on the employees' position and performance. In addition to salary, employees also receive welfare benefits, including medical insurance, retirement benefits, work-related injury insurance and other miscellaneous items. We make contributions to mandatory social security funds for our employees to provide retirement, medical, work-related injury, maternity and unemployment benefits. We also provide employees with training and development plans to improve their technical skills.

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

	Notes	**2026 (Unaudited) *RMB'000***	2025 (Audited) *RMB'000*
REVENUE	4	**1,499,716**	1,051,768
Cost of sales		**(275,309)**	(185,562)
Gross profit		**1,224,407**	866,206
Other income and gains		**19,093**	9,704
Selling and distribution expenses		**(805,818)**	(580,607)
Administrative expenses		**(73,680)**	(61,093)
Research and development costs		**(34,036)**	(18,032)
Other expenses		**(26,824)**	(992)
Finance costs	6	**(2,109)**	(2,616)
Reversal of impairment losses on financial assets	5	**1,449**	135
PROFIT BEFORE TAX	5	**302,482**	212,705
Income tax expense	7	**(46,600)**	(30,856)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**255,882**	181,849
Attributable to:			
Owners of the parent		**255,882**	181,849
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
– For profit for the period *(RMB)*	9	**1.81**	1.45 (restated)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2026

	Notes	**30 June 2026 (Unaudited) *RMB'000***	31 December 2025 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**260,733**	254,315
Right-of-use assets		**112,902**	110,190
Other intangible assets		**8,743**	8,005
Deferred tax assets		**77,450**	80,794
Other non-current assets		**3,043**	2,806
Total non-current assets		**462,871**	456,110
CURRENT ASSETS			
Inventories	*10*	**360,061**	304,732
Trade receivables	*11*	**52,881**	96,646
Prepayments, other receivables and other assets		**117,541**	100,233
Time deposits		**378,563**	–
Restricted cash		**–**	1,007
Cash and cash equivalents		**1,217,868**	1,541,547
Total current assets		**2,126,914**	2,044,165
CURRENT LIABILITIES			
Trade and bills payables	*12*	**139,331**	167,499
Other payables and accruals		**210,265**	261,579
Contract liabilities		**38,888**	40,829
Interest-bearing bank borrowings		**–**	23,432
Lease liabilities		**40,793**	50,509
Tax payable		**13,449**	41,546
Total current liabilities		**442,726**	585,394
NET CURRENT ASSETS		**1,684,188**	1,458,771
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,147,059**	1,914,881
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**–**	38,952
Lease liabilities		**52,356**	40,884
Total non-current liabilities		**52,356**	79,836
NET ASSETS		**2,094,703**	1,835,045
EQUITY			
Equity attributable to owners of the parent			
Share capital		**28,352**	27,933
Shares held by trustee		**(7,848)**	–
Reserves		**2,074,199**	1,807,112
Total equity		**2,094,703**	1,835,045

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

1. CORPORATE INFORMATION

Shanghai Forest Cabin Cosmetics Group Co., Ltd. is a joint stock limited company established in the People's Republic of China (the "**PRC**") on 22 December 2011. The registered office of the Company is located at Room 201, Area A, 2F, Building 1, No. 1177 Xinmiao 3rd Road, Xinqiao Town, Songjiang District, Shanghai, PRC. The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 30 December 2025 (the "**Listing**") by way of initial public offering ("**IPO**").

During the period, the Company and its subsidiaries (together as the "**Group**") were involved in research and development, manufacture and sale of skincare products.

In the opinion of the directors of the Company, the ultimate controlling shareholder of the Company is Mr. Sun Laichun.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

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

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Revenue from contracts with customers	**1,499,716**	1,051,768

Revenue from contracts with customers

(a) Disaggregated revenue information

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Types of goods or services		
Sale of products	**1,498,991**	1,051,386
Others	**725**	382
Total	**1,499,716**	1,051,768
Timing of revenue recognition		
Goods transferred at a point in time	**1,498,991**	1,051,386
Services transferred over time	**725**	382
Total	**1,499,716**	1,051,768

The following table shows the amounts of revenue recognised that were included in the contract liabilities at the beginning of the reporting period:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of products	**39,734**	25,565
Others	**533**	284
Total	**40,267**	25,849

The following table shows the breakdown of revenue by sales channel:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Online channels		
Online direct sales	**925,694**	616,775
Sales to online retailers	**126,365**	71,137
Offline channels		
Offline stores	**340,938**	285,127
Sales to offline retailers and enterprise customers	**29,433**	8,281
Distributors	**76,561**	70,066
Others	**725**	382
Total	**1,499,716**	1,051,768

(b) ***Performance obligations***

Information about the Group's performance obligations is summarised below:

Sale of products

The Group primarily sells its products to customers through online channels such as direct online sales and online retailers, and offline channels such as direct sales via directly operated stores, joint operation stores, franchised stores, offline retailers, enterprise customers and distributors.

Others

Others mainly represent the revenue from brand licensing fees paid by joint operators and franchisees. The performance obligation is satisfied over time when services are rendered. Generally, brand licensing contracts are for periods ranging from one to two years.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the end of each reporting period are as follows:

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Amounts expected to be recognised as revenue:		
Within 1 year	**38,742**	40,552
After 1 year	**146**	277
Total	**38,888**	40,829

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Cost of inventories sold*	**199,953**	132,781
Depreciation of property, plant and equipment	**19,379**	15,910
Depreciation of right-of-use assets	**37,584**	33,070
Gain on disposal of items of property, plant and equipment	**–**	(7)
Gain on termination of leases	**(90)**	(403)
Amortisation of other intangible assets	**948**	885
Research and development costs	**34,036**	18,032
Auditor's remuneration	**600**	400
Listing expenses	**–**	13,232
Employee benefit expense (including directors', chief executive's and supervisors' remuneration):		
Wages and salaries	**228,489**	157,500
Equity-settled share-based payment expenses	**4,155**	5,720
Pension scheme contributions, social welfare and other welfare**	**38,761**	25,688
Total	**271,405**	188,908
Reversal of write-down of inventories	**(12)**	(900)
Reversal of impairment losses on financial assets	**(1,449)**	(135)
Variable lease payments not included in the measurement of lease liabilities	**2,013**	1,285
Expenses relating to short-term leases and low-value leases	**948**	912
Foreign exchange differences, net	**25,380**	47

* The amount of cost of inventories sold as stated herein excludes those included in the depreciation of property, plant and equipment, depreciation of right-of-use assets, impairment of inventories and employee benefit expense.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Interest expenses on lease liabilities	**1,757**	1,353
Interest expenses on interest-bearing bank borrowings	**352**	1,263
Total	**2,109**	2,616

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate.

PRC enterprise income tax

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the EIT rate of the Group's PRC subsidiaries is 25%, except for the Company which is entitled to tax preference set out below.

The Company is accredited as a "High and New Technology Enterprise" and was therefore entitled to a preferential income tax rate of 15% during the year ended 31 December 2025 and six months ended 30 June 2026. Such qualification is subject to review by the relevant tax authority in the PRC for every three years.

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Current income tax		
Charge for the period	**43,256**	53,517
Deferred income tax	**3,344**	(22,661)
Total	**46,600**	30,856

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate is as follows:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Profit before tax	**302,482**	212,705
Tax at the statutory income tax rate of 25%	**75,621**	53,176
Effect of different tax rates	**(23,509)**	(21,293)
Expenses not deductible for tax	**2,544**	1,678
Recognition of deductible temporary differences brought forward from previous years	**(3,234)**	–
Additional deductible allowance for research and development costs	**(4,822)**	(2,705)
Tax charge at the Group's effective rate	**46,600**	30,856

8. DIVIDENDS

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Final declared and paid – RMB0.95 (2025: Nil) per ordinary share	**134,545**	–

The 2025 annual general meeting of the Company was held on 8 May 2026, at which a final cash dividend of RMB0.95 per ordinary share (including tax, totalling approximately RMB134,545,000) for the year ended 31 December 2025 was approved, which was paid on 18 June 2026.

On 31 August 2026, the board of directors proposed to declare an interim dividend of RMB1.32 (six months ended 30 June 2025: Nil) per ordinary share, amounting to a total of approximately RMB184,615,000 (six months ended 30 June 2025: Nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to owners of the parent, and the weighted average number of ordinary shares of 141,474,967 (six months ended 30 June 2025: 125,697,835) outstanding during the period, as adjusted to reflect the issuance and repurchase of the shares during the period. The weighted average number of shares outstanding for the six months ended 30 June 2025 presented has been adjusted retrospectively to reflect the impact of the share subdivision as if they had occurred at the beginning of the earliest comparative period. The Group had no potentially dilutive ordinary shares outstanding during the six months ended 30 June 2026 and 2025.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
Earnings		
Profit attributable to owners of the parent *(RMB'000)*	**255,882**	181,849
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation	**141,474,967**	125,697,835 (restated)

10. INVENTORIES

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Raw materials	**36,900**	54,566
Finished goods	**264,968**	231,237
Work in progress	**59,586**	20,334
	361,454	306,137
Write-down of inventories	**(1,393)**	(1,405)
Total	**360,061**	304,732

11. TRADE RECEIVABLES

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Trade receivables	**56,600**	101,789
Impairment	**(3,719)**	(5,143)
Net carrying amount	**52,881**	96,646

The Group's trade receivables are usually generated from sales through offline stores and online platforms which help collect sales proceeds. The Group usually grants a credit period of approximately 1-30 days to the stores and online platforms, extending up to 60 days for major customers. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing. As at the end of each reporting period, there were no receivables from related parties.

An ageing analysis of the trade receivables as at the end of each reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Within 1 month	**45,660**	79,214
1 to 3 months	**6,938**	16,814
3 to 6 months	**257**	283
6 to 12 months	**–**	166
1 to 2 years	**26**	165
2 to 3 years	**–**	4
Total	**52,881**	96,646

The movements in the loss allowance for impairment of trade receivables are as follows:

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
At beginning of period	**5,143**	2,739
(Reversal of impairment losses)/provision of impairment losses	**(1,424)**	2,419
Amount written off as uncollectible	**–**	(15)
At end of period	**3,719**	5,143

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. The Group considers the characteristics of the shared credit risk and the ageing of the trade receivables to measure the expected credit losses. The majority of the receivables were neither past due nor impaired and related to diversified customers.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Forward-looking information was also incorporated. The expected credit loss rate was 6.57% as at 30 June 2026 (31 December 2025: 5.05%).

12. TRADE AND BILLS PAYABLES

An ageing analysis of the Group's trade and bills payables as at the end of each reporting period, based on the invoice date, is as follows:

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Within 1 month	**62,691**	94,339
1 to 3 months	**72,494**	71,121
3 to 6 months	**2,768**	534
6 months to 1 year	**180**	792
Over 1 year	**1,198**	713
Total	**139,331**	167,499

The trade and bills payables are non-interest-bearing and are normally settled on 90-day terms after issuance of the invoices.

AUDIT COMMITTEE

The Audit Committee comprises Mr. ZHU Qian (朱乾), Mr. LIU Yuliang (劉玉亮) and Ms. QIANG Yilan (强一嵐). The Chairperson of the Audit Committee is Mr. ZHU Qian.

The Audit Committee has reviewed the interim financial information of the Group for the six months ended June 30, 2026 with the management of the Company. The Audit Committee considered that the interim financial information of the Group for the six months ended June 30, 2026 is in compliance with the applicable accounting standards, laws and regulations. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and issues in relation to internal control, risk management and financial reporting with the management of the Company.

SCOPE OF WORK OF THE AUDITOR

The Company's auditor, Ernst & Young, has conducted an independent review of the Group's interim financial information for the six months ended June 30, 2026 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. Based on its review, Ernst & Young confirmed that nothing has come to its attention that causes it to believe that the interim financial information is not prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" in all material respects.

EVENT AFTER THE REPORTING PERIOD

Subsequent to the Reporting Period and up to the date of this announcement, the Company repurchased 1,899,200 H Shares and held the same as treasury shares, at an aggregate consideration of approximately HK$94.9 million. The consideration paid will be deducted from the equity attributable to the equity holders of the Company and disclosed as treasury shares.

Save as disclosed above, no other significant events of the Group occurred after the Reporting Period and up to the date of this announcement.

INTERIM DIVIDEND

The Board has resolved to recommend the declaration of an interim dividend of RMB1.32 per share of the Company (the "**Share**") for the six months ended June 30, 2026 subject to the approval of the Shareholders at the shareholders' meeting. As at the date of this announcement, the total share capital of the Company was 141,759,235 Shares. After deducting the 1,899,200 H shares of the Company (the "**H Shares**") repurchased and held as treasury shares by the Company and assuming that there is no change in the total share capital of the Company from the date of this announcement to the record date as determined for the implementation of the interim profit distribution plan for 2026, being September 29, 2026 (the "**Record Date**"), the total amount of the interim dividend would be RMB184,615,246.20. In the event of any adjustment to the Company's total share capital in issue (excluding treasury shares) as at the Record Date, the dividend per Share will be adjusted accordingly, subject to the approval of the Shareholders at the shareholders' meeting. The proposed interim dividend will be paid in Hong Kong dollars to the holders of H Shares of the Company. The interim dividend paid in Hong Kong dollars will be converted from RMB to Hong Kong dollars based on the average offer price of the relevant foreign exchange (based on circular) published by the People's Bank of China on the calendar week preceding the shareholders' meeting. The interim dividend to be paid to the holders of the Company's domestic unlisted shares (the "**Domestic Unlisted Shares**") will be paid in RMB. The Group is not aware of any arrangement under which a Shareholder has waived or agreed to waive any dividends.

The interim dividend will be paid to Shareholders whose names appear on the Company's register of members at the close of business on the Record Date. The ex-dividend date will be Tuesday, September 22, 2026. To determine the identity of Shareholders entitled to the interim dividend, the H Share register of members will be closed from Thursday, September 24, 2026 to Tuesday, September 29, 2026 (both days inclusive). To qualify for the interim dividend, all transfer documents and the relevant Share certificates must be delivered to the Company's H Share Registrar, Tricor Investor Services Limited (for H Shareholders) or the Company's headquarters in the PRC (for Shareholders of Domestic Unlisted Shares), no later than 4:30 p.m. on Wednesday, September 23, 2026.

Pursuant to Article 165 of the Articles of Association, the Company declares dividends to Shareholders in Renminbi. Dividends distributed to Shareholders of Domestic Unlisted Shares shall be paid in Renminbi, while dividends distributed to H Shareholders shall be denominated and declared in Renminbi but paid in Hong Kong dollars. Subject to the approval at the shareholders' meeting, the aforementioned dividends are expected to be paid on or before November 17, 2026.

DIVIDEND TAXATION

Pursuant to the Enterprise Income Tax Law of the People's Republic of China and its implementing regulations, which took effect on January 1, 2008, and amended on February 24, 2017 and December 29, 2018, the Notice on Issues Concerning the Withholding and Remittance of Enterprise Income Tax by Chinese Resident Enterprises when Distributing Dividends to Shareholders of Overseas H Share Non-Resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) issued and implemented by the State Administration of Taxation on November 6, 2008, and other relevant regulations, enterprises within China must withhold and remit a 10% enterprise income tax on behalf of such non-resident enterprise shareholders when distributing dividends for 2008 and subsequent years to non-resident enterprise shareholders for fiscal periods beginning on January 1, 2008. Therefore, as an enterprise located within China, the Company will withhold 10% of the dividend as enterprise income tax prior to distributing it to non-resident corporate Shareholders whose names appeared on the H Share register of members (i.e., any Shareholder holding H Shares in the name of a non-individual Shareholder, including but not limited to HKSCC Nominees Limited, other agents, trustees or H Shareholders registered in the name of other organizations or groups). After receiving the dividends, non-resident enterprise Shareholders may, either on their own behalf or through an authorized agent or the Company, apply to the competent tax authority for tax treaty (arrangement) benefits by providing evidence demonstrating that they are the beneficial owners as defined by the tax treaty (arrangement). Upon verification by the competent tax authority, a tax refund will be issued for the difference between the tax withheld and the tax payable calculated at the rate specified in the tax treaty (arrangement).

Pursuant to the Notice on Issues Concerning the Collection and Administration of Individual Income Tax Following the Repeal of Document Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), the Company is required to withhold and remit individual income tax on behalf of individual H Shareholders. For individual H Shareholders who are residents of Hong Kong, Macao, or other countries or regions that have entered into a tax treaty with China providing for a 10% tax rate, the Company will withhold and remit individual income tax on behalf of such Shareholders at a rate of 10%.

If an individual H Shareholder is a resident of a country or region that has entered into a tax treaty with China providing for a tax rate of less than 10%, the Company will withhold and remit individual income tax on behalf of such Shareholder at a rate of 10%. If such Shareholders request a refund of the amount of individual income tax paid in excess of the amount payable under the tax treaty, the Company may, in accordance with the relevant tax treaty, assist in applying for the benefits of the tax treaty on his/her behalf. However, the Shareholder must promptly provide the relevant documents and information in accordance with the Administrative Measures for Non-Resident Taxpayers to Enjoy Tax Treaty Benefits (《非居民納稅人享受稅收協議待遇管理辦法》) (Announcement No.60 of 2015 by the State Taxation Administration) and the requirements of the relevant tax treaty. Upon review and approval by the competent tax authorities, the Company will assist in the refund of any overpaid taxes.

For individual H Shareholders who are residents of countries or regions that have entered into tax treaties with China providing for a tax rate higher than 10% but lower than 20%, the Company will withhold and remit individual income tax on behalf of such Shareholders at the applicable tax rate specified in such tax treaties.

For individual H Shareholders who are residents of countries or regions that have entered into a tax treaty with China providing for a 20% tax rate, or that have not entered into any tax treaty with China, or in other circumstances, the Company will withhold and remit individual income tax on behalf of such Shareholders at a rate of 20%. Shareholders are advised to consult their tax advisors regarding the tax implications in China, Hong Kong and elsewhere arising from the ownership and disposal of H Shares.

EXTRAORDINARY SHAREHOLDERS' MEETING (THE "EGM") ARRANGEMENT AND CLOSURE OF REGISTER OF MEMBERS

The Company will convene the EGM at at the Company's Meeting Room, 9th Floor, Building 3, No. 339 Tongpu Road, Putuo District, Shanghai, PRC on Friday, September 18, 2026 at 10 a.m. for the Shareholders to consider and, if thought fit, to approve above relevant resolutions. Details of the EGM and resolutions to be considered at the meeting are set out in the notice of EGM dated August 31, 2026.

Holders of H Shares and Domestic Shares whose names appear on the register of members of the Company on Friday, September 18, 2026 will be entitled to attend the EGM upon completion of the necessary registration procedures. The register of members will be closed from Tuesday, September 15, 2026 to Friday, September 18, 2026, both days inclusive, during which period no transfer of Shares will be effected.

Where applicable, holders of the Shares intending to attend the EGM are therefore required to lodge their respective instrument(s) of transfer and the relevant Share certificate(s) to the Company's H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders) or the Company's headquarters in the PRC at 9th Floor, Building 3, No. 339 Tongpu Road, Putuo District, Shanghai, PRC (for holders of Domestic Unlisted Shares) no later than 4:30 p.m. on Monday, September 14, 2026.

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

The over-allotment option described in the Prospectus has been fully exercised by the overall coordinators (for themselves and on behalf of the international underwriters) on Thursday, January 22, 2026, in respect of an aggregate of 2,094,950 H Shares, representing approximately 15% of the total number of the offer shares initially available under the Global Offering before any exercise of the over-allotment option, at an offer price of HK$77.77 per H Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565%).

Save as disclosed above, during the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares). As of June 30, 2026, the Company did not hold any treasury shares within the meaning of the Listing Rules. Subsequent to the Reporting Period and up to the date of this announcement, the Company repurchased 1,899,200 H Shares for an aggregate consideration of approximately HK$94.9 million, which were held as treasury shares.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. The principles of the Company's corporate governance are to promote effective internal control measures, enhance transparency of the work of the Board, and strengthen accountability of the Board to all the Shareholders.

The Company has adopted the corporate governance code (the "**CG Code**") set out in Appendix C1 to the Listing Rules as its own code of corporate governance since the listing date of the Company (the "**Listing Date**").

Save as disclosed below, since the Listing Date and up to the date of this announcement, the Company has complied with all applicable code provisions set out in the CG Code. The Board will continue to regularly review the effectiveness of our corporate governance structure and practices.

Pursuant to code provision C.2.1 of Part 2 of the CG Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the roles of chairman of the Board and president should be separate and should not be performed by the same individual. The Company does not have a separate chairman of the Board and president, and Mr. SUN Laichun currently performs these two roles. The Board believes that vesting the roles of both chairman of the Board and president in the same person has the benefit of ensuring consistent leadership within the Group, enabling more effective and efficient overall strategic planning of the Group, and facilitating the communication between the Group's management and the Board. In particular, Mr. SUN Laichun has over 20 years of corporate management experience. He founded the brand of Forest Cabin in September 2003 and later founded the Company in December 2011. His deep industry insight as well as extensive corporate management experience are invaluable to the Group's strategic planning and effective internal management. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. In addition, there is sufficient check and balance in the Board as the decision to be made by the Board requires approval by at least a majority of the Directors and the Board has three independent non-executive Directors out of the six Directors. The Board will continue to review and consider separating the roles of chairman of the Board and president at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the corporate governance code, and maintain a high standard of corporate governance practices of the Company.

SECURITIES TRANSACTIONS BY DIRECTORS

Since its listing, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "**Model Code**") as the code of conduct regulating dealings in securities of the Company by its Directors and employees who are in possession of inside information in relation to the Group or the Company's securities.

In response to specific enquiries made by the Board, all Directors who served during the Reporting Period confirmed that they have complied with the provisions of the Model Code during the Reporting Period and up to the date of this announcement. The Company was not aware of any incidents of non-compliance with the Model Code by employees.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.forest-cabin.com). The interim report of the Company for the six months ended June 30, 2026 containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course.

PROPOSED ADOPTION OF THE DIVIDEND PLAN FOR THE NEXT THREE YEARS (2026-2028)

Based on firm confidence in the long-term development prospects of the industry and the Company and a sound operating foundation, in order to better share the fruits of development with Shareholders and continuously enhance investors' sense of gain and confidence in long-term holding, and in light of the current internal and external environment and development stage, the Board has resolved to propose the adoption of a dividend guideline for a term of three years, namely the Dividend Plan for the Next Three Years (2026-2028), in accordance with the provisions of the Company Law and the Articles of Association of Shanghai Forest Cabin Cosmetics Group Co., Ltd. (the "**Articles of Association**"), details of which are as follows:

From 2026 to 2028, the total cash dividends to be distributed by the Company each year shall account for no less than 50% of the net profit attributable to the Shareholders of the parent for the year. The Board may, based on current profitability and financial condition, formulate a profit distribution plan when appropriate, which shall be submitted to the shareholders' meeting for consideration and approval (or, based on the authorization of the shareholders' meeting, be considered and approved by the Board) before implementation.

While ensuring the Company's healthy and sustainable development and meeting its funding needs for future strategic planning, the Company is committed to establishing a more sustainable, stable and predictable shareholder return mechanism.

If adjustments to the plan are necessary due to relevant laws and regulations, changes in the internal and external operating environment or the Company's production and operating conditions and development needs, the Board of the Company may adjust the plan in compliance with relevant laws, regulations, normative documents and the Articles of Association, and submit the same to the Company's shareholders' meeting for consideration.

The Company will seek Shareholders' approval at the extraordinary shareholders' meeting for, among other things, the Dividend Plan for the Next Three Years (2026-2028) and related matters. A circular containing, among other things, a notice of the extraordinary shareholders' meeting and details of the Dividend Plan for the Next Three Years (2026-2028) and related matters has been published on the same date as this announcement.

As at the date of this announcement, the Dividend Plan for the Next Three Years (2026-2028) is subject to the approval of the Shareholders. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities.

PROPOSED ADOPTION OF THE 2026 H SHARE SCHEME

The Board has resolved to propose the adoption of the 2026 H Share Scheme (the "**2026 H Share Scheme**") at the Board meeting held on August 31, 2026.

The 2026 H Share Scheme is established for the purpose of further improving the governance structure of the Company, establishing and refining the long-term incentive and restraint mechanism of the Company, attracting and retaining talented personnel, and promoting the sustainable and healthy development of the Company.

The 2026 H Share Scheme will constitute a share scheme involving the issue of new Shares and/or the transfer of treasury shares under Chapter 17 of the Listing Rules and will be subject to the applicable requirements under Chapter 17 of the Listing Rules. The Company will apply to the Listing Committee for the approval of the listing of, and permission to deal in, the new H Shares which may be allotted and issued pursuant to awards under the 2026 H Share Scheme.

The Company will seek Shareholders' approval at the extraordinary shareholders' meeting for, among other things, the adoption of the 2026 H Share Scheme and related matters. A circular containing, among other things, a notice of the extraordinary shareholders' meeting and details of the proposed adoption of the 2026 H Share Scheme and related matters, has been published on the same date as this announcement.

As at the date of this announcement, the proposed adoption of the 2026 H Share Scheme is subject to the approval of the Shareholders. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities.

GLOSSARY OF TECHNICAL TERMS

This glossary contains certain technical terms used in this announcement in connection with our Company. Such terms and their meanings may not correspond to standard industry definitions or usage.

"active member(s)"	members who have placed at least one purchase order within the 36 months ended June 30, 2026
"anti-wrinkle"	the ability to reduce the appearance of fine lines and wrinkles
"camellia"	a shrub or small tree native to China, typically found in southeastern areas at altitudes of 300 to 1,100 meters. It includes varieties such as the red camellia with red flowers, and the white camellia with white blooms. The alpine camellia is adapted to higher altitudes and has distinct floral features
"Camellia Anti-Wrinkle Repairing Essence Oil"	the fifth generation of Camellia Essence Oil
"Camellia Black Gold Rejuvenate Peptide Anti-Wrinkle Brightening Essential Cream"	the second generation of Camellia Rejuvenate Cream
"Camellia Essence Oil"	all generations of our signature essence oil, collectively known as Camellia Essence Oil
"camellia extract(s)"	a concentrate derived from the leaves, flowers or seeds of the camellia plant. These extracts are rich in antioxidants, nutrients and other beneficial phytochemicals
"Camellia Rejuvenate Cream"	all generations of our rejuvenate cream, collectively known as Camellia Rejuvenate Cream
"cellular-level"	the processes, actions, or phenomena that occur at the scale of individual cells

"collagen"	structural protein found in the human body, particularly in the skin, tendons and bones, which provides strength, elasticity and support to various tissues
"color cosmetics"	products that can emphasize or alter the appearance of the face or body, which mainly include eyeliner, lipstick, foundation and other makeup products
"cosmetics products"	products that are applied by means of smearing, spraying or other similar methods on any part of the human body's surface, such as the skin, hair, finger and toenails, lips and teeth, etc., in order to achieve the purpose of cleansing, maintaining, beautifying, modifying and altering the appearance of the human's face and body, or correcting the body's odor to keep it in good condition; which include skincare, personal care, color cosmetics, perfume and others
"dullness"	a lack of radiance, vibrancy and overall glow in the skin
"first-tier cities"	Shanghai, Beijing, Guangzhou and Shenzhen
"KOC(s)"	key opinion customer(s)
"KOL(s)"	key opinion leader(s)
"lower-tier cities"	including third– and other lower-tier cities
"MITF"	melanocyte inducing transcription factor, which regulates melanin production. It promotes melanin synthesis by binding to and activating a series of pigment production-related genes to directly regulate target genes include tyrosinase (TYR), tyrosinase-related protein 1 (TYRP1), and dopachrome tautomerase (DCT), all of which are key enzymes in the melanin synthesis pathway.
"NAD+"	Nicotinamide Adenine Dinucleotide, a coenzyme found in all living cells, which plays an important role in cellular metabolism by facilitating redox reactions, carrying electrons from one reaction to another
"new first-tier cities"	Nanjing, Wuhan, Suzhou, Hefei, Chengdu, Hangzhou, Zhengzhou, Tianjin, Ningbo, Dongguan, Changsha, Qingdao, Xi'an, Chongqing, Wuxi and Changshu

"peptides"	short chains of amino acids that play a crucial role in various biological processes, including skin rejuvenation and collagen synthesis
"premium skincare brand"	skincare brands positioned to meet the demands of consumers for prestige, high quality and exclusivity through the provision of products with perceived-value
"Qingxuan Extract"	an active compound comprising the leaves, flowers, and seed oil of alpine red camellia, obtained through a proprietary supercritical extraction technology
"R&D"	research and development
"repurchase rate"	calculated by dividing the number of consumers who purchased our products for two or more times during a specific period of time by the number of consumers who made at least one purchase during the same period of time
"retail sales"	the monetary value paid by final consumers on purchasing finished goods
"second-tier cities"	Foshan, Shenyang, Nanchang, Lanzhou, Kunming, Xiamen, Shaoxing, Wenzhou, Zhuhai, Jiaxing, Zhongshan, Changzhou, Jinhua, Taizhou, Nantong, Jinan, Quanzhou, Fuzhou, Dalian, Yantai, Huizhou, Taiyuan, Weifang, Guiyang, Harbin, Xuzhou, Shijiazhuang, Nanning, Changchun, Baoding, Jingjiang and Kunshan
"skin repair"	the ability to actively help the skin restore, rejuvenate and replenish its natural functions and structures
"skincare products"	product that can improve skin integrity, provide relief to skin conditions, and address specific skin concerns such as wrinkle, dryness, etc.
"SKU(s)"	stock keeping unit(s), to help identify and track inventories; in connection with which, "new SKU(s)" refers to the SKUs launched in the specified year/period for the first time with revenue recognized for such year/period during their first 12-month launch period

"thermal aging"	premature deterioration of the skin's structure and function due to prolonged exposure to heat
"third-tier cities"	Wuhu, Sanya, Lishui, Jiujiang, Linyi, Huzhou, Zhenjiang, Weihai, Taizhou, Zhuzhou, Zibo, Yangzhou, Urumqi, Hohhot, Tangshan, Langfang, Yancheng, Jiangmen, Haikou, Yinchuan, Putian, Huai'an, Zhangzhou, Tai'an, Hengyang, Liuzhou, Mianyang, Yichang, Bengbu, Lianyungang, Xiangyang, Jining, Ningde, Yueyang, Shantou, Shangrao, Luoyang, Zhaoqing, Guilin, Suqian, Handan, Jinzhou, Changde, Cangzhou, Yichun, Chuzhou, Nanchong, Zunyi, Xinxiang, Zhanjiang, Anqing, Anyang, Ganzhou, Xianyang, Dezhou, Xingtai, Nanyang, Lu'an, Fuyang, Liaocheng, Xinyang, Heze, Jieyang, Shangqiu, Zhoukou, Baotou, Ma'anshan, Ordos, Dongying, Zaozhuang, Zhumadian, Anqiu, Jiangyin, Liyang and Zhangjiagang
"top-tier cities"	including first-tier, new first-tier and second-tier cities

By order of the Board
SHANGHAI FOREST CABIN COSMETICS GROUP CO., LTD.
Mr. SUN Laichun
Chairman of the Board, Executive Director and President

Shanghai, the PRC, August 31, 2026

As at the date of this announcement, the Board comprises: (i) Mr. SUN Laichun and Mr. SUN Fuchun as executive Directors; (ii) Mr. WANG Shijia as employee representative Director; and (iii) Mr. ZHU Qian, Mr. LIU Yuliang and Ms. QIANG Yilan as independent non-executive Directors.