MAOGEPING
BEAUTY

毛戈平化妆品股份有限公司
Mao Geping Cosmetics Co., Ltd.

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

Stock Code: 1318

2026
Interim Report

CONTENTS

CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. MAO Geping (毛戈平) *(Chairman of the Board)*
Ms. WANG Liqun (汪立群)
Ms. MAO Niping (毛霓萍)
Ms. MAO Huiping (毛慧萍)
Mr. WANG Lihua (汪立華)
Ms. SONG Hongquan (宋虹佺)

Independent Non-executive Directors

Mr. GU Jiong (顧炯)
Mr. HUANG Hui (黃輝)
Mr. LI Hailong (李海龍)

Audit Committee

Mr. GU Jiong (顧炯) *(Chairperson)*
Mr. HUANG Hui (黃輝)
Mr. LI Hailong (李海龍)

Nomination Committee

Mr. MAO Geping (毛戈平)
Ms. MAO Niping (毛霓萍)
Mr. GU Jiong (顧炯)
Mr. HUANG Hui (黃輝)
Mr. LI Hailong (李海龍) *(Chairperson)*

Remuneration Committee

Mr. MAO Geping (毛戈平)
Ms. MAO Huiping (毛慧萍)
Mr. GU Jiong (顧炯)
Mr. HUANG Hui (黃輝)
Mr. LI Hailong (李海龍) *(Chairperson)*

Joint Company Secretaries

Mr. DONG Leqin (董樂勤)
Ms. YIP Man Wai (葉文蕙) *(an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)*

Auditor

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

Authorised Representatives

Ms. MAO Niping (毛霓萍)
Ms. YIP Man Wai (葉文蕙)

Principal Bank

China Minsheng Bank Hangzhou Qiantang Branch
No. 280–1, Jianguo South Road
Shangcheng District
Hangzhou, Zhejiang
PRC

Registered Office

Room 1001, Wanyin Building
Shangcheng District
Hangzhou, Zhejiang
PRC

Headquarters and Principal Place of Business in the PRC

Room 1001, Wanyin Building
Shangcheng District
Hangzhou, Zhejiang
PRC

Principal Place of Business in Hong Kong

40/F, Dah Sing Financial Centre
248 Queen's Road East
Wanchai
Hong Kong

H Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Legal Advisor as to Hong Kong Law

Linklaters
11/F, Alexandra House
Chater Road
Central
Hong Kong

Legal Advisor as to PRC Law

Jingtian & Gongcheng
34/F, Tower 3
China Central Place
77 Jianguo Road
Beijing
PRC

Investor Relations Contact

Tel: +86-571-8792 6998
Email: ir@maogeping.com

Company's Website

www.maogeping.com

Stock Code

01318

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Principal Activities

We are committed to offering consumers a comprehensive beauty experience characterised by high-quality beauty and fragrance products, professional makeup artistry training, and experiential and personalised customer service.

Beauty Brands and Products

Drawing upon the aesthetic philosophy of our founder, we have created beauty products that capture the essence of light and shadow makeup artistry and oriental aesthetics to achieve the best makeup effects. Our beauty brands include MAOGEPING and Love Keeps. As our flagship brand, MAOGEPING accounted for the majority of the Group's product sales revenue for the six months ended 30 June 2026.

Upholding a premium brand positioning, we offer colour cosmetics products inspired by Mr. Mao Geping's foundational philosophy in light and shadow makeup artistry and oriental aesthetics, as well as skincare and fragrance products that integrate high-quality formulas with select ingredients. Our colour cosmetics primarily include makeup products for foundation, highlighting and contouring, lips and eyes. Our skincare products primarily include face creams, eye care, facial masks, serums and cleansers, while our fragrance products include the "Guoyun Ningxiang (國韻凝香)" perfume series commemorating the 60th anniversary of Sino-French diplomatic relations, the "Eastern Whisper Enlightenment (聞道東方)" perfume series co-branded with the Cultural and Creative Institute of the Palace Museum, and home fragrance products. Moreover, we have launched limited editions of colour cosmetics, such as Eastern Aura Elegance (氣蘊東方), which encapsulate industry trends, celebrate traditional cultures, and incorporate advanced technology for enhanced application and wear. As of 30 June 2026, our product portfolio comprised 493 SKUs across three categories, namely colour cosmetics, skincare and fragrances.

The following table sets forth the total sales volume and average selling prices of our products by product category for the periods indicated:

	Six months ended 30 June			
	2026		2025	
	Sales Volume	**Average Selling Price**	Sales Volume	Average Selling Price
	Unit in thousands	**RMB per unit**	Unit in thousands	RMB per unit
Colour cosmetics	**12,496.4**	**157.4**	9,059.8	157.0
Skincare	**3,385.3**	**358.1**	3,094.7	351.3
Fragrance	**53.2**	**313.0**	35.4	322.3

Note:

(1) The average selling price refers to the prices of products sold through all sales channels, including direct sales to consumers, as well as sales made to retailers and distributors.

The average selling prices are generally lower than the high end of the listed price range, primarily because: (i) products sold to retailers and distributors are priced lower than those sold to consumers, reflecting bulk-purchase discounts consistent with typical industry practice; and (ii) the average selling price is calculated net of Value Added Tax and after adjustments for sales discounts, loyalty points and other promotional activities that affect the final selling price.

Colour cosmetics

Our colour cosmetics offering encompasses a wide range of foundation, highlighting and contouring, eye and lip makeup products, meticulously designed to cater to the unique skin conditions, facial structures and aesthetic preferences of Chinese consumers. By incorporating elements of light and shadow and traditional Chinese cultural elements into our product design, we create visually appealing and culturally relevant product collections that capture the essence of oriental beauty. As of 30 June 2026, we offered 401 SKUs in colour cosmetics. During the Reporting Period, our foundation products continued their strong performance. Two of our SKUs – the "Luxury Caviar Cushion" and the "Luminous Light Veiling Pressed Powder" – generated retail sales of over RMB200 million and RMB300 million, respectively. Following the hit product "Skin Primer", in February and March of this year, we successively launched two new products, "Perfecting Radiance Primer Cream" (namely, "**Radiance Primer**") and "Fresh Makeup UV Primer" (namely, "**UV Primer**"), establishing a family product matrix of makeup primer products covering multiple foundation makeup needs scenarios. Among them, the "Radiance Primer" gained widespread popularity upon launch and achieved retail sales of over RMB100 million within less than six months. In addition, we launched "3D Glow Liquid Highlighter" in April, a product tailored for Asian skin tones. With a silky texture that adheres closely to skin and effortless blending application, it shapes the beauty of Eastern facial contours by leveraging light and shadow contrast.

Meanwhile, during the Reporting Period, we collaborated with national-level IPs to launch new colour cosmetics products with strong artistic appeal. In January 2026, in collaboration with the Team China, we launched the "Splendid Crystal" collection. Rooted in the integration of Chinese and Western cultures, this collection facilitates an in-depth dialogue between sportsmanship and artistic aesthetics, interpreting the contemporary beauty woven from strength, elegance and conviction. In May 2026, we collaborated with the Cultural Creation division of Chengdu Research Base of Giant Panda Breeding to roll out the "Fantasy Floral Realm" collection. Inspired by the national treasure giant panda, this collection explores a lighter and more approachable expression of Oriental beauty in the contemporary context. It transports the beauty of the Orient from grand, spotlight occasions into relaxed and healing daily life, endowing products, beyond their practical value, with a unique added value of spiritual pleasure. Set forth below are the product portfolios of the "Splendid Crystal" and the "Fantasy Floral Realm" collections:

For the six months ended 30 June 2026, revenue from our colour cosmetics products reached RMB1,966.7 million, representing a period-over-period increase of 38.3%.

Skincare products

We firmly believe that well-maintained skin is the foundation for achieving optimal makeup results. Building on our extensive experience in product design, development, sales and branding, and leveraging the loyal consumer base we have established in the colour cosmetics segment, we have expanded our product portfolio to include skincare products. Our skincare covers face creams, eye care, facial masks, serums and cleansers, designed to meet the diverse skin types and skin care requirements of consumers. As of 30 June 2026, we offered 59 SKUs in skincare portfolio. We have been widely recognised across various skincare sub-segments. For example, our facial mask product, "Luxury Caviar Facial Mask", has become a star product with annual retail sales exceeding RMB1.0 billion; our cream product, "Regenerating Radiance Black Cream", recorded retail sales of approximately RMB290 million during the Reporting Period; and our serum products, "Luxury Caviar Multi-Functional Ampoule Essence" and "Regenerating Radiance Repair Essence", recorded retail sales of approximately RMB60 million and RMB100 million, respectively, during the Reporting Period. In addition, we newly launched the high-end skincare series "Radiant Revitalising" this year, which incorporates floral extracts sourced from polar regions and is formulated to address the differentiated efficacy needs of different consumer groups. This series also recorded retail sales of over RMB30 million during the Reporting Period. Set forth below are our new products in the "Radiant Revitalising" series:

For the six months ended 30 June 2026, our revenue generated from the sales of skincare products was RMB1,212.2 million, representing a period-over-period increase of 11.5%.

Fragrance

Our fragrance category comprises the "Guoyun Ningxiang (國韻凝香)" and "Eastern Whisper Enlightenment (聞道東方)" collections and home fragrance products. Drawing inspiration from cultural exchanges between the East and the West, incorporating reflections rooted in the Eastern philosophy, and creating a distinctive Oriental aesthetic of artistic conception, these product series not only enrich our product matrix, but also enhance the appeal and competitiveness of our brand in a broader cosmetics market. As of 30 June 2026, we offered 33 SKUs in fragrance. For the six months ended 30 June 2026, revenue from our fragrance products reached RMB16.7 million, representing a period-over-period increase of 46.0%.

Makeup Artistry Training

Dedicated to raising the standard of makeup artistry and aesthetic literacy in China, we had established ten Institutes of Makeup Artistry in China as of 30 June 2026, namely Hangzhou, Beijing, Shanghai, Chengdu, Shenzhen, Guangzhou, Chongqing, Wuhan, Qingdao and Zhengzhou, with our Hong Kong School basically prepared and set to officially open soon. We offer comprehensive in-person makeup training programs at these institutes to disseminate our deep-rooted knowledge in makeup artistry and Mr. Mao's aesthetic philosophy to budding makeup artists and beauty enthusiasts. As of 30 June 2026, 216 trainers were enrolled at our training institutes. During the six months ended 30 June 2026, our ten training institutes enrolled more than 4,000 students in total.

Our makeup artistry training programs are designed for a variety of participants, including novices aspiring to makeup-related careers, industry professionals seeking high skill levels, and individuals with foundational makeup knowledge aiming to enhance their skills. We primarily offer long-term and short-term makeup artistry training programs. Our long-term makeup artistry training programs generally focus on makeup artistry skills as well as image design and artistic creativity, aiming to cultivate professionals with a comprehensive skill set, specialising in advanced character image design with innovative thinking capabilities through systematic training. Short-term programs, such as comprehensive makeup and styling, fashion lifestyle and creative styling, generally emphasise practicality and applicability. Our programs are closely aligned with market demands and current fashion trends, striving to meet the employment needs of program participants aspiring to become makeup artists and stylists. In addition, we also offer interest-oriented classes for program participants seeking to improve their makeup skills and personal image.

During the Reporting Period, we continuously deepened the "Dual-Core Makeup Modelling Course (化妝造型雙核課程)" training system. Since its establishment last year, this initiative has effectively completed the pathway from "zero-basics entry to professional advancement and then to employment and monetisation", successfully cultivated a group of high-calibre talents with both solid technical skills and strong market adaptability, and further consolidated the Company's competitive advantages in the field of vocational education in the beauty industry. The courses covered in dual-core teaching and training model are divided into two major categories: the distinctive dual-core courses offered by the five institutes and the Makeup Modelling Course. The dual-core courses innovatively integrate the dual-core training model of "professional skills" and "practical marketing". On the one hand, systematic and progressive professional training helps students consolidate their basic makeup and styling skills and achieve technical breakthroughs from beginner to proficient level. On the other hand, marketing competencies required by the market are integrated into the whole learning process, covering core online and offline scenarios including content operation, traffic conversion and client communication, empowering students with the dual competitiveness of "skills + operation". In addition, the "Career Development Department (職業發展部)" of our institute will collaborate with a professional team composed of senior makeup and styling artists and career consultants to provide graduates with long-term guidance and empowerment throughout their careers through a dual "online + offline" model, supporting their career development. While promoting the career development of our graduates, we also contribute to nurturing more high-calibre professional talents for the makeup and styling industry.

For the six months ended 30 June 2026, our revenue from makeup artistry training and related sales was RMB71.7 million, representing a period-over-period increase of 6.6%.

Product Design and Development

Our success stems from our robust product design and development capabilities, driven by our product development team's comprehensive expertise and meticulous approach to create high-quality beauty products.

Our Product Development Team. Our product design and development efforts are led by Mr. MAO Geping, drawing on his deep understanding of light and shadow makeup artistry, oriental aesthetics and the design and development of beauty products. We have established a product development team consisting of an art committee comprising makeup artists of our makeup artistry training institutes, and a core product design and development team responsible for the overall product design and development process. The two teams collaborate closely to guide the direction of product design and development, while engaging ODM providers to collectively transform our core aesthetic concepts and market insights into product solutions. In addition, our makeup artistry training programs provide a valuable source of new talents for our product development team, supporting the continuity and growth of our creative capabilities. By nurturing skilled professionals who embody our brand philosophy and aesthetics, we maintain a strong foundation for future product development.

Our Comprehensive Expertise. Our comprehensive expertise drives our ability to create products of exceptional functionality and performance. In particular, our knowledge of product ingredients, formulas and design allows us to create products with good functionality and performance. We select quality raw materials and use advanced formulation techniques to develop products that cater to the specific needs and preferences of our target consumers, particularly those with Asian skin types and beauty standards. Our aesthetic philosophies in light and shadow makeup artistry and oriental aesthetics differentiate us from other premium international cosmetics brands. By incorporating elements of light and shadow, traditional Chinese cultural elements, and the philosophical reflections of the East into our product design, we create visually appealing and culturally relevant product collections that capture the essence of oriental beauty.

Strategic Cooperation with ODM Providers. To enhance our product design and development capabilities, we have forged strategic partnerships with reliable ODM providers, leveraging their technical expertise, manufacturing facilities and quality control processes to support our product design and development initiatives. Our product development team guides the overall direction while engaging ODM providers to conduct detailed R&D and product design work, communicates design and development requirements, and collectively develops product formulas with these suppliers. We also maintain oversight and involvement throughout the product development cycle, from initial concept to final production. Our product development team works closely with ODM providers, providing specifications, conducting quality checks, testing against product specifications and making necessary adjustments to ensure that the final products meet our standards and align with our brand vision. Our cooperation with ODM providers allows us to focus on our core competencies in product conceptualisation, design and branding while ensuring that our products are manufactured to high standards of quality and consistency.

Aesthetics- and Functionality-Driven Product Design. Recognising the dual function of aesthetics and utility in product appearance design, we emphasise the importance of both visual appeal and practicality in our product presentations. Our commitment to creating a unique brand identity is reflected in our product aesthetics and packaging designs. These designs have been developed through generations of proprietary molds, incorporating elements of traditional Chinese architecture and artworks to deepen cultural resonance. As of 30 June 2026, this approach to packaging has earned us the Platinum Muse Design Award and 55 design patents, evidencing our brand's distinctiveness and sophistication.

Our Product Design and Development Achievements. Our commitment to product design and development has yielded positive results. For example, based on our expertise in light and shadow makeup artistry, we pioneered the development of the highlighting and contouring products in China, notably with the Light and Shadow Collection that was specifically designed to suit Chinese skin tones among all domestic beauty brands, according to Frost & Sullivan. During the six months ended 30 June 2026, we developed and upgraded approximately 80 new SKUs.

Production and Supply Chain Management

To ensure optimal efficiency and uphold stringent quality control standards, we have selectively partnered with reliable ODM/OEM providers for product production. We retain decisive authority over the products' attributes, efficacy and aesthetic presentation in such partnerships. Our efforts are concentrated on refining essential cosmetic parameters, such as hue, oil-water balance, pliancy, viscosity and surfactant levels, to ensure our products suit the skin types and cosmetic needs and preferences of Chinese consumers. We primarily engage third-party logistics service providers to provide warehousing facilities and delivery services. We select logistics service providers based on their reputation, scale of operations, track record and price. We typically enter into long-term agreements with our logistics service providers. Our logistics service providers bear the risks associated with the delivery of our products and the liability for product damages occurring during the transportation process and are required to purchase necessary insurance.

Sales Network

We sell our products through an extensive sales network integrating offline and online channels. Our offline channels include (i) direct sales primarily via our self-operated counters; (ii) sales to a premium multinational beauty retailer; and (iii) sales to offline distributors. Our self-operated counters are strategically located in department stores which we select specifically to reinforce the image and value of our brand. Adhering to an experiential marketing strategy, our counters are designed to feature a designated makeup station, supported by well-trained beauty advisors skilled in makeup knowledge and techniques to offer consumers professional makeup trials that augment the effects of our products. Our online channels include (i) direct sales via online stores, and (ii) sales to online distributors; our direct online stores cover e-commerce platforms such as Tmall, Douyin, and Xiaohongshu, which contribute to the main source of our online sales revenue.

Our counter network consists of self-operated counters and distributor-operated counters, which collectively form a comprehensive retail ecosystem operated under a consistent set of standards. As of 30 June 2026, we had established 466 brand counters in 132 cities across the country, including 431 self-operated counters and 35 distributor-operated counters. Such a counter network enables us to expand our product coverage, foster direct consumer relationships and enhance brand visibility.

During the Reporting Period, as our main brand continued to gain influence among consumers and we increased our sales and marketing efforts, the average performance of our individual counters further improved. For the six months ended 30 June 2026 and the six months ended 30 June 2025, the average revenue of the same comparable counters was as follows:

	Six months ended 30 June	
	2026	2025
Number of the same comparable counters[1]	**356**	356
Total revenue of the same comparable counters *(RMB in millions)*	**1,174.4**	1,006.4
Average revenue of the same comparable counters *(RMB in millions)*	**3.3**	2.8

(1) Refers to the number of counters that have been continuously operated throughout the current year/period and the previous year/period.

Our counters are carefully designed to offer customised consultations and professional makeup trial services, creating an experiential and personalised shopping experience for consumers. Our first brand image flagship store was opened in Hubin Pedestrian Street, a core commercial district in Hangzhou. Drawing inspiration from the red walls of the capital of the ancient Southern Song Dynasty, it incorporates a facade design featuring three-dimensional Osmanthus carvings and gradient vermilion hues of palace walls, weaving the poetic charm of Jiangnan and Eastern aesthetics into a modern space. Inside, the flagship store showcases our full range of products, including makeup, skincare, and fragrances, and offers an immersive makeup experience to allow customers to feel the unique charm of Eastern beauty and reinterpret the aesthetic genes rooted in the East. Below are some images showcasing the design of our flagship store:

Our offline counter network has covered numerous mid-to-high-end commercial complexes in Mainland China, including core mid-to-high-end department stores and shopping malls such as SKP, China Resources MixC, Intime, Wangfujing, Plaza 66, Parkson, Golden Eagle and Huadi Yaohan, as well as Gateway Arcade at Harbour City in Hong Kong. We plan to further increase the density of our counter network layout in higher-tier cities in Mainland China and steadily expand our presence in key commercial districts of markets outside Mainland China, including Hong Kong and Macau. During the Reporting Period, we continued to upgrade our existing counters in terms of both location and design. For instance, we expanded the floor area of our counter at Hubin Yintai IN77 in Hangzhou's prime commercial district and repositioned and optimised our counter at Chengdu SKP to better meet sales and customer service needs. Below are some images showcasing the upgraded design of our counters at Hubin Yintai IN77, Hangzhou:

Through the strong brand image and product advantages established via offline channels, as well as our online marketing strategies based on content sharing, we have gained significant brand reputation and consumer goodwill. During the six months ended 30 June 2026, our offline and online channels maintained steady growth, with revenue from cosmetic sales of RMB1,468.1 million and RMB1,727.4 million, respectively, representing a period-over-period growth of 19.9% and 33.2%, respectively.

Branding and Marketing

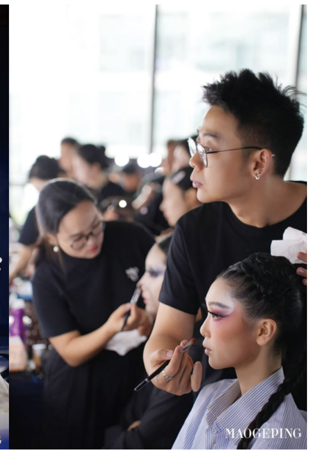
Brand reputation is at the core of our competitiveness. Our brand-building activities consistently adhere to the principles of oriental aesthetics and the aesthetics of light and shadow, conveying master-level expertise in artistic craftsmanship. We employ a content-driven marketing strategy to build our brand's reputation. The Eastern Aura Elegance (氣蘊東方) series, our joint brand with the Palace Museum, has now reached its sixth iteration. In addition to annual new product launches, we also regularly host makeup artistry shows to interpret the new trends of oriental aesthetics. Furthermore, we connect our brand with an active lifestyle through collaborations with athletes and sporting events. Below are some of the brand and product marketing activities we organised during the Reporting Period:

Official Presence at Milan Winter Olympics "China House": Infusing Athletic Grace with Contemporary Oriental Aesthetics

In recent years, an increasing number of athletes have chosen to wear makeup during competition. Beyond showcasing their competitive spirit, they are also expressing the personal style of a new era of athletes, projecting a multifaceted sense of beauty that blends strength with elegance. As the official makeup service provider for TEAM CHINA, MAOGEPING set up an exclusive beauty experience zone at the "China House", located at Villa Clerici in Milan, during the Olympic Winter Games Milan Cortina 2026. A professional team of senior makeup artists was stationed on-site to offer product trials and styling services to visiting guests and athletes. Additionally, the brand created a bespoke "Team China Athlete Image Enhancement Kits" for China's athletes. Leveraging its professional beauty expertise, MAOGEPING enhanced the athletes' confidence and presence, vividly demonstrating the contemporary appeal of Oriental aesthetics on the global stage. Below are snapshots of our displays and services at the China House in Milan:

"Fantasy Floral Realm – Whimsical Bloomland" New Product Launch & Makeup Artistry Show

As a shining emblem of Chinese culture, the giant panda – with its striking black-and-white vivacity and gentle, soothing charm – has become an Oriental icon that transcends borders and connects people worldwide. MAOGEPING, a brand deeply committed to the diverse expression of Oriental aesthetics, has keenly identified this synergy. In collaboration with the Cultural Creation division of Chengdu Research Base of Giant Panda Breeding, the brand infuses the spirited essence of this national treasure into its makeup creations. Drawing inspiration from the adorable charm and effortless ease of "He Hua", the beloved giant panda, MAOGEPING launched the new "Fantasy Floral Realm" series. Featuring lightweight textures, wearable finishes, and whimsical designs, this series offers a fresh interpretation of Eastern Aura Elegance – one that is lighter, more vibrant, and full of life.



Xishuangbanna Base Makeup Festival and Tmall Super Brand Day

In April 2026, during the Water-Splashing Festival in Xishuangbanna, Yunnan, MAOGEPING launched the "Radiance-Lock Base • Shining Summer" Base Makeup Festival. Through rigorous real-world testing under hot and humid outdoor conditions, the event comprehensively demonstrated the performance of the brand's base makeup portfolio, successfully establishing the strength of our full-range product line-up. In conjunction with Tmall Super Brand Day, the campaign achieved a dual breakthrough in both tens-of-millions of impressions and sales conversion, further strengthening the brand's competitive edge in the professional base makeup segment.


For the Hong Kong market, we precisely targeted high-net-worth individuals and corporate elites. Through exclusive VIC salons at Harbour City and bespoke makeup masterclasses tailored for finance and legal professionals, the brand successfully generated strong resonance within these elite circles. This immersive experiential marketing not only deepened the brand's penetration in the professional services sector but also, through exceptional makeup demonstrations and service experiences, effectively energised the retail atmosphere, achieving a dual leap in both brand awareness and customer affinity.

Membership

We have established both online and offline membership loyalty programs catering to the diverse preferences and engagement styles of our customers. Each system provides tailored benefits and privileges that enhance the shopping and brand experience for our members.

Our online membership system, accessible via our self-operated online stores on Douyin and Tmall, features a tiered VIP membership structure. Members benefit from interchangeable points and levels across platforms, which fosters a seamless integration of shopping experiences. These points can be earned and used across various interactions, including purchases, which enhance customer engagement and promote brand loyalty. The online membership system is designed to reward not only purchases but also to increase interaction through exclusive member benefits such as product trials, special promotions, and birthday gifts. The privacy of member data is stringently protected in line with our comprehensive privacy policy.

In addition, our offline membership system supports registration at physical counters or through linking WeChat public accounts, catering to customers who prefer in-person interactions. This system offers benefits such as birthday gifts and personalised makeup services based on members' VIP levels. Offline membership benefits and tiers are dynamically adjusted based on cumulative spending over a 12-month period, with detailed rules provided in store and via our platforms to ensure transparency.

Our consumers can join both of our online and offline membership loyalty programs to enjoy membership benefits. As of 30 June 2026, we had a total of approximately 18.64 million and 7.44 million registered members, respectively, online and offline. Both systems are aligned in their goal to offer tailored experiences and rewards but differ in their manner of interaction and the specific nature of rewards and benefits. By maintaining both online and offline systems, we effectively address the varied preferences of our diverse customer base, ensuring accessibility and satisfaction whether shopping online or at a physical location. Through our brand-building and targeted marketing initiatives, we aim to enhance our brand image, boost consumer loyalty, and drive sustainable growth. Our content-oriented brand promotion approach, combined with our marketing strategies, has yielded positive results. Our overall repurchase rate further increased from 26.8% in the six months ended 30 June 2025 to 27.2% in the six months ended 30 June 2026.

The following table sets forth our registered members' repurchase rate by sales channel for the periods indicated:

	Six months ended 30 June	
	2026	2025
Online channels	**24.8%**	24.1%
Offline channels	**30.6%**	30.3%
Overall	**27.2%**	26.8%

Note: We calculate the repurchase rate of our registered members by dividing the number of registered members who purchased our products for two or more times during each year by the number of registered members who made at least one purchase during the same period. The repurchase rate for the first half of the year is generally lower than that for the full year. This is mainly due to (i) the usage period of our products, which extends the repurchase cycle; and (ii) seasonal factors, which typically result in peak sales during shopping festivals and public holidays in the fourth quarter. In the full year of 2025, our online and offline repurchase rates were 30.3% and 36.5%, respectively.

Customer Service

We have a dedicated customer service team that stays responsive to consumers' inquiries, feedback, and complaints, committed to providing personalised customer services to build long-lasting consumer relationships and enhance consumer loyalty and satisfaction. During the Reporting Period, we did not receive any material customer complaints and litigations in connection with product safety and quality. Our customer service team closely monitors and keeps records of reviews, feedback or complaints received across various channels such as our counters, third-party e-commerce platforms and various social media and short video platforms such as Xiaohongshu and Douyin, and promptly contacts relevant consumers to address their concerns in a timely manner. In addressing consumers' complaints, we undertake to communicate and liaise with the consumers in a timely manner.

Supported by our customer service team, we have built a strong track record of customer satisfaction. To our best knowledge, during the Reporting Period, our consumer complaint rate was only 0.09%, remaining at a low level overall. We did not receive any consumer complaints that had a material adverse impact on our operations and business reputation.

Business Achievements

As the leader among China's domestic premium beauty brands, we continued to maintain rapid growth during the Reporting Period. Our total revenue increased from RMB2,588.2 million for the six months ended 30 June 2025 to RMB3,267.3 million for the six months ended 30 June 2026, representing an increase of 26.2%. Our gross profit increased from RMB2,178.9 million for the six months ended 30 June 2025 to RMB2,770.4 million for the six months ended 30 June 2026, representing an increase of 27.1%. Our net profit increased from RMB670.4 million for the six months ended 30 June 2025 to RMB806.6 million for the six months ended 30 June 2026, representing an increase of 20.3%. With outstanding sales performance, we consistently solidify our market leadership and brand equity within the premium beauty industry.

FUTURE PROSPECTS

We believe the following strategies pave the way for our sustained success in the future.

Enhancing Sales Network Coverage to Broaden Consumer Engagement

We are committed to expanding the coverage of our offline sales channels. While tapping into new markets, we are increasing the density of brand stores in higher-tier cities where we already operate and penetrating more upscale shopping malls, thereby enhancing consumer reach and reinforcing our premium brand image. We aim to elevate our brands' visibility and influence through establishing counters in high-end department stores, as well as establishing stores under our flagship brand MAOGEPING nationwide. Counters in department stores offer a focused, brand-dedicated space within a larger retail environment, allowing for personalised customer service and demonstrations in a high-traffic setting. Additionally, stores under the MAOGEPING brand provide a holistic brand experience, featuring a broader range of products and the brand's aesthetic, enabling deeper engagement with the brand's identity and values. Furthermore, we plan to implement a comprehensive upgrade of our department store counters. This refurbishment plan is designed to enhance the artistic and visual presentation of our counters, enrich the consumer experience with an elevated sensory journey, and further bolster our brand's prestigious image.

Our strategy for online expansion focuses on both establishing our proprietary official online store and expanding our online presence on third-party e-commerce platforms. This approach aims to optimise our online presence, increase our product accessibility to consumers, and attract a broader demographic. Key to this strategy is our strengthened efforts in online marketing activities. We plan to amplify our online footprint through increased promotional activities, strategic collaborations with key opinion leaders (KOLs), and a foray into burgeoning online platforms. These targeted efforts are aimed at utilising diverse advertising techniques to unlock new avenues for online growth. Concurrently, we intend to upgrade our membership system to foster deeper member engagement and brand loyalty, and drive higher repurchase rates. Through these approaches, we aim to seamlessly integrate and maximise the synergies between our online and offline channels.

Continue Focusing on Colour Cosmetics, Skincare, and Fragrance and Exploring New Product Categories

Our product development strategy is centred on colour cosmetics, skincare, and fragrances to introduce distinctive products. This strategy is characterised by a commitment to continuously optimise our product offerings, leveraging insights from product development, market trends, and professional makeup standards. We also plan to develop a new product development agenda that aims to broaden our portfolio across different categories, functionalities, application settings and target audiences.

For colour cosmetics, we plan to develop specialised products that cater to diverse skin tones and types, aiming to retain and expand our market share and strengthen our prominence within the colour cosmetics industry. In terms of skincare, we aim to enhance our skincare product offering by adopting effective ingredients and technologies to introduce more popular skincare products. In the field of fragrance, we insist on product design based on philosophical reflections of Eastern culture, carefully selecting high-quality ingredients from around the world and perfumery techniques to enable consumers to experience a diverse range of fragrances that reflect their inner feelings and recreate poetic imaginings of the spirit.

Strategically Upgrading and Expanding Brand Portfolio with MAOGEPING as the Anchor

Our brand development strategy is centred around the refinement of our existing brands alongside the strategic expansion of new premium brands. This strategy will set the stage for us to become a diversified multi-brand conglomerate anchored by the MAOGEPING brand. Through these initiatives, we aim to bolster the prestige of the MAOGEPING brand and to enrich our brand portfolio, catering to a wider consumer base and capturing diverse market opportunities.

We also plan to explore and pursue investment and acquisition opportunities in brands with potential for growth and offering synergies that complement our existing brand portfolio. We primarily target brands that have already captured a respected market position and market share, possess proprietary technology, product formulas and patents, and are positioned within the mid- to high-end segments of the beauty industry. As of the date of this report, we had not identified any potential investment or acquisition targets or entered into any agreements in this regard.

Strengthening Global Brand Presence and Overseas Market Penetration

We aim to elevate our market position as a distinguished cosmetics group globally, boosting our brand's reputation and influence through an overseas expansion strategy. This endeavour aims to position us prominently in the global beauty industry.

We are poised to strategically penetrate overseas markets with a dual-channel approach that encompasses both counters in department stores and online stores in overseas markets. This expansion strategy is designed to amplify our brand's exposure among global consumers. Integral to our approach is forging partnerships with high-end department stores worldwide, a move that will serve to solidify our brand image and embed our presence in the consciousness of overseas consumers. Moreover, to compete effectively with international brands in overseas markets such as Europe, America and the Asia-Pacific region, we are enhancing our competitive strategies by focusing on different product and branding strategies that cater to regional beauty trends and consumer preferences. We are committed to assembling local teams dedicated to product development, marketing, and sales in overseas markets. This localisation strategy ensures our product offerings are tailored to the distinct characteristics and needs of local consumers, fostering product relevance and appeal.

Additionally, we are exploring strategic investment and acquisition opportunities, such as those with a business focus on beauty brands that are aligned with our premium market position and with products that could be complementary to our product offerings, and those along our supply chain with production capabilities, to develop products that align with the specific climatic conditions and consumer characteristics of each region.

Building on our current arrangements, we plan to collaborate with industry partners who have complementary resources. Such collaboration aims to incentivise them to leverage our brand assets to develop and operate additional sales channels, and to increase our international competitiveness in marketing, supply chain, and talent acquisition. These efforts aim to enhance our brand image and expand our reach into untapped markets.

We plan to establish our presence through both online and offline channels, including a proprietary official online store which will serve as the cornerstone of our brand experience. Our marketing and branding efforts will be centred around oriental aesthetics, engaging with customers through the lens of oriental artistry to convey our brand story. In addition, we aim to leverage sales channels through third parties, including multinational beauty retailers and high-end department stores, to reach local consumers. By combining the allure of oriental-inspired products with insights into local markets, we aim to establish our presence in these overseas markets.

Upholding Brand Positioning Founded on Makeup Artisanship, Advancing Product Development and Makeup Artistry Training

Product development and makeup artistry training programs are fundamental to our continued success. Our Hangzhou R&D centre has been completed and commenced operations this year. Looking ahead, we plan to establish overseas R&D centres to develop proprietary product formulas, foster collaboration with overseas research institutes, and enhance product efficacy. We recognise the significant potential of overseas markets and value advanced technologies and product formulas from abroad. Establishing overseas R&D centres will facilitate collaboration with local laboratories, keep pace with the latest product formulations and technologies, and develop products tailored to local markets, thereby driving product sales. These overseas R&D centres will also attract and employ local professional talents, enriching our product development with global insights and directions. Such a strategic approach is aimed at continuously sharpening our products' competitive edge, fortifying our position as a premium beauty brand founded on professional artisanship.

To enhance our in-house R&D capabilities, we have developed a comprehensive strategy. This strategy involves increasing our involvement in key R&D steps by identifying critical areas where we can enhance our direct participation, including formula design, production process optimisation, and product testing. We are also prioritising high-potential product lines, focusing our R&D efforts on offerings with the greatest potential return on investment, such as skincare products, which aligns with market trends and our existing strengths. Additionally, as we develop in-house manufacturing capabilities, we plan to integrate our R&D efforts with production processes, creating synergies that enhance both innovation and operational efficiency.

In line with our dedication to professional makeup artistry training, we plan to upgrade and expand our existing training facilities. This includes the expansion of existing institutes as well as the establishment of additional institutes to extend the reach of our makeup artistry training programs. Our goal is to meet the growing demand for professional makeup training among a wider customer base. We are also focused on upgrading our online training platforms, introducing programs that advocate our aesthetic philosophy and further elevate MAOGEPING branding. We are committed to strengthening our training personnel, ensuring a high standard of training quality and continuous improvement.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

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

	Six months ended 30 June			
	2026		2025	
	Amount RMB'000	**%**	Amount RMB'000	%
Product sales				
– Colour cosmetics	**1,966,671**	**60.2**	1,422,304	55.0
– Skincare	**1,212,208**	**37.1**	1,087,188	42.0
– Fragrance	**16,661**	**0.5**	11,413	0.4
Subtotal	**3,195,540**	**97.8**	2,520,905	97.4
Makeup artistry training and related sales	**71,739**	**2.2**	67,312	2.6
Total	**3,267,279**	**100.0**	2,588,217	100.0

Analysis of Changes:

Our revenue increased by 26.2% from RMB2,588.2 million for the six months ended 30 June 2025 to RMB3,267.3 million for the six months ended 30 June 2026, primarily due to an increase of 26.8% in product sales from RMB2,520.9 million for the six months ended 30 June 2025 to RMB3,195.5 million for the six months ended 30 June 2026. Our revenue from makeup artistry training and related sales increased by 6.6% from RMB67.3 million for the six months ended 30 June 2025 to RMB71.7 million for the six months ended 30 June 2026, primarily due to an increase in the number of participants enrolled in makeup artistry training courses.

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

	Six months ended 30 June			
	2026		2025	
	Amount RMB'000	%	Amount RMB'000	%
Offline channels				
Offline direct sales	**1,360,256**	**42.6**	1,093,962	43.4
Sales to offline distributors	**51,865**	**1.6**	51,628	2.1
Sales to a premium multinational beauty retailer	**55,977**	**1.8**	78,581	3.1
Subtotal	**1,468,098**	**46.0**	1,224,171	48.6
Online channels				
Online direct sales	**1,345,942**	**42.1**	1,023,532	40.6
Sales to online distributors	**381,500**	**11.9**	273,202	10.8
Subtotal	**1,727,442**	**54.0**	1,296,734	51.4
Total	**3,195,540**	**100.0**	2,520,905	100.0

Analysis of Changes:

Our revenue from product sales through our offline channels increased by 19.9% from RMB1,224.2 million for the six months ended 30 June 2025 to RMB1,468.1 million for the six months ended 30 June 2026, primarily due to an increase in offline direct sales from RMB1,094.0 million for the six months ended 30 June 2025 to RMB1,360.3 million for the six months ended 30 June 2026. This was mainly attributable to our enhanced sales and marketing efforts, which effectively increased brand exposure and in-store foot traffic, resulting in an increase in the average sales per counter in the first half of 2026.

Our revenue from product sales through our online channels increased by 33.2% from RMB1,296.7 million for the six months ended 30 June 2025 to RMB1,727.4 million for the six months ended 30 June 2026, primarily due to an increase in online direct sales from RMB1,023.5 million for the six months ended 30 June 2025 to RMB1,345.9 million for the six months ended 30 June 2026, and an increase in sales to online distributors from RMB273.2 million for the six months ended 30 June 2025 to RMB381.5 million for the six months ended 30 June 2026. This was mainly attributable to our enhanced sales and marketing activities on e-commerce platforms.

The following table sets forth the breakdown of our revenue from product sales by domestic and overseas market for the periods indicated:

	Six months ended 30 June			
	2026		2025	
	Amount		Amount	
	RMB'000	**%**	RMB'000	%
Product sales				
– Domestic	**3,189,119**	**99.8**	2,519,753	99.95
– Overseas	**6,421**	**0.2**	1,152	0.05
Total	**3,195,540**	**100.0**	2,520,905	100.0

Analysis of Changes:

Our revenue from the product sales in overseas markets increased by 457.4% from RMB1.2 million for the six months ended 30 June 2025 to RMB6.4 million for the six months ended 30 June 2026, primarily due to the establishment of Mao Geping (Hong Kong) Limited in 2025 and the opening of our first overseas direct sale counter at Harbour City in October 2025.

Cost of Sales

	Six months ended 30 June			
	2026		2025	
	Amount		Amount	
	RMB'000	**%**	RMB'000	%
Costs of inventories sold	**419,761**	**84.5**	338,649	82.7
Employee benefit expenses	**14,816**	**3.0**	14,021	3.4
Logistics and transportation costs	**50,552**	**10.2**	45,702	11.2
Depreciation and amortisation	**3,615**	**0.7**	4,114	1.0
Others	**8,152**	**1.6**	6,812	1.7
Total	**496,896**	**100.0**	409,298	100.0

Analysis of Changes:

Our cost of sales increased by 21.4% from RMB409.3 million for the six months ended 30 June 2025 to RMB496.9 million for the six months ended 30 June 2026, which was mainly due to the fact that the cost of inventories sold increased by 24.0% from RMB338.6 million for the six months ended 30 June 2025 to RMB419.8 million for the six months ended 30 June 2026 as a result of our revenue growth. Among the remaining components of cost of sales, the cost of depreciation and amortisation decreased by 12.1% from RMB4.1 million for the six months ended 30 June 2025 to RMB3.6 million for the six months ended 30 June 2026, while other costs increased by 19.7% from RMB6.8 million for the six months ended 30 June 2025 to RMB8.2 million for the six months ended 30 June 2026, primarily due to the signing of short-term leases for certain schools of the Beauty Education Institute in the second half of 2025.

Gross Profit and Gross Profit Margin

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

	Six months ended 30 June			
	2026		2025	
	Gross Profit RMB'000	Gross Profit Margin (%)	Gross Profit RMB'000	Gross Profit Margin (%)
Product sales				
– Colour cosmetics	**1,637,383**	**83.3**	1,175,956	82.7
– Skincare	**1,075,415**	**88.7**	951,743	87.5
– Fragrance	**12,429**	**74.6**	8,854	77.6
Subtotal	**2,725,227**	**85.3**	2,136,553	84.8
Makeup artistry training and related sales	**45,156**	**62.9**	42,366	62.9
Total	**2,770,383**	**84.8**	2,178,919	84.2

Analysis of Changes:

Our overall gross profit margin remained relatively stable at 84.2% and 84.8% for the six months ended 30 June 2025 and 2026, respectively.

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

	Six months ended 30 June			
	2026		2025	
	Gross Profit	**Gross Profit Margin**	Gross Profit	Gross Profit Margin
	RMB'000	**(%)**	RMB'000	(%)
Offline channels				
Offline direct sales	**1,194,887**	**87.8**	955,420	87.3
Sales to offline distributors	**42,041**	**81.1**	39,661	76.8
Sales to a premium multinational beauty retailer	**40,650**	**72.6**	53,619	68.2
Subtotal	**1,277,578**	**87.0**	1,048,700	85.7
Online channels				
Online direct sales	**1,135,821**	**84.4**	860,754	84.1
Sales to online distributors	**311,828**	**81.7**	227,099	83.1
Subtotal	**1,447,649**	**83.8**	1,087,853	83.9
Total	**2,725,227**	**85.3**	2,136,553	84.8

Analysis of Changes:

Our gross profit for product sales increased by 27.6% from RMB2,136.6 million for the six months ended 30 June 2025 to RMB2,725.2 million for the six months ended 30 June 2026, which was in line with the growth in sales revenue. Our gross profit margin of product sales remained relatively stable at 84.8% and 85.3% for the six months ended 30 June 2025 and 2026, respectively.

Other Income and Gains

Our other income and gains amounted to RMB48.5 million and RMB43.1 million for the six months ended 30 June 2025 and 2026, respectively, which was mainly due to a decrease in the amount of government grants.

Selling and Distribution Expenses

The Group's selling and distribution expenses for the six months ended 30 June 2026 were RMB1,550.0 million, representing an increase of 32.6% from RMB1,169.3 million for the six months ended 30 June 2025. The selling and distribution expenses for the six months ended 30 June 2026 accounted for 47.4% of the Group's revenue, representing an increase of 2.2 percentage points compared with 45.2% for the six months ended 30 June 2025. Among them, marketing and promotion expenses increased from RMB539.8 million for the six months ended 30 June 2025 to RMB778.6 million for the six months ended 30 June 2026, mainly due to increased investments in brand promotion and channel construction to enhance brand exposure. The employee benefit expenses included in selling expenses increased from RMB357.2 million for the six months ended 30 June 2025 to RMB426.2 million for the six months ended 30 June 2026, primarily due to the Group's business expansion and the growth in its performance.

Administrative Expenses

Our administrative expenses increased by 6.5% from RMB136.4 million for the six months ended 30 June 2025 to RMB145.2 million for the six months ended 30 June 2026, which was primarily due to an increase in sales tax and surcharges in line with the increase in our revenue.

Impairment Losses on Financial Assets, Net

Our net impairment losses on financial assets was RMB1.1 million for the six months ended 30 June 2025 compared to the net impairment losses on financial assets of nil for the six months ended 30 June 2026, which was primarily due to the overall timely collection of our trade receivables.

Other Expenses

Our other expenses were RMB25.6 million and RMB47.3 million for the six months ended 30 June 2025 and the six months ended 30 June 2026, respectively, mainly due to an increase in foreign exchange losses.

Financial Costs

Our financial costs were RMB1.0 million and RMB1.5 million for the six months ended 30 June 2025 and the six months ended 30 June 2026, respectively, mainly due to an increase in interest expenses on lease liabilities.

Income Tax Expense

With the increase in profit before tax, our income tax expense increased from RMB228.2 million for the six months ended 30 June 2025 to RMB271.2 million for the six months ended 30 June 2026.

Profit for the Period

As a result of the foregoing, our profit for the period amounted to RMB670.4 million and RMB806.6 million for the six months ended 30 June 2025 and the six months ended 30 June 2026, respectively.

Non-HKFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with HKFRS Accounting Standards, we also use adjusted net profit as an additional financial measure, which is not required by or presented in accordance with HKFRS Accounting Standards. We believe this non-HKFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our combined results of operations in the same manner as it helps our management. However, such non-HKFRS financial measure may not be directly comparable to similar measures presented by other companies. The use of this non-HKFRS measure should not be considered as a substitute for analysis of our results of operations or financial condition as reported under HKFRS Accounting Standards.

Adjusted Profit for the Period

We define adjusted profit for the period (non-HKFRS measure) as profit for the period adjusted by adding back listing expenses (net of tax) and equity-settled share award expense. The following table reconciles our adjusted profit for the period (non-HKFRS measure) with profit for the period presented in accordance with HKFRS Accounting Standards:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Profit for the period	**806,572**	670,419
Add:		
Equity-settled share award expense[1]	**8,652**	1,827
Adjusted profit for the period (non-HKFRS measure)	**815,224**	672,246

Note:

(1) Equity-settled share award expense mainly represents the arrangement that we receive services from employees as consideration for our equity instruments. Equity-settled share award expense is not expected to result in future cash payments.

Liquidity and Capital Resources

We mainly financed our capital requirements through cash generated from our business operations and the net proceeds from the Global Offering. For the six months ended 30 June 2026, net cash generated from operating activities was approximately RMB925.6 million, as compared to net cash generated from operating activities of RMB830.6 million for the six months ended 30 June 2025. As of 30 June 2026, the Group had cash and cash equivalents of approximately RMB2,780.8 million, while as at 31 December 2025, the Group had cash and cash equivalents of approximately RMB2,437.5 million. As of 30 June 2026, we had no outstanding borrowings. The Group's gearing ratio, defined as total liabilities divided by total assets, was 15.6% and 16.5% as at 31 December 2025 and 30 June 2026, respectively. As at 31 December 2025 and 30 June 2026, the Group's current ratio (defined as current assets divided by current liabilities) was 5.2 times and 4.9 times, respectively. The Group's net gearing ratio, defined as total liabilities divided by total equity, was 18.5% and 19.8% as at 31 December 2025 and 30 June 2026, respectively. With the cash and bank balances in hand, the Group's liquidity position remains strong to meet its working capital requirements.

Cash Flow

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Cash generated from operations	**1,177,756**	1,047,119
Income tax paid	**(252,152)**	(216,532)
Net cash flows from operating activities	**925,604**	830,587
Net cash flows from/(used in) investing activities	**6,774**	(81,966)
Net cash flows used in financing activities	**(541,584)**	(380,642)
Net increase in cash and cash equivalents	**390,794**	367,979
Cash and cash equivalents at beginning of period	**2,437,476**	2,791,719
Effect of foreign exchange rate changes, net	**(47,459)**	(24,156)
Cash and cash equivalents at end of period	**2,780,811**	3,135,542

Analysis of changes:

The Group's net cash flows from operating activities increased from a cash inflow of RMB830.6 million for the six months ended 30 June 2025 to a cash inflow of RMB925.6 million for the six months ended 30 June 2026, mainly due to an increase in the amount of cash inflow generated from sales growth. The Group's net cash flows from investing activities increased from a cash outflow of RMB82.0 million for the six months ended 30 June 2025 to a cash inflow of RMB6.8 million for the six months ended 30 June 2026, mainly due to the cash inflows of RMB1,029.2 million generated from the maturity and redemption of time deposits purchased in prior periods, and cash outflows of RMB828.1 million arising from the purchase of time deposits with a maturity of more than three months during 2026. The Group's net cash flow from financing activities was a cash outflow of RMB380.6 million for the six months ended 30 June 2025, mainly due to a cash outflow of RMB352.9 million arising from the distribution of dividends, a cash outflow of RMB320.0 million arising from repayment of borrowings at maturity, and a cash inflow of RMB311.1 million arising from the proceeds from the Listing. For the six months ended 30 June 2026, the Group's net cash flows used in financing activities amounted to a cash outflow of RMB541.6 million, mainly due to cash outflows of RMB490.2 million generated from dividend payments.

In conclusion, the net increase in the Group's cash and cash equivalents was RMB368.0 million for the six months ended 30 June 2025, while the net increase in the Group's cash and cash equivalents was RMB390.8 million for the six months ended 30 June 2026.

As at 30 June 2026, the Group had time deposits of RMB789.3 million, which were not included in cash and cash equivalents.

Interest Rate Risk and Exchange Rate Risk

The Group's operations are mainly carried out in the PRC, with most transactions settled in Renminbi. The reporting currency of the Group is Renminbi. In Hong Kong, China, the Group uses local currency as its functional currency, including Hong Kong dollar. A portion of the Group's cash and bank deposits are denominated in Hong Kong dollar and US dollar. The Group continues to adopt a prudent policy on foreign exchange risk management. During the six months ended 30 June 2026, the Group does not have a foreign currency hedging policy for foreign currency transactions, assets and liabilities. The Group reviews its foreign exchange risks periodically and uses derivative financial instruments to hedge against such risks when necessary.

Capital Expenditure and Commitments

For the six months ended 30 June 2025 and the six months ended 30 June 2026, our capital expenditures primarily consisted of the purchase of items of property, plant and equipment. The table below sets forth our capital expenditure for the periods indicated:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Purchase of items of property, plant and equipment	**120,449**	108,805
Purchases of other intangible assets	**540**	121
Prepayments for property, plant and equipment	**26,630**	5,287
Total	**147,619**	114,213

Our contractual commitments primarily relate to construction in progress for the six months ended 30 June 2025 and the six months ended 30 June 2026. Our Group had the following contractual commitments as of the indicated dates:

	As of 30 June	
	2026	2025
	RMB'000	RMB'000
Construction in progress	**112,968**	222,988
Total	**112,968**	222,988

Significant Investments, Material Acquisitions and Disposal of Subsidiaries, Associates and Joint Ventures

For the six months ended 30 June 2026, we had no material acquisitions or disposals of subsidiaries, associates, and joint ventures. As at 30 June 2026, we did not hold any significant investments (including any investment in an investee company) with a value of 5% or more of the Group's total assets.

Charges on the Group's Assets

As of 30 June 2026, we did not pledge any of our assets.

Future Plans for Material Investments or Purchase of Capital Assets

As of the date of this report, we had no plans for significant investments or purchase of capital assets.

Contingent Liabilities

We did not have any material contingent liabilities as of 30 June 2026.

Subsequent Events after the Reporting Period

Save as disclosed herein and as at the date of this report, the Group has no significant events occurred after the Reporting Period.

CORPORATE GOVERNANCE AND OTHER BUSINESS

The Board of Directors is committed to maintaining high corporate governance standards. The Board of Directors believes that high corporate governance standards are crucial in providing a framework for the Group to protect the interests of the Shareholders of the Company, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

COMPLIANCE WITH THE CODE ON DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Upon specific enquiry by the Company, all Directors confirmed that they had complied with the requirements of the Model Code in relation to the relevant Directors' share dealings during the Reporting Period.

The Company's employees, who are likely to be in possession of inside information of the Company, are also subject to the Model Code. All such employees confirmed that they had complied with the requirements of the Model Code in relation to the relevant share dealings during the Reporting Period.

COMPLIANCE WITH THE CG CODE

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. During the Reporting Period, the Company has adopted the code provisions set out in the CG Code as its own code to govern its corporate governance practices and has complied with all applicable code provisions set out in the CG Code. The Company recognises that the Board of Directors should be composed of a balanced combination of executive Directors and independent non-executive Directors, so that the Board of Directors can have a strong independent element and make independent judgements effectively.

CHANGE IN THE POSITIONS AND INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

Mr. HUANG Hui, an independent non-executive Director, has served as an independent director of Guangdong Dtech Technology Co., Ltd. (whose A Shares were listed on the Shenzhen Stock Exchange and H Shares were listed on the Stock Exchange, stock codes: 301377 and 01377) since July 2026. Other than the above, there were no changes in the positions and information of the Directors and senior management during the Reporting Period and up to the date of this report.

EMPLOYEES AND REMUNERATION POLICIES

The Group is committed to promoting gender diversity. As of 30 June 2026, the Group had a total of 3,634 employees, of which 468 were male and 3,166 were female. The number of employees decreased as compared with the end of last year, due to the outsourcing of certain operations to third-party service providers. The Group integrates its human resources strategy with remuneration plans based on different job sequences to provide competitive salaries and incentives based on performance contributions to all employees. The Group also contributes to social security and provident funds for all employees in accordance with the law, and provides a comprehensive benefit plan including retirement schemes, supplementary medical insurance, accident insurance, annual health check and various subsidies.

EMPLOYEE TRAINING

The Group provides training to employees at different departments according to their specific needs. Staff training provided by the Group includes induction training, business skills training, professional aptitude training, compliance training, etc. Training programmes will be arranged for new employees upon their induction according to their job positions, and instructors will be assigned to provide supervision. In-service staff may take part in training and sharing activities organised by the Group based on their job requirements and capabilities, or conduct online and offline self-learning based on their personal career planning.

INCENTIVE SCHEME

The Company has adopted the Employee Incentive Scheme (the "**Employee Incentive Scheme**") to effectively align the interests of Shareholders, the Company and employees, for long-term development of the Company. The Employee Incentive Scheme was adopted by a resolution of our Shareholders on 1 April 2024. The Employee Incentive Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve any grant of share options or awards by our Company or any issuance of new Shares by our Company after the Listing.

On 4 December 2025, the Company adopted the Restricted Share Unit Incentive Scheme by resolutions of the Shareholders. The purpose of the Restricted Share Unit Incentive Scheme is to further establish and improve the Company's long-term incentive mechanism and fully stimulate the enthusiasm of the Company's core employees, and to build a business community where the interests of the Shareholders, the Company, and individual managers are effectively aligned, working together to promote the Company's sustained and healthy development. The Restricted Share Unit Incentive Scheme does not involve the grant of new Shares of the Company. However, the Restricted Share Unit Incentive Scheme constitutes a share scheme funded by existing shares under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules.

DIVIDENDS

The 2025 annual general meeting of the Company was held on 24 April 2026, at which a final cash dividend of RMB1.00 per share (including tax, totalling approximately RMB490.2 million) for the year ended 31 December 2025 was approved, which was paid on 26 May 2026 to the Shareholders of the Company whose names appeared on the register of members of the Company on Wednesday, 29 April 2026.

The Board proposed the payment on 20 October 2026 of an interim dividend of RMB0.62 per Share (tax inclusive) for the six months ended 30 June 2026, amounting to a total of RMB303.9 million (tax inclusive). The aforesaid proposal will be put forward for consideration and approval at the extraordinary general meeting to be held thereafter. The specific arrangements for the declaration and payment of the interim dividend and the time and arrangement of the closure of register of members of H Shares will be separately disclosed in the circular for extraordinary general meeting.

WITHHOLDING AND PAYMENT OF DIVIDENDS INCOME TAX

Dividends Income Tax Applicable to Overseas Shareholders

Withholding and Payment of Enterprise Income Tax on behalf of Overseas Non-Resident Enterprise Shareholders

Pursuant to the applicable provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and its implementing rules and the requirements under the Notice of the State Administration of Taxation on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by PRC Resident Enterprises to Overseas Non-Resident Enterprise Shareholders of H Shares (Guo Shui Han [2008] No. 897) (國家稅務總局《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)), the Company will withhold and pay enterprise income tax at the rate of 10% when it distributes dividends to overseas non-resident enterprise shareholders of H Shares (including any H Shares of the Company registered in the name of HKSCC Nominees Limited, but excluding any H Shares of the Company registered in the name of HKSCC Nominees Limited which are held by China Securities Depository and Clearing Corporation Limited as nominee holder on behalf of investors who invest in the H Shares of the Company through Hong Kong Stock Connect and H Share "**Full Circulation**"). The non-resident enterprise Shareholders may, on their own or through an authorised agent, apply to the competent tax authorities of the Company to enjoy the tax preferential treatments under the tax treaty (arrangement) by providing information of them being the actual beneficiaries of the tax treaty (arrangement).

Withholding and Payment of Individual Income Tax on behalf of Overseas Individual Shareholders

Pursuant to the applicable provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementing rules, the Tax Measures, the Notice of the State Administration of Taxation on Issues Concerning Levying and Administration of Individual Income Tax After the Repeal of the Document (Guo Shui Fa [1993] No. 045) (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[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)) and other relevant laws and regulations and requirements under normative documents, the Company's overseas individual Shareholders may enjoy the relevant tax concessions in accordance with the provisions of the tax treaty entered into between the country (region) where such Shareholders are domiciled and the PRC, and the tax arrangements between the mainland of the PRC, Hong Kong and Macao. The Company will implement the following arrangements in relation to the withholding and payment of individual income tax on behalf of the overseas individual H Shareholders:

(1) For individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty or tax arrangement with the PRC stipulating a tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of these individual H Shareholders in the distribution of the dividends;

(2) For individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of less than 10%, the Company will temporarily withhold and pay individual income tax at the rate of 10% on behalf of these individual H Shareholders in the distribution of the dividends. If relevant individual H Shareholders would like to apply for a refund of the excess amount of tax withheld and paid, they may, on their own or through the Company, handle the applications for tax preferential treatments under relevant tax treaties according to the Tax Measures;

(3) For individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the effective tax rate stipulated in the relevant tax treaty on behalf of these individual H Shareholders in the distribution of the dividends; and

(4) For individual H Shareholders whose country (region) of domicile is a country (region) which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of these individual H Shareholders in the distribution of the dividends.

Dividends Income Tax Applicable to Shareholders in Mainland China Investing in H Shares of the Company through Hong Kong Stock Connect and H Share "Full Circulation"

Withholding and Payment of Individual Income Tax on behalf of Domestic Individual Shareholders Investing through Hong Kong Stock Connect and H Share "Full Circulation"

Pursuant to the Circular on the Relevant Taxation Policy for the Pilot Programme of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014] 81號)) and the Circular on the Relevant Taxation Policy for the Pilot Programme of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016] 127號)), for domestic individual Shareholders who invest in H Shares of the Company through Hong Kong Stock Connect (such H Shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as a nominee shareholder), the Company will withhold and pay individual income tax at the rate of 20% on their behalf in the distribution of the dividends. For domestic Shareholders who are securities investment funds investing in H Shares of the Company through Hong Kong Stock Connect (such H Shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as a nominee shareholder), the Company will withhold and pay individual income tax at the rate of 20% on their behalf in the distribution of the dividends. Where the Company distributes the interim dividends to individual Shareholders under the H Share "Full Circulation", it is required to withhold and pay the individual income tax at the rate of 20%.

No Withholding and Payment of Enterprise Income Tax on behalf of Domestic Enterprise Shareholders Investing through Hong Kong Stock Connect

Pursuant to the Circular on the Relevant Taxation Policy for the Pilot Programme of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014] 81號)) and the Circular on the Relevant Taxation Policy for the Pilot Programme of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No.127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016] 127號)), for domestic enterprise Shareholders who invest in H Shares of the Company through Hong Kong Stock Connect (such H Shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as a nominee shareholder), the Company will not withhold or pay enterprise income tax on their behalf in the distribution of the dividends, and the domestic enterprise Shareholders shall report and pay the relevant taxes payable by themselves. Any dividend received in respect of H Shares of the Company which have been continuously held by a domestic enterprise Shareholder for 12 months shall be exempted from enterprise income tax.

H Shareholders of the Company are recommended to consult their own tax advisers on the relevant tax impact in the PRC, Hong Kong and other countries (regions) arising from the possession and disposal of H Shares of the Company.

ISSUED SHARE CAPITAL

Reference is made to the announcements of the Company dated 27 March 2025, 16 January 2026, 5 February 2026 and 11 March 2026. The Company completed the conversion of 228,344,600 Unlisted Shares into H Shares in total on 11 March 2026.

As of 30 June 2026, the total share capital of the Company was RMB245,093,450, namely 490,186,900 H Shares with a nominal value of RMB0.5 each. Details of the movements in the share capital of the Company during the Reporting Period are set out in Note 14 to the interim condensed consolidated financial information.

AUDIT COMMITTEE AND REVIEW OF INTERIM REPORT

The Company has established the Audit Committee with written terms of reference in accordance with the Listing Rules. The Audit Committee of the Company comprises Mr. GU Jiong (Chairperson), Mr. HUANG Hui and Mr. LI Hailong. The Audit Committee of the Company has reviewed and confirmed the Group's 2026 interim report and the unaudited interim financial statements for the six months ended 30 June 2026, which have been prepared in accordance with the HKFRS Accounting Standards.

The Audit Committee has reviewed and agreed with the accounting principles and practices adopted by the Group and discussed matters in relation to internal controls and financial reporting with the management, including the review of the unaudited consolidated financial statements of the Group for the six months ended 30 June 2026. The Audit Committee considers that the financial results for the six months ended 30 June 2026 are in compliance with the relevant accounting standards, rules and regulations, and appropriate disclosures have been duly made.

In addition, the independent auditor of the Company, Ernst & Young, has performed an independent review of the Group's interim financial information for the six months ended 30 June 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.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

On 10 December 2024, the H Shares of the Company were listed on the Main Board of the Stock Exchange. The net proceeds from the Global Offering (including the full exercise of the over-allotment option as disclosed in the Company's announcement dated 6 January 2025) were approximately HK$2,523.76 million. For details of the intended use of proceeds from the Global Offering, please refer to the section "Future Plans and Use of Proceeds" in the Prospectus. The net proceeds from the Global Offering will be utilised in accordance with the purposes set out in the Prospectus. There was no change in the intended use of net proceeds as previously disclosed in the Prospectus. The table below sets out the use of proceeds and actual usage up to 30 June 2026:

Use of proceeds	Approximate percentage of total amount	Amount of net proceeds allocated upon Listing (HK$ million)	Unutilised amount as at 31 December 2025 (HK$ million)	**Amount utilised during the Reporting Period (HK$ million)**	**Utilised amount from the Listing Date to 30 June 2026 (HK$ million)**	**Unutilised amount as at 30 June 2026 (HK$ million)**	Expected timeline of full utilisation
Expansion of the Group's sales network	25.0%	630.94	227.43	**227.43**	**630.94**	**0**	N/A
Branding activities	20.0%	504.75	78.88	**78.88**	**504.75**	**0**	N/A
Overseas expansion and acquisitions	15.0%	378.56	363.43	**7.13**	**22.26**	**356.30**	Before 31 December 2028
Strengthening the Company's production and supply chain capabilities	10.0%	252.38	252.38	**28.77**	**28.77**	**223.61**	Before 31 December 2028
Enhancing the Company's product design and development capabilities	9.0%	227.14	190.70	**19.04**	**55.48**	**171.66**	Before 31 December 2028
Makeup artistry training institutes	6.0%	151.43	130.72	**5.21**	**25.92**	**125.51**	Before 31 December 2029
Digitalisation of operations and information infrastructure	5.0%	126.19	111.23	**6.01**	**20.97**	**105.22**	Before 31 December 2028
Working capital and general corporate purposes	10.0%	252.38	252.38	**0**	**0**	**252.38**	Before 31 December 2028
Total	100%	2,523.76	1,607.14	**372.47**	**1,289.09**	**1,234.67**	

Note: For illustrative purposes only, the unutilised amount as of 30 June 2026 includes proceeds from the exercise of over-allotment options.

During the Reporting Period, the Group has utilised a portion of the net proceeds and will gradually utilise the remaining net proceeds in accordance with the intended purposes as stated in the Prospectus. The expected timeline is based on the best estimation of future market conditions and business operations made by the Company currently and remains subject to change based on future development of market conditions and actual business needs.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of 30 June 2026, based on the information available to the Company and to the best knowledge of the Directors, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interests and short positions in accordance with such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register kept by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange are as follows:

Name	Nature of interest	Class of Shares	Long position/ Short position	Number of Shares held	Approximate percentage of total shareholdings and the relevant class of Shares of the Company
Mr. MAO Geping[2]	Beneficial owner	H Shares	Long position	174,292,700	
	Controlled corporation	H Shares	Long position	2,200,000	
	Interest of spouse	H Shares	Long position	51,335,200	
				227,827,900	46.48%
Ms. WANG Liqun[3]	Beneficial owner	H Shares	Long position	44,375,200	
	Interest of spouse	H Shares	Long position	174,292,700	
	Controlled corporation	H Shares	Long position	9,160,000	
				227,827,900	46.48%
Ms. MAO Niping	Beneficial owner	H Shares	Long position	42,975,200	8.77%
Ms. MAO Huiping	Beneficial owner	H Shares	Long position	36,994,400	7.55%
Mr. WANG Lihua	Beneficial owner	H Shares	Long position	24,522,800	5.00%
Ms. SONG Hongquan	Beneficial owner	H Shares	Long position	19,442,400	3.97%

Notes:

(1) As at 30 June 2026, the total number of Shares of the Company was 490,186,900, all of which were H Shares.

(2) As at 30 June 2026, Mr. MAO Geping was deemed to be interested in:

A total of 227,827,900 H Shares comprising (i) 174,292,700 H Shares held directly by Mr. MAO Geping; (ii) 51,335,200 H Shares directly held or controlled by Ms. WANG Liqun, the spouse of Mr. MAO Geping; and (iii) 2,200,000 H Shares held by Zhixun Investment.

As at 30 June 2026, Zhixun Investment was controlled by its general and executive partner Mr. MAO Geping as to 10% and its limited partner Ms. WANG Liqun as to 35.45%. As such, Mr. MAO Geping was deemed to be interested in the Shares of the Company held by Zhixun Investment.

(3) As at 30 June 2026, Ms. WANG Liqun was deemed to be interested in:

A total of 227,827,900 H Shares comprising (i) 44,375,200 H Shares held directly by Ms. WANG Liqun; (ii) 174,292,700 H Shares held directly by Mr. MAO Geping, the spouse of Ms. WANG Liqun; (iii) 2,200,000 H Shares directly held by Zhixun Investment; and (iv) 6,960,000 H Shares directly held by Jiuhuan Investment.

As at 30 June 2026, Zhixun Investment was controlled by its general and executive partner Mr. MAO Geping as to 10% and its limited partner Ms. WANG Liqun as to 35.45%. As such, Ms. WANG Liqun was deemed to be interested in the Shares of the Company held by Zhixun Investment. Further, Jiuhuan Investment was held by Ms. WANG Liqun, Mr. DONG Leqin, Ms. MAO Niping and Ms. MAO Huiping as to 30.4598%, 8.6208%, 30.4598% and 30.4598%, respectively, with Ms. WANG Liqun and Mr. DONG Leqin acting as joint general partners while Ms. WANG Liqun shall have the casting vote and decision-making power in the general partner arrangement. As such, Ms. WANG Liqun was deemed to be interested in the Shares of the Company held by Jiuhuan Investment.

Interest in associated corporations

Name	Name of associated corporation	Nature of interest	Long position/ Short position	Number of Shares held	Approximate percentage of shareholding
Mr. MAO Geping	Beijing Mao Geping Professional Skill Training Chaoyang Institute Co., Ltd. (北京市毛戈平職業技能培訓朝陽學校有限責任公司)(1)	Beneficial owner	Long position	0	1%
Ms. WANG Liqun(2)	Beijing Mao Geping Professional Skill Training Chaoyang Institute Co., Ltd. (北京市毛戈平職業技能培訓朝陽學校有限責任公司)(1)	Interest of spouse	Long position	0	1%

Notes:

(1) Beijing Mao Geping Professional Skill Training Chaoyang Institute Co., Ltd. (北京市毛戈平職業技能培訓朝陽學校有限責任公司) is a limited liability company established in the PRC, and did not issue any shares. It is a subsidiary of the Company held by the Company as to 99.00%, and by Mr. MAO Geping as to the remaining 1%, respectively.

(2) Ms. WANG Liqun is the spouse of Mr. MAO Geping. Under the SFO, Ms. WANG Liqun was deemed to be interested in any Shares in which Mr. MAO Geping was interested.

Save as disclosed above, as at 30 June 2026, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Directors or chief executive of the Company, as at 30 June 2026, the following persons who had or were deemed as having interests and short positions in the Shares and underlying shares of the Company, which would be required to be disclosed to the Company and the Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO are as follows:

Name	Nature of interest	Class of Shares	Long position/ Short position	Number of Shares held	Approximate percentage of total shareholdings and the relevant class of Shares of the Company
Mr. MAO Geping[2]	Beneficial owner	H Shares	Long position	174,292,700	
	Controlled corporation	H Shares	Long position	2,200,000	
	Interest of spouse	H Shares	Long position	51,335,200	
				227,827,900	46.48%
Ms. WANG Liqun[3]	Beneficial owner	H Shares	Long position	44,375,200	
	Interest of spouse	H Shares	Long position	174,292,700	
	Controlled corporation	H Shares	Long position	9,160,000	
				227,827,900	46.48%
Ms. MAO Niping	Beneficial owner	H Shares	Long position	42,975,200	8.77%
Ms. MAO Huiping	Beneficial owner	H Shares	Long position	36,994,400	7.55%
Mr. WANG Lihua	Beneficial owner	H Shares	Long position	24,522,800	5.00%
Xinyu Zhixun Project Investment Partnership (Limited Partnership) (新余市智循項目投資合夥企業(有限合夥))[4]	Beneficial owner	H Shares	Long position	2,200,000	
	Interests jointly held with another person	H Shares	Long position	225,627,900	
				227,827,900	46.48%
Xinyu Jiuhuan Project Investment Partnership (Limited Partnership) (新余市九寰項目投資合夥企業(有限合夥))[4]	Beneficial owner	H Shares	Long position	6,960,000	
	Interests jointly held with another person	H Shares	Long position	220,867,900	
				227,827,900	46.48%

Notes:

(1) As at 30 June 2026, the total number of Shares of the Company was 490,186,900, all of which were H Shares.

(2) As at 30 June 2026, Mr. MAO Geping was deemed to be interested in:

A total of 227,827,900 H Shares comprising (i) 174,292,700 H Shares held directly by Mr. MAO Geping; (ii) 44,375,200 H Shares directly held or controlled by Ms. WANG Liqun, the spouse of Mr. MAO Geping; (iii) 2,200,000 H Shares held by Zhixun Investment; and (iv) 6,960,000 H Shares held directly by Jiuhuan Investment.

As at 30 June 2026, Zhixun Investment was controlled by its general and executive partner Mr. MAO Geping as to 10% and its limited partner Ms. WANG Liqun as to 35.45%. As such, Mr. MAO Geping was deemed to be interested in the Shares of the Company held by Zhixun Investment.

(3) As at 30 June 2026, Ms. WANG Liqun was deemed to be interested in:

A total of 227,827,900 H Shares comprising (i) 44,375,200 H Shares held directly by Ms. WANG Liqun; (ii) 174,292,700 H Shares held directly by Mr. MAO Geping, the spouse of Ms. WANG Liqun; (iii) 2,200,000 H Shares directly held by Zhixun Investment; and (iv) 6,960,000 H Shares directly held by Jiuhuan Investment.

As at 30 June 2026, Zhixun Investment was controlled by its general and executive partner Mr. MAO Geping as to 10% and its limited partner Ms. WANG Liqun as to 35.45%. As such, Ms. WANG Liqun was deemed to be interested in the Shares of the Company held by Zhixun Investment. Further, Jiuhuan Investment was held by Ms. WANG Liqun, Mr. DONG Leqin, Ms. MAO Niping and Ms. MAO Huiping as to 30.4598%, 8.6208%, 30.4598% and 30.4598%, respectively, with Ms. WANG Liqun and Mr. DONG Leqin acting as joint general partners while Ms. WANG Liqun shall have the casting vote and decision-making power in the general partner arrangement. As such, Ms. WANG Liqun was deemed to be interested in the Shares of the Company held by Jiuhuan Investment.

Save as disclosed above, as at 30 June 2026, the Company was not aware of any other person who had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

ISSUANCE OF DEBENTURES

During the six months ended 30 June 2026, the Group did not issue any debentures.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section "Interests and Short Positions of Directors and Chief Executive in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" of this interim report, at no time during the Reporting Period or at the end of the Reporting Period was the Company, any of its subsidiaries, or its fellow subsidiaries a party to any arrangement to enable the Directors or chief executives of the Company or their respective close associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations (as defined in the SFO) or to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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 sale of treasury shares). As of the end of the Reporting Period, there were no treasury shares held by the Company.

SIGNIFICANT LEGAL PROCEEDINGS

During the Reporting Period, the Group was not involved in any litigation of material importance.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

SIGNIFICANT SUBSEQUENT EVENTS AFTER THE END OF REPORTING PERIOD

Save as disclosed herein and as at the date of this report, the Group had no significant events occurred after the Reporting Period.

INDEPENDENT REVIEW REPORT

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel電話: +852 2846 9888
Fax傳真: +852 2868 4432
ey.com

To the board of directors of Mao Geping Cosmetics Co., Ltd.
(Incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 43 to 64, which comprises the condensed consolidated statement of financial position of Mao Geping Cosmetics Co., Ltd. (the "**Company**") and its subsidiaries (the "**Group**") as at 30 June 2026 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* ("**HKAS 34**") as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

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

Ernst & Young
Certified Public Accountants
Hong Kong
27 August 2026

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 (Unaudited) RMB'000
REVENUE	5	**3,267,279**	2,588,217
Cost of sales		**(496,896)**	(409,298)
Gross profit		**2,770,383**	2,178,919
Other income and gains		**43,118**	48,464
Selling and distribution expenses		**(1,550,028)**	(1,169,342)
Administrative expenses		**(145,235)**	(136,375)
Impairment losses on financial assets, net		**–**	(1,073)
Other expenses		**(47,302)**	(25,563)
Finance costs		**(1,479)**	(1,024)
Share of profit of an associate		**8,272**	4,593
PROFIT BEFORE TAX	6	**1,077,729**	898,599
Income tax expense	7	**(271,157)**	(228,180)
PROFIT FOR THE PERIOD		**806,572**	670,419
OTHER COMPREHENSIVE LOSS			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations		**(1,502)**	–
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		**(1,502)**	–
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		**(1,502)**	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**805,070**	670,419

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 (Unaudited) RMB'000
Profit attributable to:			
Owners of the parent		**805,448**	669,765
Non-controlling interests		**1,124**	654
		806,572	670,419
Total comprehensive income attributable to:			
Owners of the parent		**803,946**	669,765
Non-controlling interests		**1,124**	654
		805,070	670,419
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic (RMB yuan)	9	**1.64**	1.37
Diluted (RMB yuan)	9	**1.64**	1.37

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	10	**527,367**	456,650
Right-of-use assets		**686,883**	682,121
Other intangible assets		**2,693**	2,757
Investment in an associate		**52,449**	48,177
Prepayments, other receivables and other assets		**30,723**	4,093
Deferred tax assets		**64,221**	60,369
Total non-current assets		**1,364,336**	1,254,167
CURRENT ASSETS			
Inventories		**478,255**	518,631
Trade receivables	11	**347,245**	240,591
Prepayments, other receivables and other assets		**98,672**	78,401
Financial assets at fair value through profit or loss		**89,247**	–
Derivative financial instruments		**–**	5,101
Restricted cash	12	**2,182**	2,171
Cash and cash equivalents	12	**2,780,811**	2,441,285
Time deposits		**789,348**	992,638
Total current assets		**4,585,760**	4,278,818
CURRENT LIABILITIES			
Trade payables	13	**187,282**	158,539
Other payables and accruals		**510,036**	463,391
Due to a related party	16	**7,809**	5,137
Provision		**26**	16
Lease liabilities		**43,680**	36,227
Tax payable		**182,387**	159,534
Total current liabilities		**931,220**	822,844
NET CURRENT ASSETS		**3,654,540**	3,455,974
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,018,876**	4,710,141

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,018,876**	4,710,141
NON-CURRENT LIABILITIES			
Lease liabilities		**47,090**	40,217
Other payables and accruals		**5,181**	–
Total non-current liabilities		**52,271**	40,217
Net assets		**4,966,605**	4,669,924
EQUITY			
Equity attributable to owners of the parent			
Share capital	14	**245,094**	245,094
Reserves		**4,716,826**	4,421,269
		4,961,920	4,666,363
Non-controlling interests		**4,685**	3,561
Total equity		**4,966,605**	4,669,924

MAO Niping
Director

MAO Huiping
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the parent									
	Share capital RMB'000	Share premium RMB'000	Shares held for share-based payment RMB'000	Capital reserves RMB'000	Statutory surplus reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2026 (audited)	245,094	2,342,087	–	2,745	157,581	(863)	1,919,719	4,666,363	3,561	4,669,924
Profit for the period	–	–	–	–	–	–	805,448	805,448	1,124	806,572
Other comprehensive loss for the period:										
Exchange differences on translation of foreign operations	–	–	–	–	–	(1,502)	–	(1,502)	–	(1,502)
Total comprehensive income for the period	–	–	–	–	–	(1,502)	805,448	803,946	1,124	805,070
Shares purchased	–	(26,685)	(169)	–	–	–	–	(26,854)	–	(26,854)
Equity-settled share award expense	–	–	–	8,652	–	–	–	8,652	–	8,652
Dividends declared to shareholders	–	–	–	–	–	–	(490,187)	(490,187)	–	(490,187)
At 30 June 2026 (unaudited)	245,094	2,315,402	(169)	11,397	157,581	(2,365)	2,234,980	4,961,920	4,685	4,966,605

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the parent							
	Share capital RMB'000	Share premium RMB'000	Capital reserves RMB'000	Statutory surplus reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025 (audited)	239,212	2,020,672	15,283	157,581	1,068,560	3,501,308	2,215	3,503,523
Profit and total comprehensive income for the period	–	–	–	–	669,765	669,765	654	670,419
Issue of shares	5,882	305,223	–	–	–	311,105	–	311,105
Transfer of share award scheme reserve upon vesting	–	8,375	(8,375)	–	–	–	–	–
Equity-settled share award expense	–	–	1,827	–	–	1,827	–	1,827
Dividends declared to shareholders	–	–	–	–	(352,935)	(352,935)	–	(352,935)
At 30 June 2025 (unaudited)	245,094	2,334,270	8,735	157,581	1,385,390	4,131,070	2,869	4,133,939

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**1,077,729**	898,599
Adjustments for:		
Interest income	**(26,129)**	(27,455)
Finance costs	**1,479**	1,024
Depreciation of property, plant and equipment	**30,312**	22,511
Amortisation of other intangible assets	**604**	400
Gain on disposal of items of property, plant and equipment	**21**	–
Depreciation of right-of-use assets	**25,734**	19,102
Gain on termination of leases, net	**(740)**	(223)
Fair value gains, net:		
Derivative financial instruments	**(643)**	–
Financial assets at fair value through profit or loss	**(648)**	–
Impairment losses on trade and other receivables, net	**–**	1,073
Equity-settled share award expense	**8,652**	1,827
Reversal of write-down of inventories to net realisable values	**(813)**	(1,376)
Share of profit of an associate	**(8,272)**	(4,593)
Foreign exchange differences, net	**45,957**	24,156
	1,153,243	935,045
Decrease/(increase) in inventories	**41,189**	(62,064)
Increase in trade receivables	**(106,654)**	(77,199)
Increase in prepayments, other receivables and other assets	**(20,275)**	(13,431)
(Increase)/decrease in restricted cash	**(11)**	48,000
Increase in trade payables	**28,743**	134,467
Increase in other payables and accruals	**78,839**	78,212
Increase/(decrease) in provision	**10**	(67)
Increase in amounts due to a related party and a director	**2,672**	4,156
Cash generated from operations	**1,177,756**	1,047,119
Income tax paid	**(252,152)**	(216,532)
Net cash flows from operating activities	**925,604**	830,587

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	**(120,449)**	(108,805)
Purchases of other intangible assets	**(540)**	(121)
Purchases of financial assets at fair value through profit or loss	**(88,915)**	–
Prepayments for property, plant and equipment	**(26,630)**	(5,287)
Dividends received from an associate	**4,000**	–
Proceeds from disposal of items of property, plant and equipment	**20**	55
Placement of time deposits	**(828,121)**	–
Withdrawal of time deposits	**1,029,241**	–
Investment income received	**6,060**	–
Interest received	**32,108**	32,192
Net cash flows from/(used in) investing activities	**6,774**	(81,966)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	**–**	311,105
Dividends paid	**(490,187)**	(352,935)
Repayment of principal portion of lease liabilities	**(23,064)**	(17,788)
Interest paid	**(1,479)**	(1,024)
Repurchase of shares	**(26,854)**	–
Repayment of bank borrowings	**–**	(320,000)
Net cash flows used in financing activities	**(541,584)**	(380,642)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**390,794**	367,979
Cash and cash equivalents at beginning of period	**2,437,476**	2,791,719
Effect of foreign exchange rate changes, net	**(47,459)**	(24,156)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**2,780,811**	3,135,542
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**2,782,993**	3,137,709
Restricted cash	**(2,182)**	(2,167)
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position and the interim condensed consolidated statement of cash flows	**2,780,811**	3,135,542

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the People's Republic of China (the "**PRC**") on 28 July 2000. The registered office of the Company is located at Room 1001, Wanyin Building, Shangcheng District, Hangzhou, Zhejiang, PRC.

During the period, the Company and its subsidiaries (together, the "**Group**") were involved in research and development, production and sale of beauty products, and provision of makeup artistry training, experiential and personalised customer service.

In the opinion of the directors of the Company, the ultimate controlling shareholders of the Company is Mr. Mao Geping, Ms. Wang Liqun, Xinyu Zhixun Project Investment Partnership (Limited Partnership) (formerly known as Hangzhou Dijing Investment Management Partnership (Limited Partnership)) ("**Zhixun Investment**") and Xinyu Jiuhuan Project Investment Partnership (Limited Partnership) (formerly known as Hangzhou Jiachi Investment Management (Limited Partnership)) ("**Jiuhuan Investment**").

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with HKAS 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 HKFRS Accounting Standards for the first time for the current period's financial information.

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

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

The nature and impact of the amended HKFRS Accounting Standards are described below:

(a) Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) *Annual Improvements to HKFRS Accounting Standards* – Volume 11 set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their service and products and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Chinese mainland	**3,260,858**	2,587,065
Hong Kong	**6,421**	1,152
Total revenue	**3,267,279**	2,588,217

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	30 June	31 December
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Chinese mainland	**1,231,346**	1,138,069
Hong Kong	**16,320**	7,552
Total non-current assets	**1,247,666**	1,145,621

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

5. REVENUE

An analysis of the Group's revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**3,267,279**	2,588,217

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Types of goods or services		
Sale of products	**3,195,540**	2,520,905
Makeup artistry training and related sales	**71,739**	67,312
Total	**3,267,279**	2,588,217

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Geographical markets		
Chinese mainland	**3,260,858**	2,587,065
Hong Kong	**6,421**	1,152
Total	**3,267,279**	2,588,217

5. REVENUE *(continued)*

Disaggregated revenue information for revenue from contracts with customers *(continued)*

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
Goods transferred or services provided at a point in time	**3,204,252**	2,531,887
Services provided over time	**63,027**	56,330
Total	**3,267,279**	2,588,217

6. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	**419,761**	338,649
Cost of makeup artistry training services provided and related sales	**26,583**	24,946
Depreciation of property, plant and equipment	**30,312**	22,511
Depreciation of right-of-use assets	**33,368**	26,982
Less: Amount capitalised in construction in progress	**(7,634)**	(7,880)
Net depreciation of right-of-use assets	**25,734**	19,102
Research and development costs	**18,252**	15,257
Bank interest income	**(26,129)**	(27,455)
Government grants	**(13,064)**	(16,255)
Foreign exchange differences, net	**45,957**	24,156
Impairment losses on trade and other receivables, net	**–**	1,073
Reversal of write-down of inventories to net realisable values	**(813)**	(1,376)
Employee benefit expense (excluding directors' and chief executives' remuneration):		
Wages, salaries and bonuses	**406,525**	366,347
Equity-settled share award expense	**8,652**	1,827
Pension scheme contributions (defined contribution scheme)	**29,625**	22,965
Staff welfare expenses	**41,112**	32,576
Total	**485,914**	423,715

7. INCOME TAX

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

Hong Kong Profits Tax

Hong Kong profits tax has been provided at the rate of 8.25% on the estimated assessable profits arising in Hong Kong during the year, for certain subsidiaries of the Group are qualifying entities under the two-tiered profits tax rates regime, i.e., the first HK$2,000,000 of assessable profits of these subsidiaries are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

PRC Corporate Income Tax

The provision for PRC corporate income tax ("**CIT**") is based on the statutory rate of 25% of the assessable profits of certain PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law.

For the six months ended 30 June 2026, Hangzhou Love Keeps Cosmetics Co., Ltd., Hangzhou Xingyi Equity Investment Co., Ltd., one subsidiary of Hangzhou Diyue Cosmetics Co., Ltd. and six subsidiaries of Hangzhou Mao Geping Image Design Art Co., Ltd. are qualified as small and micro enterprises and were subject to preferential income tax rate of 5% for the first RMB3,000,000 of assessable profits.

The major components of income tax expense of the Group during the period are analysed as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current – Charge for the period	**275,009**	238,893
Deferred tax	**(3,852)**	(10,713)
Total tax charge for the period	**271,157**	228,180

8. DIVIDENDS

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Dividends	**490,187**	352,935

The 2025 annual general meeting of the Company was held on 24 April 2026, at which a final cash dividend of RMB1.00 per share (including tax, totalling approximately RMB490,187,000) for the year ended 31 December 2025 was approved, which was paid on 26 May 2026.

The board of directors proposed the payment of an interim dividend of RMB0.62 per share (tax inclusive) for the six months ended 30 June 2026 on 20 October 2026, amounting to a total of approximately RMB303,916,000 (six months ended 30 June 2025: Nil). The aforesaid proposal will be put forward for consideration and approval at the extraordinary general meeting to be held thereafter.

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 ordinary equity holders of the parent, and the weighted average number of ordinary share of 489,852,380 (six months ended 30 June 2025: 489,731,958) outstanding during the period, as adjusted to reflect the shares held for share award arrangement during the period.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in outstanding during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued on the deemed exercise of all dilutive potential ordinary shares into ordinary shares arising from awarded shares granted by the Company. The Group had no potentially dilutive ordinary shares outstanding during the six months ended 30 June 2025.

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	**805,448**	669,765

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT *(continued)*

	Number of shares	
	For the six months ended 30 June	
	2026	2025
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation	**489,852,380**	489,731,958
Effect of dilution - weighted average number of ordinary shares: Shares awarded	**41,409**	–
Total	**489,893,789**	489,731,958

10. PROPERTY, PLANT AND EQUIPMENT

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Carrying amount at beginning of period	**456,650**	278,890
Additions	**101,070**	225,189
Depreciation provided during the period	**(30,312)**	(47,213)
Disposals	**(41)**	(216)
Carrying amount at end of period	**527,367**	456,650

11. TRADE RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	**348,088**	241,434
Impairment	**(843)**	(843)
Net carrying amount	**347,245**	240,591

11. TRADE RECEIVABLES *(continued)*

The Group's trade receivables usually generate from sales through stores and online platform which helps to collect sales proceeds. The Group usually grants a credit period of within 60 days to the relevant shopping malls, large retailers and online platform. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of each reporting period, based on the transaction date, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 3 months	**346,075**	240,062
3 to 6 months	**1,121**	921
6 to 12 months	**634**	334
1 to 2 years	**257**	5
over 2 years	**1**	112
Total	**348,088**	241,434

12. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Cash and bank balances	**2,782,993**	2,443,456
Less: restricted cash	**2,182**	2,171
Cash and cash equivalents	**2,780,811**	2,441,285
Denominated in RMB	**1,174,342**	1,170,773
Denominated in HKD	**787,793**	393,483
Denominated in USD	**818,676**	877,029
Cash and cash equivalents	**2,780,811**	2,441,285

The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

12. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH *(continued)*

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and restricted cash are deposited with creditworthy banks with no recent history of default.

13. TRADE PAYABLES

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 3 months	**186,098**	157,590
3 to 6 months	**284**	498
6 to 12 months	**667**	316
Over 1 year	**233**	135
Total	**187,282**	158,539

The trade payables are non-interest-bearing and are normally settled on 30-day to 60-day terms.

14. SHARE CAPITAL

The Company's trustee following the terms of the Restricted Share Unit Incentive Scheme had purchased 337,300 of the Company's shares on the The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") during the six months ended 30 June 2026 at a total consideration of HK$29,792,000.

15. COMMITMENTS

The Group had the following contractual commitments at the end of each reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Construction in progress	**112,968**	185,548

16. RELATED PARTY TRANSACTIONS

Name	Relationship
Mr. Mao	An executive Director
Hangzhou Shangdu Technology Co., Ltd. (“**Shangdu Technology**”)	An entity controlled by a shareholder
Huamei Kangyan (Suzhou) Biotechnology Co., Ltd. (“**Huamei Kangyan**”)	An associate

(a) The Group had the following transactions with related parties during the period:

	Notes	For the six months ended 30 June	
		2026	2025
		RMB’000	RMB’000
		(Unaudited)	(Unaudited)
Purchases of products from:			
Huamei Kangyan	(i)	**30,169**	15,688
Rental and property management fees payment to:			
Shangdu Technology	(ii)	**2,445**	2,423
Licensing fee to:			
Mr. Mao	(iii)	**1,303**	1,360

Notes:

(i) The purchases from the related party were made according to the published prices and conditions offered by the related party to its major customers.

(ii) The rental and property management fees were charged with reference to prices mutually agreed between the parties.

(iii) According to the Name and Portrait Rights Licensing Framework Agreement signed on 25 November 2024, Mr. Mao Geping has agreed to grant to the Group exclusive and non-transferrable licenses for the Group’s use of his name and portrait rights for an annual licensing fee of HK$2,980,000. The licensing fee has been determined after arm’s length negotiations between the Group and Mr. Mao Geping. The initial term of the Name and Portrait Rights Licensing Framework Agreement commenced on the 10 December 2024 and will end on 31 December 2026, subject to renewal through mutual consent by the parties.

16. RELATED PARTY TRANSACTIONS *(continued)*

(b) Outstanding balances with related parties:

	Note	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Due to a related party (trade)			
Huamei Kangyan	(i)	**7,809**	5,137

Note:

(i) As at 30 June 2026 and 31 December 2025, the Group's outstanding balances with related parties are unsecured, interest-free and repayable on demand.

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted cash, time deposits, trade receivables, trade payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals and amounts due to a related party approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The Group enters into derivative financial instruments with a commercial bank. Derivative financial instruments, including options for foreign currency, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates. The carrying amounts of options for foreign currency are the same as their fair values.

The Group invests in unlisted investments, which represent structured deposits and wealth management products issued by banks in Chinese mainland. The Group has estimated the fair values of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Financial assets at fair value through profit or loss	–	**89,247**	–	**89,247**
Total	–	**89,247**	–	**89,247**

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	Total RMB'000 (Audited)
Derivative financial instruments	–	5,101	–	5,101
Total	–	5,101	–	5,101

The Group did not have any financial liabilities measured at fair value as at 30 June 2026 and 31 December 2025.

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2025: Nil).

18. EVENTS AFTER THE REPORTING PERIOD

The Group has evaluated subsequent events after the period ended 30 June 2026 and noted no significant subsequent events.

DEFINITIONS

In this interim report, unless the context otherwise requires, the following terms and expressions have the meanings set forth below:

"Articles of Association" or "Articles"	the articles of association of our Company, as amended, supplemented, or otherwise modified from time to time
"Board" or "Board of Directors"	the board of directors of our Company
"CAGR"	compound annual growth rate, referring to the year-over-year growth rate, which is calculated by taking the nth root of the total percentage growth rate over a specified period of time. The formula for calculating CAGR is: (Ending Value/Beginning Value) ^ (1/number of years)-1
"CG Code"	the Corporate Governance Code as set out in Appendix C1 of the Listing Rules in force during the Reporting Period
"Company" or "our Company" or "the Company"	Mao Geping Cosmetics Co., Ltd. (毛戈平化妝品股份有限公司), a limited liability company established in the PRC on July 28, 2000, whose H Shares are listed on the Main Board of the Stock Exchange (stock code: 1318)
"controlling shareholders"	has the meaning ascribed to it under the Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"date of this report"	August 27, 2026
"Zhixun Investment"	Xinyu Zhixun Project Investment Partnership (Limited Partnership) (新余市智循項目投資合夥企業(有限合夥)), formerly known as Hangzhou Dijing Investment Management Partnership (Limited Partnership) (杭州帝景投資管理合夥企業(有限合夥)), a limited partnership established in the PRC on April 28, 2011, and one of controlling shareholders of the Company
"Director(s)"	the director(s) of our Company
"Global Offering"	the offer of the Shares for subscription as described in the section headed "Structure of the Global Offering" in the Prospectus
"Group," "our Group," "the Group," "we," or "us,"	our Company and its subsidiaries
"Hangzhou Love Keeps"	Hangzhou Love Keeps Cosmetics Co., Ltd. (杭州至愛終生化妝品有限公司), a direct wholly-owned subsidiary of the Company

DEFINITIONS

"Hangzhou Mao Geping"	Hangzhou Mao Geping Cosmetics Co., Ltd. (杭州毛戈平化妝品有限公司), a company established in the PRC with limited liability on July 28, 2000, the predecessor of the Company
"Hangzhou Shang Du Hui"	Hangzhou Shang Du Hui Cosmetics Technology Co., Ltd. (杭州尚都匯化妝品科技有限公司), a direct wholly-owned subsidiary of the Company
"Hangzhou Xingyi"	Hangzhou Xingyi Equity Investment Co., Ltd. (杭州星屹股權投資有限公司), a direct wholly-owned subsidiary of the Company
"H Share(s)"	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB0.50 each, which are subscribed for and traded in Hong Kong dollars
"H Shareholder(s)"	holder(s) of H Share(s)
"H Share Full Circulation"	the conversion of 228,344,600 Unlisted Shares into H Shares
"HK$" or "Hong Kong dollars" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"HKFRS Accounting Standards"	All Hong Kong Financial Reporting Standards's Hong Kong Accounting Standards and interpretations as issued by the Hong Kong Institute of Certified Public Accountants
"Jiuhuan Investment"	Xinyu Jiuhuan Project Investment Partnership (Limited Partnership) (新余市九寰項目投資合夥企業(有限合夥)), formerly known as Hangzhou Jiachi Investment Management Partnership (Limited Partnership) (杭州嘉馳投資管理合夥企業(有限合夥)), a limited partnership established in the PRC on April 28, 2011 and one of controlling shareholders of the Company
"KOL(s)"	key opinion leader(s)
"Listing"	the listing of the H shares on the main board of the Stock Exchange on December 10, 2024
"Listing Date"	the date on which the H shares are listed on the Main Board of the Stock Exchange and from which dealings in the H shares are permitted to commence on the Main Board of the Stock Exchange, i.e. December 10, 2024

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, modified or otherwise supplemented from time to time
"Mao Geping Image Design"	Hangzhou Mao Geping Image Design Art Co., Ltd. (杭州毛戈平形象設計藝術有限公司), a direct wholly-owned subsidiary of the Company
"Mao Geping Technology"	Hangzhou Mao Geping Technology Co., Ltd. (杭州毛戈平科技有限公司), a direct wholly-owned subsidiary of the Company
"Mr. Mao"	Mr. MAO Geping (毛戈平), our founder, chairman of the Board, an executive Director, and one of the Controlling Shareholders of our Company
"Ms. Wang"	Ms. WANG Liqun (汪立群), an executive Director, vice chairperson of the Board, and one of the Controlling Shareholders of our Company
"ODM"	original design manufacturing, where a manufacturer designs and manufactures a product which is specified by the customer and eventually marketed and sold under the customer's brand name or under no specific brand
"Prospectus"	the prospectus of the Company dated December 2, 2024
"Reporting Period"	for the six months ended June 30, 2026
"Restricted Share Unit"	restricted share unit(s) conferring the grantee a conditional right to receive H Shares upon vesting
"Restricted Share Unit Incentive Scheme"	the restricted share unit incentive scheme of the Company adopted by resolutions of the Shareholders on December 4, 2025
"RMB" or "Renminbi"	the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary shares in the capital of our Company with a nominal value of RMB0.50 each, comprising Unlisted Share(s) and H Share(s)
"Shareholder(s)"	the holder(s) of the Share(s)
"SKU(s)"	stock keeping unit(s), to help identify and track inventories

DEFINITIONS

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Unlisted Share(s)"	ordinary share(s) issued by the Company, with a nominal value of RMB0.50 each, which were subscribed for or credited as paid in Renminbi and held by domestic Shareholders
"Zhejiang Huidu"	Zhejiang Huidu Cosmetics Co., Ltd. (浙江匯都化妝品有限公司), a direct wholly-owned subsidiary of the Company
"%"	per cent