H&H Group
inspiring wellness

Certified B Corporation

2026

H&H Group Interim Report
中期報告

Health and Happiness (H&H) International Holdings Limited

健合(H&H)國際控股有限公司 *(Incorporated in the Cayman Islands with limited liability)*

(於開曼群島註冊成立之有限公司) (Stock Code 股份代號：1112)

Biostime Swisse Zesty Paws solid gold dodie GOOD GOÛT AURELIA

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CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Executive Directors

Mr. Luo Fei *(Chairman)*
Mr. Wang Yidong

Non-executive Directors

Mrs. Laetitia Marie Edmee Jehanne Albertini*
Dr. Zhang Wenhui
Mr. Luo Yun
Mrs. Mingshu Zhao Wiggins

Independent Non-executive Directors

Mr. Tan Wee Seng
Mrs. Lok Lau Yin Ching
Professor Ding Yuan

BOARD COMMITTEE

Audit Committee

Professor Ding Yuan *(Chairman)*
Mr. Tan Wee Seng
Mr. Luo Yun

Nomination Committee

Mr. Luo Fei *(Chairman)*
Mr. Tan Wee Seng
Mrs. Lok Lau Yin Ching

Remuneration Committee

Mr. Tan Wee Seng *(Chairman)*
Mr. Luo Fei
Mrs. Lok Lau Yin Ching

Environmental, Social and Governance Committee

Mrs. Laetitia Albertini *(Chairman)*
Mr. Luo Fei
Ms. Yang Wenyun *(Senior Director of Group Risk Management and Internal Control)*

* *commonly known as Laetitia Albertini*

COMPANY SECRETARY

Ms. Yang Wenyun

AUTHORISED REPRESENTATIVES

Mr. Luo Fei
Ms. Yang Wenyun

REGISTERED OFFICE

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Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE

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Taikoo Place
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Quarry Bay
Hong Kong

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Taikoo Place
18 Westlands Road
Quarry Bay
Hong Kong

COMPANY'S WEBSITE

www.hh.global

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited
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1 Queen's Road Central
Hong Kong

CORPORATE **INFORMATION**

AUDITOR

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

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
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Gardenia Court
Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

FINANCIAL **HIGHLIGHTS**

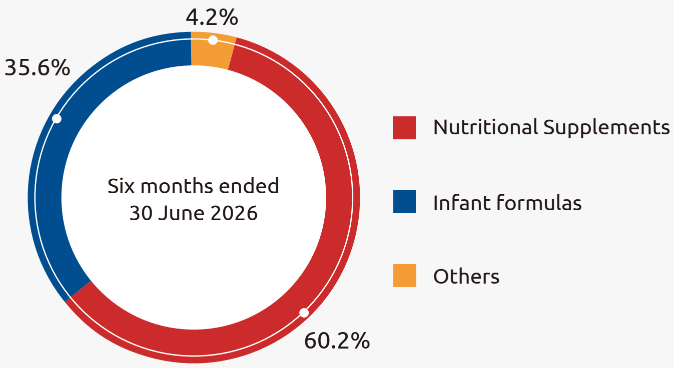
	Six months ended 30 June		
	2026	2025	Change
	RMB million	RMB million	
	(Unaudited)	(Unaudited)	
Revenue	**8,695.9**	7,019.2	+23.9%
EBITDA*	**1,583.3**	1,033.1	+53.3%
Adjusted EBITDA*	**1,891.9**	1,100.7	+71.9%
Adjusted EBITDA margin	**21.8%**	15.7%	+6.1pts
Net profit	**610.6**	71.0	+760.0%
Adjusted net profit**	**919.2**	363.0	+153.2%
Adjusted net profit margin	**10.6%**	5.2%	+5.4pts

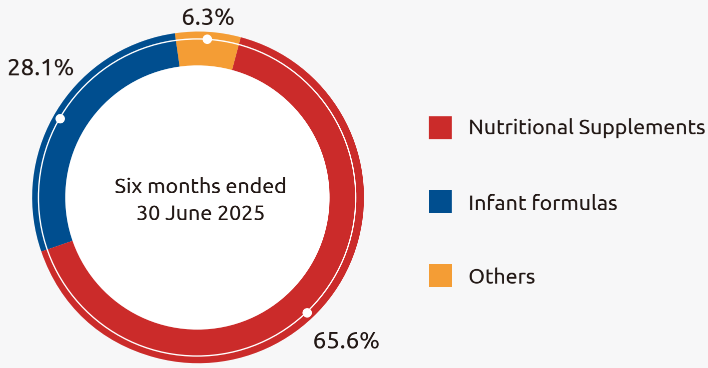
* EBITDA refers to earnings before interest, income tax expense, depreciation and amortization. Adjusted EBITDA = EBITDA + Non-cash losses of RMB308.6 million for the six months ended 30 June 2026 (six months ended 30 June 2025: losses of RMB57.6 million) + Non-recurring losses of nil for the six months ended 30 June 2026 (six months ended 30 June 2025: losses of RMB10.0 million)

** Adjusted net profit = Net profit + EBITDA adjustment items of losses of RMB308.6 million for the six months ended 30 June 2026 (six months ended 30 June 2025: losses of RMB67.6 million) + Other non-cash losses of nil for the six months ended 30 June 2026 (six months ended 30 June 2025: losses of RMB224.4 million)

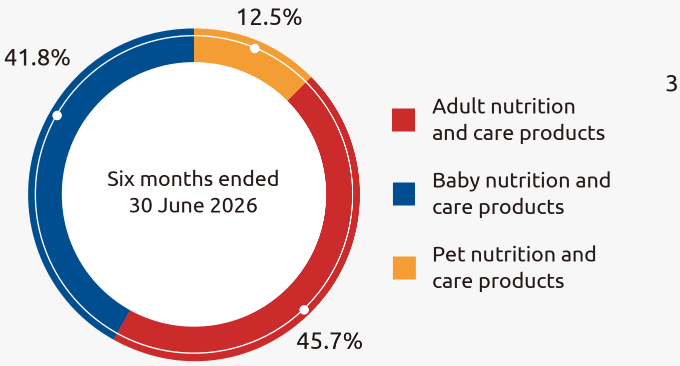
FINANCIAL **HIGHLIGHTS**

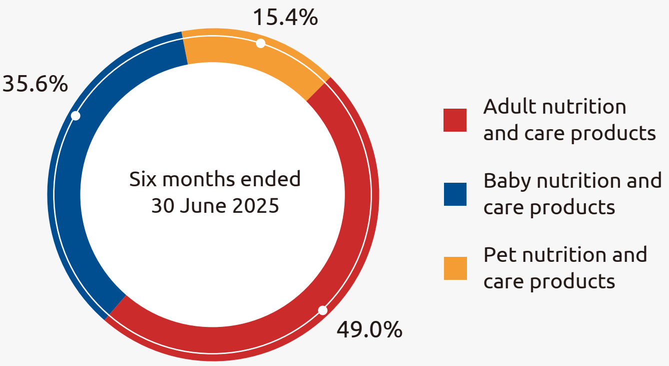
REVENUE BY PRODUCT SEGMENT



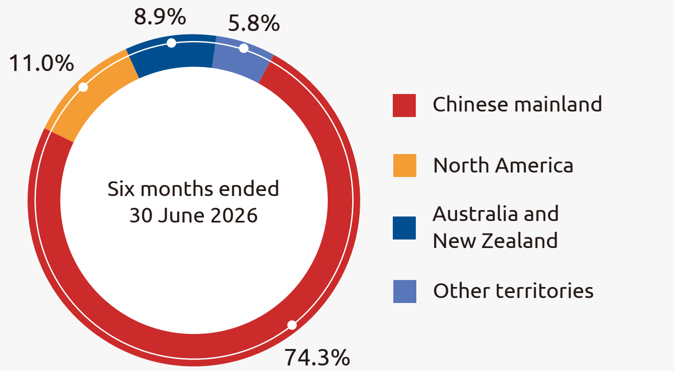


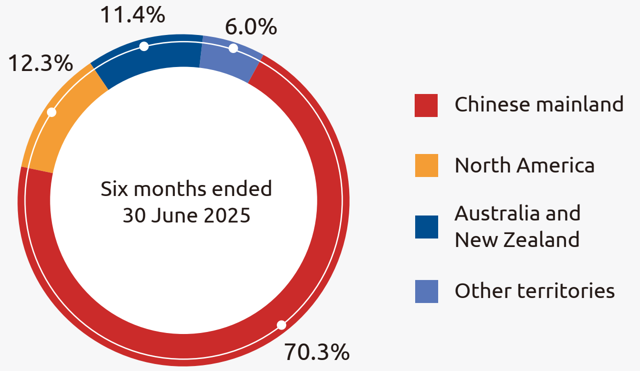
REVENUE BY BUSINESS SEGMENTS





REVENUE BY GEOGRAPHY





CHAIRMAN'S **STATEMENT**

To our shareholders,

On behalf of Health and Happiness (H&H) International Holdings Limited (the "**Company**") and its subsidiaries (collectively the "**Group**"), I am pleased to present our interim report for the six months ended 30 June 2026.

The Group delivered a strong first half, underpinned by strong momentum across all our three business segments: Adult Nutrition and Care (the "**ANC**"), Baby Nutrition and Care (the "**BNC**") and Pet Nutrition and Care (the "**PNC**"). Crucially, our results demonstrate how each of our business segments is unlocking or creating long-term structural drivers that will support the sustainability of our growth trajectory.

Key highlights in the first half of 2026 included:

- **Strong growth with healthy profitability:** Total revenue increased by 23.7% on a like-for-like (the "**LFL**") basis, driven by growth across all business segments. High-margin nutritional supplements accounted for 60.2% of revenue. Adjusted EBITDA grew by 71.9% and adjusted EBITDA margin reached 21.8%, thanks to marketing investment phasing and improved cost efficiency. We will continue to step up investment in new strategic product launches and in initiatives targeting our core markets and selected expansion markets in the second half to support our sustainable growth.

- **ANC delivered broad-based growth across core and expansion markets:** ANC revenue grew by 13.9% on a LFL basis, supported by continued momentum in Chinese mainland, the Australia and New Zealand (the "**ANZ**") domestic market, and expansion markets including Thailand, Middle East and India (the "**MEI**"), Indonesia and Malaysia.

- **BNC growth accelerated on sustained market-share gains and structural growth drivers:** BNC revenue grew by 45.2%, driven by 58.0% growth in infant milk formulas (the "**IMF**") sales in Chinese mainland. Continued investment in new mother education, improving Stage 3 conversion and product innovation strengthened consumer engagement and supported sustained market-share gains, while recent industry developments provided an additional tailwind. Our market share in the super-premium IMF segment in Chinese mainland increased to 20.6%, up from 14.8% a year earlier[1].

- **PNC continued to build scale, led by high-margin pet supplements:** PNC revenue grew by 4.8% on a LFL basis, supported by accelerated growth of 16.5% in the high-margin pet supplements category and channel expansion in North America.

- **Balance sheet continued to strengthen:** In the first half of 2026, we reduced gross debt by over RMB1 billion, reducing our net leverage ratio from 3.45x as of 31 December 2025 to 2.05x as of 30 June 2026, accelerating our deleveraging trajectory while maintaining healthy cash reserves of close to RMB2.0 billion.

We remain committed to maintaining a steady track record of dividend payouts, in addition to steadily reducing our leverage and further improving our balance sheet. In line with this commitment, I am pleased to announce an interim dividend of HKD0.82 per ordinary share.

[1] According to research statistics by Nielsen, an independent research company, market share data for the past twelve months ended 30 June 2026.

CHAIRMAN'S **STATEMENT**

ADULT NUTRITION AND CARE

Our ANC segment grew by 13.9% on a LFL basis in the first half of the year, with our business in Chinese mainland, the ANZ domestic market and expansion markets delivering double-digit growth momentum.

Revenue from the Chinese mainland grew by 20.5%, thanks to (i) Swisse's continued efforts on premiumisation of product portfolio led by both core and our innovative products, such as heart health, metabolism, and joint health, (ii) above-market growth across the Douyin channel and new retail channels, and (iii) phasing effects from the Chinese New Year holidays in the first quarter of 2026. The broader momentum reflects the unlocking of new structural sources of demand under our mega-brand strategy and the build-out of a comprehensive product matrix under the Swisse Plus and Little Swisse sub-brands, expanding the types of consumers we can reach. Swisse Plus and Little Swisse grew by 18.6% and 60.2% in the first half of 2026, respectively.

Our strong performance in Chinese mainland was also driven by our ongoing channel development efforts. Douyin remains a major growth engine, with sales growing by 57.5%, and Swisse ascended to the No. 3 market position[2]. We also further strengthened our growth in new retail channels such as Sam's Club, with sales through this channel growing by 34.2%. Sales through our core online cross-border e-commerce (the "**CBEC**") channel grew by 20.9% amid ongoing industry consolidation and despite increased competitive intensity, accounting for 81.7% of revenue in Chinese mainland. This allowed Swisse to expand its No. 1 position in the online vitamin, herbal and mineral supplement (the "**VHMS**") market in Chinese mainland[3] in the first half of 2026.

In ANZ, we maintained our market leadership through product innovation and channel expansion, delivering strong 12.2% growth in the Australian domestic market. This was supported by high-impact innovations, such as Swisse Magnesium Glycinate and the further expansion of in-demand formats, particularly gummies, and innovative marketing campaigns designed to engage the new generation of consumers. We also deepened our partnerships with key retailers in both pharmacy and grocery channels, with particularly strong growth across independent pharmacy channel banners, online channels and New Zealand. In the first half of 2026, Swisse continued to gain share and maintained its position as Australia's No. 1 vitamin and mineral supplements brand across the total market[4]. Total ANC revenue from the overall ANZ market decreased by 8.3% year-on-year on a LFL basis, reflecting our strategic choice to deprioritise the corporate daigou business.

Revenue from other territories increased by 20.5% year-on-year on a LFL basis, contributing 7.8% of the total ANC revenue, powered by strong 32.6% LFL growth across our nine expansion markets in Asia. This was led by strong performances in Thailand, MEI, Indonesia and Malaysia, rapid growth across digital commerce channels in all markets, product portfolio expansion, ongoing distribution gains and the launch of Swisse Nutra, a premium beauty supplement range. We maintained our existing No. 1 positions in the liver health and men's health categories in Singapore[5]. In Italy, we sustained our existing No. 2 position in the beauty VHMS market[6], leveraging our No. 1 position in the hair, skin and nail category.

2 According to research statistics by Feigua, an independent data provider, market share data for the past twelve months ended 30 June 2026.

3 According to research statistics by Early Data, an independent research company, market share data for the past twelve months ended 30 June 2026.

4 According to research statistics by IQVIA, an independent research company, market share data for the past twelve months ended 30 June 2026.

5 According to research statistics by Nielsen, an independent research company, market share data for the past twelve months ended 30 June 2026.

6 According to research statistics by IQVIA, an independent research company, market share data for the past twelve months ended 30 June 2026.

BABY NUTRITION AND CARE

Our BNC segment accelerated its growth trajectory, demonstrating our renewed competitive strength and delivering high double-digit year-on-year growth in the first half of 2026.

IMF sales in Chinese mainland grew by 58.0%, led by volume growth, significantly outpacing the overall IMF market, which saw a 3.5% decline in retail scan sales[7]. Biostime's share of the super-premium IMF segment in Chinese mainland reaching a new all-time high of 20.6%, compared to 14.8% a year earlier[8]. While part of this uplift reflected shifts in consumer demand amid recent industry developments, our broader momentum was driven by sustained market-share gains. This structural trend was supported by our strong brand trust and targeted consumer engagement.

Our continued growth also reflected robust sell-through, disciplined channel execution, the successful rollout of the first-ever imported IMF with Human Milk Oligosaccharide (the "**HMO**") in Chinese mainland, and the effective implementation of our strategic initiatives for new mother education and Stage 3 conversion. Our early-stage formulas continued to see strong momentum, while providing a high-visibility pipeline and solid foundation for Stage 3 IMF conversion. During the first half of 2026, our Stage 1 and Stage 2 IMFs recorded retail scan sales growth of 68.8% and 41.8%, respectively[9].

Outside of Chinese mainland, our IMF business in France experienced strong growth momentum in the first half of 2026, supported by a spike in demand for Biostime IMFs amid recent global industry developments. Our shares in organic IMF and goat milk in the pharmacy channel reached 41.8% and 57.9% respectively[10].

PET NUTRITION AND CARE

Our PNC segment achieved 4.8% revenue growth on a LFL basis in the first half of 2026, supported by accelerated growth in the high-margin pet supplements, which offset an expected sales decline in Chinese mainland as part of our proactive shift to supply localisation.

Sales in the high-margin pet supplements grew by 16.5% as we continued to tap structural drivers including changing demographics, rising pet populations, and well-established pet nutrition premiumisation and pet humanisation trends across North America and other expansion markets.

7 According to research statistics by Nielsen, an independent research company, market share data for the past twelve months ended 30 June 2026.

8 According to research statistics by Nielsen, an independent research company, market share data for the past twelve months ended 30 June 2026.

9 According to research statistics by Nielsen, an independent research company, market share data for the past six months ended 30 June 2026.

10 According to research statistics by GERS, an independent research company, market share data for the past twelve months ended 30 June 2026.

CHAIRMAN'S **STATEMENT**

In North America, sales of Zesty Paws grew by 16.7% on a LFL basis, driven by continued success across the Amazon and Chewy e-commerce channels, alongside broad distribution through Walmart, PetSmart, Petco, Tractor Supply, Target, Pet Supplies Plus and Menards. Zesty Paws remains one of the most recognised pet supplements brands in the United States. Meanwhile, sales of Solid Gold returned to growth, increasing by 6.3% on a LFL basis as the brand advanced its product portfolio premiumisation strategy and growth in the e-commerce channel. As of 30 June 2026, Zesty Paws and Solid Gold were present in more than 23,000 stores and 4,000 stores, respectively, across the United States.

In Chinese mainland, we focused on driving the growth of Solid Gold's high-margin pet nutritional food and supplements, which contributed 46.5% of total PNC revenue in Chinese mainland in the first half of 2026.

We continued to expand our PNC footprint across Europe, Asia and ANZ, with our growing global reach amplifying our core strengths in premium nutrition and enabling us to capture rising demand in expansion markets.

OPTIMISING OUR CAPITAL STRUCTURE

We continued to proactively manage and optimise our capital structure in the first half of 2026, with a clear focus on reducing gross debt, extending debt maturity, and strengthening long-term financial stability.

During the six months ended 30 June 2026, we continued to make strong progress in deleveraging, reducing our gross debt by over RMB1 billion compared with 31 December 2025. As of 30 June 2026, we had significantly reduced our net leverage ratio to 2.05x, compared to 3.45x as at 31 December 2025. Building on this momentum, we completed an additional voluntary prepayment of RMB300 million on our USD term loan following the period end, further advancing our deleveraging trajectory.

As of 30 June 2026, we maintained a robust cash position of close to RMB2.0 billion, with RMB-denominated and RMB hedged debts collectively representing 97.8% of total borrowings. This reflects the proactive management of our funding mix and effectively mitigates exposure to foreign exchange and external interest rate volatility. We continue to maintain diversified access to both onshore and offshore funding markets.

In addition, on 5 August 2026, we signed a new facilities agreement in an aggregate amount equivalent to approximately USD330 million in relation to the refinancing of our term loan facilities maturing in 2027. Upon drawdown, this transaction is expected to extend our debt maturity profile, reduce financing costs and further enhance our financial flexibility.

OUTLOOK: CONTINUED GROWTH WITH CONSISTENT UNDERLYING FULL-YEAR PROFITABILITY DESPITE MACRO CHALLENGES

In the second half of 2026, we will continue to drive the sustainable growth of our high-margin, fast-growing nutritional supplements and IMF, while delivering a healthy level of profitability.

Our ANC business is positioned for continued growth across Chinese mainland, ANZ domestic and our expansion markets. In Chinese mainland, we will continue to invest in our leading categories to further consolidate Swisse's leading market position, while expanding marketing investments to support innovative and strategic product launches, market expansion and brand-building initiatives to create a clear runway for growth in the second half of 2026 and into 2027. From a channel perspective, we will continue to prioritise penetration into high-growth channels, particularly Douyin and new retail channels, to further broaden our consumer reach. In ANZ and expansion markets, we will reinforce our growth momentum and market leadership through continued product innovation and channel expansion.

In the BNC segment, we expect IMF sales to grow further as we leverage our increased market share to further develop structural growth drivers. We will continue to invest in marketing campaigns focused on new mother education across e-commerce and baby-speciality channels and in product innovations such as our HMO IMFs, while also improving conversion from early-stage to Stage 3 IMF products.

We expect our PNC segment to maintain its upward trajectory. In North America, Zesty Paws will continue to advance its omni channel expansion and disruptive category innovation, while driving Solid Gold's growth in high margin categories and further accelerate growth across e-commerce channels. In Chinese mainland, we remain focused on driving the growth of locally-made Solid Gold's high-margin pet food and supplements.

Finally, we remain committed to our deleveraging trajectory while maintaining robust liquidity and a healthy capital structure. We will continue to optimise our debt profile, mitigate foreign exchange volatility and reinforce our financial resilience to support our sustainable long-term growth.

ACKNOWLEDGEMENTS

To our shareholders, employees, business partners, and creditors — thank you for your unwavering support of our Group. Our future is rooted in a clear promise: to create sustainable, and long-term value for all of our stakeholders, while empowering communities worldwide to live healthier and happier.

Luo Fei
Chairman
Hong Kong, 25 August 2026

MANAGEMENT **DISCUSSION AND ANALYSIS**

RESULTS OF OPERATION

Revenue

For the six months ended 30 June 2026, the Group's revenue increased by 23.9% on reported basis or 23.7% on a like-for-like[1] ("**LFL**") basis to RMB8,695.9 million as compared with the same period in 2025. This was mainly driven by the growth across all business segments – namely Adult Nutrition and Care ("**ANC**"), Baby Nutrition and Care ("**BNC**") and Pet Nutrition and Care ("**PNC**"). Revenue from high-margin nutritional supplements[2] across all of the Group's three business segments achieved year-on-year growth of 13.3% on a LFL basis and contributed to 60.2% of the Group's total revenue for the six months ended 30 June 2026.

	Six months ended 30 June					
	2026 RMB million	2025 RMB million	Reported Change	LFL Change	**2026 % to revenue**	2025 % to revenue
Revenue by product segment						
Nutritional Supplements	**5,239.1**	4,606.0	13.7%	13.3%	**60.2%**	65.6%
– VHMS products	**3,955.0**	3,418.3	15.7%	14.1%	**45.4%**	48.7%
– Pet supplements	**850.7**	760.5	11.9%	16.5%	**9.8%**	10.8%
– Paediatric probiotic and kids nutritional supplements	**433.4**	427.2	1.5%	1.4%	**5.0%**	6.1%
Infant formulas	**3,093.0**	1,970.9	56.9%	56.9%	**35.6%**	28.1%
Others[3]	**363.8**	442.3	–17.7%	–16.8%	**4.2%**	6.3%
Revenue by business segment						
Adult nutrition and care products	**3,973.1**	3,438.7	15.5%	13.9%	**45.7%**	49.0%
Baby nutrition and care products	**3,632.5**	2,501.3	45.2%	45.2%	**41.8%**	35.6%
Pet nutrition and care products	**1,090.3**	1,079.2	1.0%	4.8%	**12.5%**	15.4%
Revenue by geography						
Chinese mainland	**6,462.5**	4,936.0	30.9%	30.9%	**74.3%**	70.3%
North America	**956.6**	862.2	10.9%	15.5%	**11.0%**	12.3%
ANZ	**771.7**	800.7	–3.6%	–8.6%	**8.9%**	11.4%
Other territories	**505.1**	420.3	20.2%	16.8%	**5.8%**	6.0%
Total	**8,695.9**	7,019.2	23.9%	23.7%	**100.0%**	100.0%

1 Like-for-like ("**LFL**") basis is used to indicate change of this period compared with same period of previous year, excluding the impact from foreign exchange changes. For the purpose of preparing of the unaudited consolidated revenue, the exchange rates adopted were AUD1 = RMB4.8274 and USD1 = RMB6.8932 for the six months ended 30 June 2026, and AUD1 = RMB4.5771 and USD1 = RMB7.1839 for the corresponding period in 2025, respectively.

2 Nutritional supplements include Swisse VHMS products, pet supplements under Zesty Paws and Solid Gold brands, Biostime probiotic supplements and Biostime paediatric and kids products.

3 Others include pet food from Solid Gold, baby food and snacks from Good Goût, baby accessories from Dodie and other skincare products.

RESULTS OF OPERATION (CONTINUED)

Revenue (continued)

Chinese mainland: Strong growth of ANC and BNC segments bolstered by premiumisation, innovation and market share gains

Revenue from Chinese mainland recorded a year-on-year increase of 30.9% for the six months ended 30 June 2026. Chinese mainland remained as the Group's largest market, accounting for 74.3% of the Group's total revenue for the six months ended 30 June 2026, compared with 70.3% in the same period of last year.

Revenue from ANC segment in Chinese mainland achieved a strong growth of 20.5% as compared with the same period of last year, and accounted for 73.0% of the Group's total ANC revenue for the six months ended 30 June 2026. The growth was mainly driven by Swisse's continuous efforts to premiumise its product portfolio led by both core and innovative products such as heart health, metabolism and joint health. The growth was also supported by the Group's channel development efforts, especially the fast-growing channels such as Douyin and new retail. Revenue in Douyin and new retail channels recorded year-on-year growth of 57.5% and 34.2%, respectively, in the six months ended 30 June 2026. The phasing effects from the Chinese New Year holidays in the first quarter of 2026 also contributed to the revenue growth. In the six months ended 30 June 2026, revenue generated from CBEC and normal trade channels grew by 20.9% and 18.9%, respectively, contributing 81.7% and 18.3%, respectively, of ANC revenue in Chinese mainland.

BNC segment of Chinese mainland accelerated its growth trajectory and achieved a strong revenue growth of 47.7% in the six months ended 30 June 2026, comparing with the same period of last year. Within BNC segment, the revenue from IMF in Chinese mainland for the six months ended 30 June 2026 grew strongly by 58.0%. This strong growth was mainly driven by the successful launch of the first-ever imported IMF with Human Milk Oligosaccharide (HMO) in Chinese mainland, disciplined channel execution, and the effectiveness of the Group's strategic priorities in new mother education and Stage 3 conversion. While the Company observed that the growth was supported by a recent shift in consumer demand amid recent industry developments in the first half of 2026, the more fundamental driver is its sustained share – a structural trend reinforced by strong brand trust and targeted consumer engagement, enabled the Group to take advantage of such shift in consumer demand.

For the six months ended 30 June 2026, the Group recorded a slight increase of 0.9% in revenue from paediatric probiotic and kids nutritional supplements in Chinese mainland. The increase was mostly attributed to the expansion of the product portfolio including kids nutrition powder supplements and innovative probiotics, such as Nasal Comfort and Super Gold Probiotics. While the growth was offset by the year-on-year decline in sales of probiotic supplements due to the sector-wide challenges across the supplements business in Chinese mainland, particularly within the pharmacy channel.

Revenue from PNC segment in Chinese mainland declined by 37.7%, as expected, as reflecting the Group's proactive product portfolio transformation aimed at driving the underlying consumer demand and healthy profitability in the long-term. The Group's focus remains on accelerating the growth of Solid Gold's high-margin pet nutritional food and supplements, as well as product innovation – demonstrated by the launch of the first ever "catderived" probiotics range in Chinese mainland during the six months ended 30 June 2026. The high-margin pet food and supplement products contributed 46.5% of total PNC revenue in Chinese mainland during the six months ended 30 June 2026.

RESULTS OF OPERATION (CONTINUED)

Revenue (continued)

North America: Ommi-channel growth driven by core and innovative product portfolio and channel execution

For the six months ended 30 June 2026, revenue generated from North America reached a growth of 15.5% year-on-year on a LFL basis, and accounted for 11.0% of the Group's total revenue. The strong growth was mainly supported by the accelerated growth in the high-margin pet supplements as the Group continued to tap structural drivers including changing demographics, rising pet populations, and well-established pet nutrition premiumisation and pet humanisation trends.

Revenue of Zesty Paws maintained strong year-on-year growth of 16.7% on a LFL basis for the six months ended 30 June 2026, driven by continued success across the Amazon, Chewy and TikTok, and broad distribution through Walmart, PetSmart, Petco, Tractor Supply, Target, Pet Supplies Plus and Menards.

Revenue of Solid Gold recorded an increase of 6.3% on a LFL basis for the six months ended 30 June 2026 as compared with the same period of last year. This growth was mainly supported by increasing contribution from high-margin pet supplements and growth in e-commerce channel.

ANZ: Reinforced domestic market leadership through superior product innovation

On a LFL basis, revenue from ANZ domestic market maintained growth at 12.2% in ANC segment, which was mainly driven by high-impact innovations, such as Swisse Magnesium Glycinate and the further expansion of in-demand formats, particularly gummies, and innovative marketing campaigns designed to engage the new generation of consumers. While revenue from total ANZ market decreased by 8.6% year-on-year on a LFL basis for the six months ended 30 June 2026, reflecting the Group's strategic choice to deprioritise the corporate Daigou business. In the six months ended 30 June 2026, revenue from domestic and export sales contributed to 83.7% and 16.3% of total ANZ revenue, respectively.

Other territories: Strong growth momentum continued in expansion markets

Revenue contributed from other territories increased by 16.8% on a LFL basis for the six months ended 30 June 2026 as compared with the same period of last year. In particular, the Group's expansion markets in Asia, including Thailand, MEI (Middle East and India), Indonesia and Malaysia, delivered strong growth. The Group sustained its market share rankings in most of these markets through the expansion of its product portfolio and ongoing distribution gains. The Group's IMF sales in France also benefited from a spike in demand for Biostime IMF due to new industry developments during the six months ended 30 June 2026.

RESULTS OF OPERATION (CONTINUED)

Gross profit and gross profit margin

In the first half of 2026, the Group recorded gross profit of RMB5,686.0 million, representing an increase of 29.5% as compared with the same period of last year. The Group's gross profit margin increased from 62.5% in the first half of 2025 to 65.4% in the first half of 2026, thanks to gross profit margin improvement across all three business segments driven by operating leverage, product portfolio premiumisation and supply chain excellence.

The gross profit margin of the ANC segment increased from 67.5% in the first half of 2025 to 70.2% in the first half of 2026, primarily driven by the optimisation of sourcing costs, reduction of stock provision for slow-moving products, as well as favourable changes in product mix through product portfolio premiumisation, and channel mix.

The gross profit margin of the BNC segment increased from 57.3% in the first half of 2025 to 61.5% in the first half of 2026, mainly resulting from the decreased stock provision for slow-moving products, while partially offset by the increased sourcing costs of certain key ingredients.

The gross profit margin of PNC segment increased from 58.7% in the first half of 2025 to 61.1% in the same period of this year. The increase was mainly due to the favorable product mix towards higher revenue contribution from high-margin pet nutritional food and supplements products.

Other income and gains

Other income and gains amounted to RMB36.3 million for the six months ended 30 June 2026. Other income and gains primarily consisted of gains on sales of raw materials and scraps of RMB11.2 million, bank interest income of RMB7.5 million and others.

Selling and distribution expenses

Excluding depreciation of property, plant and equipment and right-of-use assets, and amortization of intangible assets ("**D&A**"), selling and distribution expenses increased by 15.0% to RMB3,315.5 million for the six months ended 30 June 2026, as compared with same period of 2025. Selling and distribution expenses excluding D&A as a percentage of the Group's revenue decreased from 41.1% in the first half of 2025 to 38.1% in the first half of 2026 mainly benefited from a favourable business segment mix primarily driven by spending efficiency improvement and marketing investment phasing in the BNC segment.

ANC

Selling and distribution expenses of ANC business amounted to RMB1,639.8 million for the six months ended 30 June 2026, representing an increase of 13.8% as compared with the same period of last year. Selling and distribution expenses of ANC business as a percentage of the Group's revenue from ANC business decreased slightly from 41.9% in the first half of 2025 to 41.3% in the first half of 2026, mainly thanks to the efficiency improvement which was partially offset by the channel mix change in Chinese mainland market and strategic investment in new expansion markets mainly in Asia.

Advertising and marketing expense of ANC business as a percentage to the Group's ANC revenue decreased slightly from 34.6% in the first half of 2025 to 34.3% in the first half of 2026. The selling and distribution expenses other than advertising and marketing expense of ANC business as a percentage to its revenue decreased slightly from 7.3% in the first half of 2025 to 7.0% in the first half of 2026.

RESULTS OF OPERATION (CONTINUED)

Selling and distribution expenses (continued)

BNC

Selling and distribution expenses of BNC business amounted to RMB1,163.6 million for the six months ended 30 June 2026, representing an increase of 22.2% as compared with the same period of last year. Selling and distribution expenses of BNC business as a percentage of the Group's revenue from BNC business decreased from 38.1% in the first half of 2025 to 32.0% in the first half of 2026. The significant decrease was mainly driven by the Group's ongoing efforts to enhance spending efficiency and phasing impact. Higher marketing and promotional investment are planned in the second half of 2026 to accelerate the new product rollout.

Advertising and marketing expense of BNC business as a percentage of its revenue decreased from 14.2% in the first half of 2025 to 11.0% in the first half of 2026, mainly due to the high base of investment in the first half of 2025 allocated to marketing campaigns for the new 'GB' IMF products. Selling and distribution expenses other than advertising and marketing expense of BNC business as a percentage of revenue decreased from 23.9% in the first half of 2025 to 21.0% of the same period of 2026 thanks to the operating leverage and the Group's ongoing efforts to enhance spending efficiency.

PNC

Selling and distribution expenses of PNC business increased by 4.4% to RMB512.0 million for the six months ended 30 June 2026, as compared with the same period of last year. Selling and distribution expenses of PNC business as a percentage of its revenue increased from 45.4% for the six months ended 30 June 2025 to 47.0% for the same period of 2026, mainly due to the additional investment required to support the new products launch and geography expansion including Europe, Asia and ANZ.

Advertising and marketing expense of PNC business as percentages of its revenue increased from 13.2% for the six months ended 30 June 2025 to 21.3% for the six months ended 30 June 2026. The increase was mainly due to the additional investment required to support the launch of new products, particularly the new high-margin pet nutritional food and supplement products. The selling and distribution expenses other than advertising and marketing expense of PNC business as a percentage to its revenue decreased from 32.2% in the first half of 2025 to 25.7% in the first half of 2026, which was mainly driven by spending efficiency improvement and the phasing of investments.

Administrative expenses

Administrative expenses increased by 11.4% from RMB398.5 million for the six months ended 30 June 2025 to RMB443.8 million for the six months ended 30 June 2026. While administrative expenses as a percentage of the Group's revenue decreased from 5.7% in the first half of 2025 to 5.1% in the first half of 2026 thanks to the Group's continuous efforts on operating leverage and efficiency improvement.

RESULTS OF OPERATION (CONTINUED)

Other expenses

Other expenses for the six months ended 30 June 2026 amounted to RMB404.1 million. Other expenses mainly included research and development ("**R&D**") expenditure of RMB107.9 million, net fair value losses on derivative financial instruments of RMB154.9 million, net foreign exchange losses of RMB82.4 million, net fair value losses on other non-current financial assets of RMB37.9 million and others.

During the six months ended 30 June 2026, R&D expenditure increased by 12.5% as compared with the same period of last year, which was primarily due to higher investment in innovation and product development to support the launch of new products. R&D expenditure as a percentage of the Group's revenue decreased from 1.4% for the six months ended 30 June 2025 to 1.2% for the six months ended 30 June 2026.

The non-cash net fair value losses on derivative financial instruments of RMB154.9 million consisted of: (i) RMB87.5 million of fair value losses on the cross currency swap ("**CCS**") and cross currency interest rate swap ("**CCIRS**") agreements for the Group's long-term USD debts. Since such CCS and CCIRS are revaluated on each reporting date, the losses mainly represented RMB's appreciation against USD on the reporting date; (ii) RMB45.7 million of fair value losses on the forward contracts mainly designated to hedge EUR exposures against RMB arising from day-to-day operating activities. Similar to the CCS and CCIRS, such forward contracts are also revaluated on each reporting date, and the losses represented RMB's appreciation against EUR on the reporting date; and (iii) RMB21.7 million of fair value losses on the early redemption option embedded in the senior notes due in 2028.

The net foreign exchange losses of RMB82.4 million mainly represented non-cash losses from the revaluation on intragroup loans.

The net fair value losses on other non-current financial assets of RMB37.9 million mainly represented non-cash losses from the fair value change of the existing equity investments held by New H2 Limited.

EBITDA and Adjusted EBITDA

Adjusted EBITDA achieved a strong growth by 71.9% to RMB1,891.9 million for the six months ended 30 June 2026, comparing with the same period of 2025. Adjusted EBITDA margin for the first half of 2026 improved significantly from 15.7% for the six months ended 30 June 2025 to 21.8% for the same period of 2026. The significant improvement in adjusted EBITDA margin was mainly attributable to the continued operating leverage, product portfolio premiumisation and the Group's prudent marketing investments during the period, ahead of a more active brand-building and promotional activities planned for the second half of 2026 to accelerate the new product rollout and market expansion.

EBITDA for the six months ended 30 June 2026 increased by 53.3% from RMB1,033.1 million for the six months ended 30 June 2025 to RMB1,583.3 million.

RESULTS OF OPERATION (CONTINUED)

EBITDA and Adjusted EBITDA (continued)

The adjusted EBITDA was arrived at by reconciling the non-recurring or non-cash items from EBITDA as set out below:

	Six months ended 30 June	
	2026	2025
	RMB million	RMB million
EBITDA	**1,583.3**	1,033.1
Reconciled by:		
Non-cash items*:		
(1) Net fair value losses on derivative financial instruments	**154.9**	74.0
(2) Net foreign exchange losses/(gains) mainly from the revaluation on intragroup loans	**82.4**	(24.4)
(3) Net fair value losses/(gains) on other non-current financial assets	**37.9**	(5.5)
(4) Share of losses of associates	**33.4**	13.5
Non-recurring items*:		
(5) One-time consulting fee for group entity structure optimisation	**–**	10.0
Adjusted EBITDA	**1,891.9**	1,100.7

* Either non-recurring or non-cash items is to be adjusted only if the amount is equal to or greater than RMB10 million.

Finance costs

During the six months ended 30 June 2026, the Group's finance costs decreased by 46.2% from RMB579.5 million for the six months ended 30 June 2025 to RMB311.9 million for the same period in 2026. The finance costs for the six months ended 30 June 2026 included (i) RMB307.1 million of interest on the interest-bearing bank loans, senior notes and guaranteed bonds, which decreased by 12.6% year-on-year; (ii) RMB4.9 million of interest on lease liabilities.

As the Group has entered into certain cross currency swaps and cross currency interest rate swaps to hedge its interest rate risk and foreign currency risk, respectively, the normalised interest on the interest-bearing bank loans, senior notes and guaranteed bonds was RMB236.4 million for the six months ended 30 June 2026, which decreased by 19.4% from RMB293.3 million for the same period of last year. The implied annual interest expense margin[4] (including the benefit of the above-mentioned hedges) was 5.65% for the six months ended 30 June 2026, which decreased from 5.96% for the year ended 31 December 2025.

[4] The implied annual interest expense margin is calculated as normalised interest expense for the last twelve months ended 30 June including the benefit of hedge arrangements divided by the average gross interest-bearing debt over the same period.

RESULTS OF OPERATION (CONTINUED)

Income tax expense

Income tax expense increased by 120.1% from RMB235.3 million for the six months ended 30 June 2025 to RMB517.9 million for the six months ended 30 June 2026. The effective tax rate on a pro forma basis decreased from 40.0% in the first half of 2025 to 36.0% in the same period this year, after adjusting for non-deductible and non-cash items on profit before tax, including the net foreign exchange losses/(gains), net fair value losses on derivative financial instruments and other non-current financial assets, share of losses of associates, one-time premium paid for the tender offer and early redemption of the senior notes due in 2026, and the related non-cash write-off of unamortised transaction costs. On a reported basis, the effective tax rate decreased significantly from 76.8% in the first half of 2025 to 45.9% in the first half of 2026.

Net profit and Adjusted net profit

The adjusted net profit was arrived at by reconciling the non-recurring or non-cash items from net profit as set out below:

	Six months ended 30 June	
	2026	2025
	RMB million	RMB million
Net profit	**610.6**	71.0
Reconciled by:		
EBITDA adjusted items as listed above	**308.6**	67.6
Non-cash items*:		
One-time premium paid for the tender offer and early redemption of the senior notes due in 2026, and the related non-cash write-off of unamortised transaction costs	**–**	224.4
Adjusted net profit	**919.2**	363.0

* Either non-recurring or non-cash items is to be adjusted only if the amount is equal to or greater than RMB10 million.

Non-IFRS financial measures

To supplement the Group's consolidated financial statements which are prepared in accordance with IFRS, the Group also use adjusted EBITDA and adjusted net profit as additional financial measures, which are not required by, or presented in accordance with IFRS. The Group believes that these non-IFRS financial measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that the Company's management does not consider to be indicative of its operating performance such as certain non-cash or non-recurring items. The use of these non-IFRS financial measures has limitations as an analytical tool, and one should not consider them in isolation from, or as a substitute for analysis of, the Group's results of operations or financial conditions as reported under IFRS. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies.

LIQUIDITY AND CAPITAL RESOURCES

Operating activities

For the six months ended 30 June 2026, the Group recorded net cash generated from operating activities of RMB1,695.1 million, resulting from pre-tax cash generated from operations of RMB1,891.1 million, minus income tax paid of RMB196.0 million. The cash conversion rate for the six months ended 30 June 2026, calculated as pre-tax cash generated from operations divided by adjusted EBITDA, was 100.0%. A negative change of RMB17.9 million in working capital was recorded, mainly resulted from: (i) an increase in trade receivables by RMB234.3 million mainly due to the increase in sales; (ii) an increase in prepayments, other receivables and other assets by RMB37.1 million; (iii) a slight increase in inventories, net of write-down of inventories to net realisable value, by RMB16.0 million; and (iv) the above negative impact was partially offset by an increase in other payables and accruals of RMB202.7 million, an increase in trade and bills payables of RMB61.4 million and others.

Investing activities

For the six months ended 30 June 2026, net cash flows used in investing activities amounted to RMB112.1 million, primarily resulted from purchases of property, plant and equipment and intangible assets of RMB38.4 million, the increase in time deposits with original maturity of three months or more when acquired of RMB80.2 million, partially offset by interest received of RMB7.5 million.

Financing activities

For the six months ended 30 June 2026, net cash flows used in financing activities amounted to RMB1,366.5 million, primarily related to the repayment of interest-bearing bank loans of RMB1,388.0 million, the interest paid for borrowings of RMB271.4 million and others. The above cash outflows were partially offset by the proceed from new interest-bearing bank loans of RMB250.0 million and others.

Cash and bank balances

As of 30 June 2026, cash and cash equivalents and time deposits as stated in the interim condensed consolidated statement of financial position amounted to RMB1,976.5 million.

Borrowings

As of 30 June 2026, the Group's outstanding carrying amount of its borrowings amounted to RMB7,581.6 million, including current portion of RMB1,803.0 million. The carrying amount of borrowings included (i) RMB5,069.5 million of interest-bearing bank loans, including current portion of RMB1,308.5 million; (ii) RMB2,098.5 million of senior notes, including current portion of RMB80.9 million; and (iii) RMB413.6 million of guaranteed bonds, all of which was current.

LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

Borrowings (continued)

The Group's gearing ratio decreased from 45.8% as of 31 December 2025 to 38.9% as of 30 June 2026, calculated by dividing the sum of the carrying amount of the borrowings by total assets. As of 30 June 2026, the net leverage ratio significantly decreased from 3.45x as of 31 December 2025 to 2.05x, calculated as the following table. The strong progress in deleveraging was primarily driven by the voluntary prepayment of over RMB1.2 billion (equivalent) on the Group's USD term loan, supported by its strong internal liquidity which was enhanced by incrementally low-cost RMB borrowings.

	30 June 2026 **RMB million**	31 December 2025 RMB million
Gross debt[5]	**7,790.2**	8,790.2
Less: Cash and cash equivalents and time deposit	**1,976.5**	1,709.0
Net debt	**5,813.7**	7,081.2
Divided by: Adjusted EBITDA[6]	**2,841.7**	2,050.5
Net leverage ratio	**2.05x**	3.45x

Working capital

Advance payment is normally required for the sales to business customers in Chinese mainland, except for limited circumstances. The Group usually allows credit sales in overseas markets outside Chinese mainland, with average credit terms ranging from 30 to 90 days from the end of month. The Group's suppliers generally grant a credit period between 30 and 90 days.

The Group seeks to maintain strict controls over outstanding receivables and creditors to minimise credit risk. The average turnover days for trade receivables decreased from 27 days for the six months ended 30 June 2025 to 20 days for the six months ended 30 June 2026. The decrease mainly resulted from the higher revenue contribution from Chinese mainland. The average turnover days of trade and bills payables decreased slightly from 63 days for the six months ended 30 June 2025 to 62 days for the six months ended 30 June 2026.

The inventory turnover days decreased from 131 days for the six months ended 30 June 2025 to 118 days for the six months ended 30 June 2026. The inventory turnover days of ANC products decreased from 136 days for the six months ended 30 June 2025 to 107 days for the six months ended 30 June 2026. The inventory turnover days of BNC products decreased from 122 days for the six months ended 30 June 2025 to 113 days for the six months ended 30 June 2026. The decrease in the inventory turnover days of ANC and BNC products was primarily due to the higher-than-expected sales. The inventory turnover days of PNC products increased from 142 days for the six months ended 30 June 2025 to 166 days for the six months ended 30 June 2026. The increase in PNC inventory turnover days was mainly due to strategic inventory build-up to support new market expansion and ensure supply chain continuity.

5 The gross debt as of 30 June 2026 and 31 December 2025 are calculated with the outstanding principal of debt instruments being converted to RMB with constant FX rates as the debt drawdown date.

6 Adjusted EBITDA for the twelve months ended 30 June 2026 and the year ended 31 December 2025.

SIGNIFICANT BUSINESS DEVELOPMENT AFTER THE END OF THE REPORTING PERIOD

Capital Structure Optimisation

The Group continued to optimise its capital structure through active debt management and to demonstrate its ongoing commitment to deleveraging. On 5 August 2026, the Group signed a new term loan facilities agreement in the amount equivalent to approximately US$320.0 million[7], primarily to refinance its existing term loan facilities due in 2027. The refinancing is expected to extend the Group's debt maturity profile, reduce finance costs and further enhance its financial flexibility. On 13 August 2026, the Group voluntarily prepaid approximately RMB300 million (equivalent) in respect of its USD term loan, resulting in a further reduction in the Group's gross debt.

Update On Tax Audit on Biostime Healthy Australia Pty Ltd ("BHA")

As disclosed in the Company's Annual Report for the year ended 31 December 2025, BHA, a subsidiary of the Company, has undergone an audit (the "**BHA Tax Audit**") conducted by the Australian Tax Office (the "**ATO**") in respect of the value of intellectual property and other assets transferred as part of the Groupwide integration initiatives in 2018, for which BHA paid AUD19 million of tax under the Australian capital gains tax (the "**CGT**") rules.

Based on the conclusion of the BHA Tax Audit, on 10 April 2025, the ATO issued official notices of amended assessment requesting: (i) AUD234.5 million of primary tax payable by BHA in respect of the year ended 31 December 2018; (ii) AUD55.2 million of interest and (iii) AUD117.3 million penalty payable by BHA.

In June 2025, BHA formally objected to the ATO's amended assessments to officially dispute these amounts (the "**Objection**"). On 4 July 2025, having considered BHA's proposals regarding payment arrangement, the ATO confirmed that it required BHA to provide a cash deposit of AUD104 million to the ATO by 15 July 2025, in accordance with the ATO administrative practice for disputed tax debts. Consequently, such cash deposit was made on 15 July 2025 and recorded as deposits in BHA's financial statements as of 31 December 2025 and 30 June 2026. No further deposit is required until the final conclusion of this matter.

BHA and its representatives have actively engaged with the ATO's objection team to discuss technical areas of disagreement and other developments. On 3 July 2026, the ATO issued a written decision substantially disallowing (and allowing in part) BHA's Objection (resulting in a reduction in primary tax from AUD234.5 million to AUD208.1 million and a reduction in penalty from AUD117.3 million to AUD104.0 million) (the "**Objection Decision**"). In doing so, the ATO has maintained its reliance on its primary position to substitute the value of the transferred assets under the CGT rules, as well as an alternative position under the transfer pricing rules.

[7] A revolving credit facility in the amount equivalent to approximately US$10.0 million was also made available under the new term loan facilities agreement.

SIGNIFICANT BUSINESS DEVELOPMENT AFTER THE END OF THE REPORTING PERIOD (CONTINUED)

Update On Tax Audit on Biostime Healthy Australia Pty Ltd ("BHA") (continued)

BHA has been and will continue vigorously defending its position. On 10 July 2026, BHA filed a Notice of Appeal in the Federal Court of Australia (the "**Court**") to formally initiate legal proceedings in relation to the Objection Decision insofar as it concerns ATO's tax assessment. On 16 July 2026, BHA filed an application in the Administrative Review Tribunal (the "**Tribunal**") to seek a review of the Objection Decision insofar as it concerns penalties and interest. A hearing date for each proceeding is yet to be set by the Court and the Tribunal, respectively.

BHA continues to be assisted by tax litigation lawyers and preeminent counsel. At this time, in the opinion of the Directors, BHA does not consider that it is probable that there will be a final outflow of funds in relation to the matters in dispute. In the event that BHA is successful in the dispute, BHA will be entitled to a refund of the deposit plus interest.

INTERIM DIVIDEND

After taking full consideration of the Group's financial position, net cash flow and capital expenditures, the board of the Company (the "**Board**") has resolved to declare an interim dividend of HKD0.82 per ordinary share, representing approximately 50% of the Group's adjusted net profit for the period of six months ended 30 June 2026. The interim dividend will be paid on or about Monday, 12 October 2026 to the shareholders whose names appear on the register of members of the Company on Wednesday, 16 September 2026.

CORPORATE **GOVERNANCE AND OTHER INFORMATION**

CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Part 2 of Appendix C1 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Company has complied with all the code provisions contained in the CG Code for the six months ended 30 June 2026 (in effect as of 30 June 2026).

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with the CG Code and align with the latest developments.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding Directors' dealings in the Company's securities (the "**Company Code**") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all directors of the Company ("**Directors**") and all the Directors have confirmed that they have complied with the Company Code and the Model Code during the six months ended 30 June 2026.

The Company has also established written guidelines (the "**Employees Written Guidelines**") on terms no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company during the six months ended 30 June 2026.

In case when the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors and relevant employees in advance.

AUDIT COMMITTEE

The audit committee of the Board (the "**Audit Committee**") was established on 25 November 2010 in compliance with Rules 3.21 and 3.22 of the Listing Rules and with written terms of reference in compliance with the CG Code. The Audit Committee consists of three members, namely, Professor Ding Yuan, Mr. Tan Wee Seng and Mr. Luo Yun, all of whom are non-executive Directors and the majority of whom are independent non-executive Directors. Professor Ding Yuan, who possesses appropriate professional qualifications or accounting or related financial management expertise, was appointed as the chairman of the Audit Committee.

The Audit Committee is mainly responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors; reviewing the interim and annual reports and accounts of the Group; and overseeing the Group's financial reporting system, internal control system and risk management system and associated procedures.

REMUNERATION COMMITTEE

The remuneration committee of the Board (the "**Remuneration Committee**") was established on 25 November 2010 with written terms of reference amended with effect from 30 December 2022 in compliance with the CG Code. The Remuneration Committee consists of three members, namely, Mr. Tan Wee Seng, Mr. Luo Fei and Mrs. Lok Lau Yin Ching, the majority of whom are independent non-executive Directors. Mr. Tan Wee Seng was appointed as the chairman of the Remuneration Committee.

The primary objectives of the Remuneration Committee include making recommendations on the Company's remuneration policy and structure for all Directors' and senior management's remuneration, and remuneration packages of the individual executive Directors and the senior management. The Remuneration Committee is also responsible for establishing a formal and transparent procedure for developing such remuneration policy and structure to ensure that no Director or any of his/her close associates (as defined in the Listing Rules) will be involved in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

The human resources department of the Company is responsible for the collection and administration of the human resources data and making recommendations to the Remuneration Committee for consideration. The Remuneration Committee consults with the chairman and/or the chief executive officer of the Company about these recommendations on remuneration policy and structure and remuneration packages.

NOMINATION COMMITTEE

The nomination committee of the Board (the "**Nomination Committee**") was established on 25 November 2010 with written terms of reference amended with effect from 30 May 2025 in compliance with the CG Code. The chairman of the Nomination Committee is Mr. Luo Fei, an executive Director, and the two other members are Mr. Tan Wee Seng and Mrs. Lok Lau Yin Ching, both of whom are independent non-executive Directors.

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, assisting the Board in maintaining a board skills matrix, making recommendations to the Board on the appointment, re-appointment and succession planning of Directors, assessing the independence of independent non-executive Directors, and reviewing and monitoring the training and continuous professional development of Directors and senior management.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy, including but not limited to gender, race, language, cultural background, educational background, industry experience and functional experience. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria as set out in the Company's Director Nomination Policy to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendations to the Board. An external recruitment agency may be engaged to carry out the recruitment and selection process where necessary.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

The environmental, social and governance committee of the Board (the "**ESG Committee**") was established on 29 August 2022 with a set of written terms of reference. The ESG Committee consists of three members, namely, Mrs. Laetitia Albertini, the non-executive Director, Mr. Luo Fei, the executive Director, and Ms. Yang Wenyun, the company secretary, one of the authorised representatives and a senior director of the Group Risk Management and Internal Control of the Company. Mrs. Laetitia Albertini was appointed as the chairman of the ESG Committee.

The purpose of the establishment of the ESG Committee is to better position our Group for management of sustainability issues and enhance quality of disclosure in relation thereto. The ESG Committee is responsible for:

(a) assisting the Board to oversee, review and make recommendations to the Board on the establishment and development of the Group's vision, objectives, targets and strategies on sustainability;

(b) developing, reviewing and overseeing the implementation of the sustainability policies and procedures of the Group on their effectiveness and make recommendations to the Board;

(c) identifying the relevant sustainability issues and relevant circumstances that significantly affect the operations of the Group and/or the interest of other important stakeholders;

(d) reviewing major trends in sustainability and related risks and opportunities for alignment of the Group's position and performance on the sustainability issues are aligned with relevant requirements and standards, and make recommendations to the Board;

(e) properly managing the risks associated with the sustainable development of the Group; and

(f) supporting and working with the sustainability working group of the Group to improve the quality of sustainability information disclosure.

CORPORATE **GOVERNANCE AND OTHER INFORMATION**

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The general meetings of the Company provide a forum for communication between the Board and the shareholders. The chairman of the Board as well as chairmen of the Nomination Committee, Remuneration Committee and Audit Committee or, in their absence, other members of the respective committees are available to answer questions at shareholders' meetings.

During the six months ended 30 June 2026, the Company attended 10 investors' conferences and roadshows and approximately 250 individual and group meetings with analysts, institutional investors and fund managers. The investors' conferences and roadshows attended by the Company during the six months ended 30 June 2026 are summarized as follows:

Date	Conference or Event	Organizer	Location
January 2026	Soochow Securities Beijing Conference	Soochow Securities	Beijing
January 2026	J.P. Morgan China Opportunities Forum 2026	JP. Morgan	Shenzhen
January 2026	Goldman Sachs Consumer Corporate Day	Goldman Sachs	Hong Kong
March 2026	Post Annual Results Non-deal Roadshow	Citi, CLSA, Goldman Sachs	Hong Kong
March 2026	Post Annual Results Non-deal Roadshow	CLSA	Sydney
April 2026	H&H Investor and New Product Sharing Event	H&H Group	Guangzhou
April 2026	Post Annual Results Non-deal Roadshow	Deutsche Bank	Melbourne
April 2026	Post Annual Results Non-deal Roadshow	CICC	Beijing
April 2026	Post Annual Results Non-deal Roadshow	CITIC Securities	Shanghai
April 2026	Post Q1 Updates Investor Non-deal Roadshow	Deutsche Bank, Citi	Singapore
April 2026	Huatai Corporate Day	Huatai securities	Singapore
May 2026	H&H 2026 France Investor Day	H&H Group	Normandy
May 2026	Post Q1 Updates Investor Non-deal Roadshow	CLSA	Paris
May 2026	Post Q1 Updates Investor Non-deal Roadshow	Morgan Stanley, CLSA	London
May 2026	Huatai securities 2026 Interim Investment Strategy Conference	Huatai securities	Shenzhen
May 2026	Haitong International 2026 Summer Strategy Conference	Haitong international	Hong Kong
June 2026	J.P. Morgan Asia Credit Conference	JP. Morgan	Hong Kong
June 2026	Soochow Securities interim conference	Soochow Securities	shanghai
June 2026	Founder Securities interim conference	Founder Securities	shanghai
June 2026	Citi Consumer Corporate Day	Citi	Hong Kong

The last shareholders' meeting was the annual general meeting held on 15 May 2026 at Rooms 1903-1906, 19/F, Alexandra House, 18 Chater House, Central, Hong Kong for approval of, among others, the declaration of final dividend, the general mandates to issue and repurchase shares of the Company, the re-appointment of auditors, and the re-election of Directors. All proposed ordinary resolutions were passed by way of poll at the meeting.

To promote effective communication, the Company maintains a website at www.hh.global, where up-to-date information and updates on the Company's business operations and developments, financial information, corporate governance practices and other information are posted and are available for public access. Investors may write directly to the Company or via email to IR@hh.global for any enquiries.

REVIEW OF INTERIM FINANCIAL STATEMENTS

Disclosure of financial information in this interim report complies with Appendix D2 of the Listing Rules. The Audit Committee has held meetings to discuss the internal controls and financial reporting matters of the Company, including the review of this interim report and the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2026.

The interim condensed consolidated financial statements for the six months ended 30 June 2026 have not been audited but have been reviewed by the Company's independent auditor, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" by the Hong Kong Institute of Certified Public Accountants.

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

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

SHARE SCHEMES

The Company has adopted six share schemes for share options and/or share awards. As at 30 June 2026, there were two schemes which remained in full force and effect, i.e. the 2022 Share Award Scheme and the 2024 Share Scheme. The number of shares that may be issued in respect of options and awards granted under all schemes of the Company during the six months ended 30 June 2026 divided by the weighted average number of shares of the relevant class in issue for the six months ended 30 June 2026 was approximately nil.

The details of the share schemes are as follows:

2024 Share Scheme

A share scheme (the "**2024 Share Scheme**") of the Company was approved by the shareholders of the Company at the annual general meeting held on 10 May 2024. The purpose of the 2024 Share Scheme is to recognize the contributions by certain employees of the Group, to recognize the contributions by certain eligible participant(s) and to give incentives thereto in order to retain and motivate them for the continual operation and development of the Group; and to attract suitable personnel for further development of the Group, by providing them with the opportunity to acquire equity interests in the Company.

The awards under the 2024 Share Scheme may take the form of a share option or a share award, which shall be funded by the shares of the Company. The eligible participants of the 2024 Share Scheme include (i) any person who is a director or employee of any member of the Group on the grant date of the award(s) under the 2024 Share Scheme; and (ii) any person who is a director or employee of a holding company of the Company, a subsidiary of that holding company other than members of the Group, or an associate company of the Company.

SHARE SCHEMES (CONTINUED)

2024 Share Scheme (continued)

Further details of the 2024 Share Scheme are set out in the circular of the Company dated 17 April 2024.

Particulars and movements of share options of the Company ("**Share Options**") granted under the 2024 Share Scheme during the six months ended 30 June 2026 by category of grantees were as follows:

				Number of Share Options					
Category of Grantees	Date of grant	Exercise price per share (HKD)	Closing price per share immediately before the date of grant (HKD)	Outstanding as at 1 January 2026	Granted during the six months ended 30 June 2026	Exercised during the six months ended 30 June 2026	Lapsed during the six months ended 30 June 2026	Cancelled during the six months ended 30 June 2026	Outstanding as at 30 June 2026
Director									
Mr. Wang Yidong	23/12/2025	13.54	13.60	1,400,000	–	–	–	–	1,400,000
Chief Executives									
Mr. Akash Bedi	23/12/2025	13.54	13.60	1,200,000	–	–	–	–	1,200,000
Ms. Li Fengting	23/12/2025	13.54	13.60	1,500,000	–	–	–	–	1,500,000
Mr. Nicholas Russell Lamande Mann	23/12/2025	13.54	13.60	1,200,000	–	–	–	–	1,200,000
Mr. Zhang Qizhang	23/12/2025	13.54	13.60	1,200,000	–	–	–	–	1,200,000
Sub-total				**6,500,000**	**-**	**-**	**-**	**-**	**6,500,000**
Other Employees	23/12/2025	13.54	13.60	6,570,000	–	–	(500,000)	–	6,070,000
Sub-total				**6,570,000**	**-**	**-**	**(500,000)**	**-**	**6,070,000**
Total				**13,070,000**	**-**	**-**	**(500,000)**	**-**	**12,570,000**

No Share Options granted under 2024 Share Scheme were exercised or cancelled during the six months ended 30 June 2026.

The Share Options granted on 23 December 2025 shall vest in accordance with the following schedule, which shall be exercisable for 10 years from the date of grant and after they are vested:

Vesting Date	Percentage of Share Awards to be vested
1 April 2027	30% of the total number of share options granted
1 April 2028	30% of the total number of share options granted
1 April 2029	40% of the total number of share options granted

The total number of Share Options and share awards available for grant under the 2024 Share Scheme mandate as at 1 January 2026 and 30 June 2026 were 51,486,135 and 51,986,135, respectively.

The total number of shares available for issue under the 2024 Share Scheme as at 30 June 2026 was 51,986,135, representing approximately 8.05% of the Company's issued shares (excluding treasury shares, if any) as at 30 June 2026.

SHARE SCHEMES (CONTINUED)

2022 Share Award Scheme

The Board adopted a share award scheme ("**2022 Share Award Scheme**") on 11 January 2022. The purposes of the 2022 Share Award Scheme are to recognize the contributions by certain employees of the Group, to recognize the contributions by certain eligible participant(s) and to give incentives thereto in order to retain and motivate them for the continual operation and development of the Group; and to attract suitable personnel for further development of the Group, by providing them with the opportunity to acquire equity interests in the Company.

The Board may from time to time at its absolute discretion select any eligible participant(s), i.e. any bona fide employee of the Company or of any subsidiary, for participation in the 2022 Share Award Scheme as selected participant(s) ("**Selected Participant**"). Subject to the limit on the size of the 2022 Share Award Scheme as set out below, the Board shall (a) determine a number of awarded shares to be granted pursuant to any award under the 2022 Share Award Scheme, or (b) instruct the trustee to allocate returned shares ("**Returned Shares**"), i.e. awarded shares which are not vested and/or forfeited in accordance with the terms of the 2022 Share Award Scheme, or such Shares being deemed to be Returned Shares in accordance with the terms of the 2022 Share Award Scheme, as awarded shares to any Selected Participant(s).

Awarded shares may be acquired by the trustee by way of (i) allotment and issue of new Shares by the Company pursuant to the relevant general mandate or specific mandate granted to the Board by the shareholders of the Company in general meetings of the Company from time to time; or (ii) purchase of Shares in the open market by the trustee.

Such awarded shares shall then be held by the trustee for the Selected Participants in accordance with the provisions of the 2022 Share Award Scheme prior to vesting. The trustee shall not exercise any voting rights in respect of any Shares held under the trust (including but not limited to awarded shares, Returned Shares, any bonus Shares and scrip Shares).

The trustee shall hold such Returned Shares and any income deriving from it exclusively for the benefit of all or one or more of the Selected Participants in such manners and under such conditions in accordance with the instructions from the Board.

The Board shall not make any further award which will result in the number of Shares administered under the 2022 Share Award Scheme to exceed in total 10% of the Company's issued share capital (excluding treasury shares, if any) as at the adoption date.

Subject to any early termination as may be determined by the Board, the 2022 Share Award Scheme shall be valid and effective for a term of ten years commencing on the adoption date of the same.

Further details of the 2022 Share Award Scheme are set out in the Company's announcement dated 11 January 2022.

During the six months ended 30 June 2026, the Company did not grant any share awards under the 2022 Share Award Scheme, and there was no awarded shares under the 2022 Share Award Scheme remained outstanding.

The total number of awarded shares available for grant under the 2022 Share Award Scheme mandate as at 1 January 2026 and 30 June 2026 were 61,488,467 and 61,488,467, respectively.

The total number of shares available for issue under the 2022 Share Award Scheme as at 30 June 2026 was 57,808,894, representing approximately 8.95% of the Company's issued shares (excluding treasury shares, if any) as at 30 June 2026.

SHARE SCHEMES (CONTINUED)

2020 Share Option Scheme

A share option scheme ("**2020 Share Option Scheme**") of the Company was conditionally approved by resolutions of the shareholders of the Company on 8 May 2020 and the terms of the 2020 Share Option Scheme were disclosed in the circular of the Company dated 3 April 2020. The 2020 Share Option Scheme was terminated with effect from the adoption of the 2024 Share Scheme on 10 May 2024 and the Company shall not grant any further options under the 2020 Share Option Scheme thereafter, provided that any granted and unexercised options made under the 2020 Share Option Scheme immediately before the termination shall continue to be valid and exercisable in accordance with the terms of the grant and the original rules of the 2020 Share Option Scheme. No valuation on Share Options granted under the 2020 Share Option Scheme was made for the six months ended 30 June 2026.

Particulars and movements of Share Options under the 2020 Share Option Scheme during the six months ended 30 June 2026 by category of grantees were as follows:

				Number of Share Options					
Category of Grantees	Date of grant (DD/MM/YYYY)	Exercise price per Share (HKD)	Closing price per share immediately before the date of grant (HKD)	Outstanding as at 1 January 2026	Granted during the six months ended 30 June 2026	Exercised during the six months ended 30 June 2026	Lapsed during the six months ended 30 June 2026	Cancelled during the six months ended 30 June 2026	Outstanding as at 30 June 2026
Directors									
Mr. Wang Yidong	30/11/2020	31.88	31.90	216,405	–	–	–	–	216,405
Mrs. Laetitia Albertini	30/11/2020	31.88	31.90	514,701	–	–	–	–	514,701
Sub-total				**731,106**	**-**	**-**	**-**	**-**	**731,106**
Employees and others	30/11/2020	31.88	31.90	836,237	–	–	(32,744)	–	803,493
	13/07/2021	31.02	31.10	99,570	–	–	–	–	99,570
Sub-total				**935,807**	**-**	**-**	**(32,744)**	**-**	**903,063**
Total				**1,666,913**	**-**	**-**	**(32,744)**	**-**	**1,634,169**

No Share Options granted under 2020 Share Option Scheme were exercised or cancelled during the six months ended 30 June 2026.

All Share Options granted since the adoption of the 2020 Share Option Scheme have vested in accordance with the respective vesting schedule with a 6-year exercise period.

Since the 2020 Share Option Scheme was terminated with effect from 10 May 2024, the total number of shares that may be issued in respect of Share Options granted under the 2020 Share Option Scheme as at 30 June 2026 was the same as the number of outstanding Share Options, i.e. 1,634,169, representing approximately 0.25% of the Company's issued shares (excluding treasury shares, if any) as at 30 June 2026.

SHARE SCHEMES (CONTINUED)

2010 Share Option Scheme

A share option scheme (the "**2010 Share Option Scheme**") of the Company was conditionally approved by resolutions of the shareholders of the Company on 25 November 2010 and the terms of such 2010 Share Option Scheme were disclosed in the prospectus of the Company dated 3 December 2010. The 2010 Share Option Scheme was terminated with effect from 8 May 2020 upon the adoption of the 2020 Share Option Scheme and thus no share option has been granted under the 2010 Share Option Scheme since 8 May 2020. No valuation on Share Options granted under the 2010 Share Option Scheme was made during the six months ended 30 June 2026.

Particulars and movements of Share Options under the 2010 Share Option Scheme during six months ended 30 June 2026 by category of Grantees were as follows:

				Number of Share Options					
Category of Grantees	Date of grant (DD/MM/YYYY)	Exercise price per Share (HKD)	Closing price per share immediately before the date of grant (HKD)	Outstanding as at 1 January 2026	Granted during the six months ended 30 June 2026	Exercised during the six months ended 30 June 2026	Lapsed during the six months ended 30 June 2026	Cancelled during the six months ended 30 June 2026	Outstanding as at 30 June 2026
Directors									
Mr. Luo Fei	24/08/2017	29.25	26.75	493,002	–	–	–	–	493,002
Mr. Wang Yidong	24/08/2017	29.25	26.75	378,326	–	–	–	–	378,326
Mrs. Laetitia Albertini	24/08/2017	29.25	26.75	378,326	–	–	–	–	378,326
Mr. Tan Wee Seng	19/04/2017	25.75	25.50	50,000	–	–	(50,000)	–	–
	25/03/2020	26.10	26.10	150,000	–	–	–	–	150,000
Mrs. Lok Lau Yin Ching	25/03/2020	26.10	26.10	100,000	–	–	–	–	100,000
Sub-total				**1,549,654**	**–**	**–**	**(50,000)**	**–**	**1,499,654**
	19/04/2017	25.75	25.50	200,000	–	–	(200,000)	–	–
	24/08/2017	29.25	26.75	1,474,560	–	–	(81,345)	–	1,393,215
	20/04/2018	60.02	61.40	100,970	–	–	–	–	100,970
	26/07/2018	59.05	58.35	147,060	–	–	(3,646)	–	143,414
	29/03/2019	49.15	48.95	375,720	–	–	–	–	375,720
	09/07/2019	45.79	45.00	59,298	–	–	–	–	59,298
	25/03/2020	26.10	24.85	100,000	–	–	–	–	100,000
Sub-total				**2,457,608**	**–**	**–**	**(284,991)**	**–**	**2,172,617**
Total				**4,007,262**	**–**	**–**	**(334,991)**	**–**	**3,672,271**

No Share Options granted under 2010 Share Option Scheme were exercised or cancelled during the six months ended 30 June 2026.

All Share Options granted since the adoption of the 2010 Share Option Scheme have vested in accordance with the respective vesting schedule with a 6-year exercise period.

Since the 2010 Share Option Scheme was terminated with effect from 8 May 2020, the total number of shares that may be issued in respect of Share Options granted under the 2010 Share Option Scheme as at 30 June 2026 was the same as the number of outstanding Share Options, i.e. 3,672,271, representing approximately 0.57% of the Company's issued shares (excluding treasury shares, if any) as at 30 June 2026.

Save as disclosed above, none of the grantees is a Director, chief executive or substantial shareholder of the Company, or their respective associates (as defined in the Listing Rules).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2026, the interests and short positions of the Directors and the chief executive of the Company and their respective close associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules, are set out below:

(1) Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

Name of Director	Capacity/Nature of interest	Long/Short position	Shares or underlying shares (under equity derivatives of the Company)	Approximate percentage of interest in the Company *(Note 5)*
Mr. Luo Fei	Beneficial owner	Long position	1,185,196 *(Note 1)*	0.18%
	Beneficial owner	Long position	493,002 *(Note 2)*	0.08%
	Founder of a discretionary trust who can influence how the trustee exercises his discretion	Long position	432,000,000 *(Note 3)*	66.92%
Mr. Wang Yidong	Beneficial owner	Long position	640,470 *(Note 1)*	0.10%
	Beneficial owner	Long position	594,731 *(Note 2)*	0.09%
	Beneficial owner	Long position	1,400,000 *(Note 4)*	0.22%
Ms. Laetitia Albertini	Beneficial owner	Long position	1,305,367 *(Note 1)*	0.20%
	Beneficial owner	Long position	893,027 *(Note 2)*	0.14%
Mr. Luo Yun	Beneficiary of a trust (other than a discretionary interest)	Long position	432,000,000 *(Note 3)*	66.92%
Mrs. Mingshu Zhao Wiggins	Beneficial owner	Long position	40,000 *(Note 1)*	0.01%
Mr. Tan Wee Seng	Beneficial owner	Long position	180,000 *(Note 1)*	0.03%
	Beneficial owner	Long position	150,000 *(Note 2)*	0.02%
Mrs. Lok Lau Yin Ching	Beneficial owner	Long position	120,000 *(Note 1)*	0.02%
	Beneficial owner	Long position	100,000 *(Note 2)*	0.02%
Professor Ding Yuan	Beneficial owner	Long position	80,000 *(Note 1)*	0.01%
Mr. Zhang Qizhang	Beneficial owner	Long position	387,388 *(Note 1)*	0.06%
	Beneficial owner	Long position	364,013 *(Note 2)*	0.06%
	Beneficial owner	Long position	1,200,000 *(Note 4)*	0.19%

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY (CONTINUED)

(1) Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company (continued)

Name of Director	Capacity/Nature of interest	Long/Short position	Shares or underlying shares (under equity derivatives of the Company)	Approximate percentage of interest in the Company *(Note 5)*
Mr. Nicholas Russell Lamande Mann	Beneficial owner	Long position	196,737 *(Note 1)*	0.03%
	Beneficial owner	Long position	257,369 *(Note 2)*	0.04%
	Beneficial owner	Long position	1,200,000 *(Note 4)*	0.19%
Ms. Li Fengting	Beneficial owner	Long position	264,584 *(Note 1)*	0.04%
	Beneficial owner	Long position	177,326 *(Note 2)*	0.03%
	Beneficial owner	Long position	1,500,000 *(Note 4)*	0.23%
Mr. Akash Bedi	Beneficial owner	Long position	264,584 *(Note 1)*	0.04%
	Beneficial owner	Long position	224,743 *(Note 2)*	0.03%
	Beneficial owner	Long position	1,200,000 *(Note 4)*	0.19%

Note 1: These are directly held ordinary shares of the Company.

Note 2: These are the shares subject to the exercise of the share options granted by the Company under the 2020 Share Option Scheme and/or the 2010 Share Option Scheme.

Note 3: As at 30 June 2026, Coliving Holdings Limited was owned as to 57.25% by Coliving Limited, and therefore, Coliving Holdings Limited was deemed to be controlled by Coliving Limited.

As at 30 June 2026, Coliving Limited was owned as to 78.00% by Flying Company Limited, and therefore, Coliving Limited was deemed to be controlled by Flying Company Limited.

UBS Trustees (BVI) Limited, the trustee of each of the family trusts set up by Mr. Luo Fei as the settlor ("**Mr. Luo Fei's Family Trust**"), through its nominee UBS Nominees Limited, holds the entire issued share capital of Flying Company Limited as the trust assets under Mr. Luo Fei's Family Trust. Mr. Luo Fei and Mr. Luo Yun are Directors. The beneficiaries of Mr. Luo Fei's Family Trust are Mr. Luo Fei and his family members (including Mr. Luo Yun).

Note 4: These are share options granted by the Company under the 2024 Share Scheme which had not vested as at 30 June 2026.

Note 5: As at 30 June 2026, the total number of the issued shares of the Company was 645,561,354.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY (CONTINUED)

(2) Interests and Short Positions in Shares, Underlying Shares and Debentures of Associated Corporations

Name of Director	Name of the associated corporation	Capacity/Nature of interest	Long/Short position	Shares or under-lying shares of interest of the associated corporation	Approximate percentage of interest in the same class of share capital of the associated corporation *(Note)*
Mrs. Mingshu Zhao Wiggins	PROVEN GROUP, INC.	Beneficial owner	Long position	11,729,974	43.87%
		Interest of spouse	Long position	1,000,000	3.74%
		Interest of child under 18 years of age	Long position	1,000,000	3.74%

Note: As at 30 June 2026, the number of common stock issued by PROVEN GROUP, INC. was 26,740,441.

Save as disclosed herein, none of the Directors and chief executives of the Company, or any of their spouses, or children under eighteen years of age, had any interests or short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) recorded in the register required to be kept under section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 30 June 2026.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

So far as is known to the Company, as at 30 June 2026, the following persons, other than any Director or the chief executive of the Company, were the substantial shareholders (within the meaning of the Listing Rules) of the Company and had the following interests and short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company 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 by the Company pursuant to section 336 of the SFO:

Name	Capacity/Nature of interest	Long/Short position	Number of shares	Approximate percentage of shareholding *(Note 2)*
Coliving Holdings Limited *(Note 1)*	Beneficial owner	Long position	432,000,000	66.92%
Flying Company Limited *(Note 1)*	Interest in a controlled corporation	Long position	432,000,000	66.92%
Coliving Limited *(Note 1)*	Interest in a controlled corporation	Long position	432,000,000	66.92%
UBS Trustees (BVI) Limited *(Note 1)*	Trustee	Long position	432,000,000	66.92%

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS (CONTINUED)

Note 1: As at 30 June 2026, Coliving Holdings Limited was owned as to 57.25% by Coliving Limited, and therefore, Coliving Holdings Limited was deemed to be controlled by Coliving Limited.

As at 30 June 2026, Coliving Limited was owned as to 78.00% by Flying Company Limited, and therefore, Coliving Limited was deemed to be controlled by Flying Company Limited.

UBS Trustees (BVI) Limited, the trustee of each of the family trusts set up by Mr. Luo Fei as the settlor ("**Mr. Luo Fei's Family Trust**"), through its nominee UBS Nominees Limited, holds the entire issued share capital of Flying Company Limited as the trust assets under Mr. Luo Fei's Family Trust. Mr. Luo Fei and Mr. Luo Yun are Directors. The beneficiaries of Mr. Luo Fei's Family Trust are Mr. Luo Fei and his family members (including Mr. Luo Yun).

Note 2: As at 30 June 2026, the total number of the issued shares of the Company was 645,561,354.

Save as mentioned above, as at 30 June 2026, the Company had not been notified by any other person (other than the Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company 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 by the Company pursuant to section 336 of the SFO.

CHANGES IN INFORMATION OF DIRECTORS

There are no changes in information of Directors required to be disclosed in this interim report pursuant to Rule 13.51B(1) of the Listing Rules.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

On 27 June 2024, a syndicated facilities agreement (the "**2024 June Refinancing Facility Agreement**") was entered into between, amongst others, the Company, as the borrower and the original guarantor, China Construction Bank (Asia) Corporation Limited as agent and The Hongkong and Shanghai Banking Corporation Limited as security agent, to provide for, among other things, a CNH term loan facility in an aggregate amount of up to equivalent US$150,000,000 (the "**2024 June Refinancing Term Loan Facilities**"). The amount to be borrowed under the 2024 June Refinancing Term Loan Facilities is to be used to refinance the syndicated loan facilities made available to the Group in the form of incremental facilities under the senior facilities agreements originally dated 21 June 2018 as amended, restated and/or supplemented from time to time with outstanding principal amount of US$749,735,000. Further details of the syndicated loan facilities due in June 2025 are disclosed in the announcements dated 28 March 2022, 28 April 2022 and 27 June 2022 issued by the Company.

Under the terms of the 2024 June Refinancing Facility Agreement, in the event that Mr. Luo Fei and his family members (collectively) cease to hold (directly or indirectly) beneficially the largest percentage of the issued voting share capital of the Company, the facilities made or to be made under the 2024 June Refinancing Facility Agreement will be cancelled and all outstanding principal, together with accrued interest, and all other amounts accrued under the finance documents, shall become immediately due and payable.

On 10 July 2024, as the conditions precedent to the utilization of the 2024 June Refinancing Term Loan Facilities have been satisfied, and upon the Group's request for utilization, the 2024 June Refinancing Term Loan Facilities in the principal amount of equivalent US$150,000,000 has been utilized in full.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES (CONTINUED)

On 30 August 2024, a syndicated facilities agreement (the "**2024 August Refinancing Facilities Agreement**") was entered into between, amongst others, the Company, Biostime Healthy Australia Investment Pty Ltd and Health and Happiness (H&H) US International Incorporated (both being wholly-owned subsidiaries of the Company) as original borrowers, and The Hongkong and Shanghai Banking Corporation Limited as agent and security agent, to provide for, among other things, (i) term loan facilities; and (ii) a revolving credit facility, in an aggregate amount equivalent to US$560,000,000 (together with the term loan facilities, collectively the "**2024 August Refinancing Facilities**").

Under the terms of the 2024 August Refinancing Facilities Agreement, in the event that Mr. Luo Fei and his family members (collectively) cease to hold (directly or indirectly) beneficially the largest percentage of the issued voting share capital of the Company, the facilities made or to be made under the 2024 August Refinancing Facilities Agreement will be cancelled and all outstanding principal, together with accrued interest, and all other amounts accrued under the finance documents, shall become immediately due and payable.

On 13 November 2024, as the conditions precedent to the utilization of the 2024 August Refinancing Facilities have been satisfied, and upon the Group's request for utilization, the 2024 August Refinancing Facilities have been utilized in the principal amount equivalent to US$540,000,000.

On 5 August 2026, a syndicated facilities agreement (the "**2026 Refinancing Facilities Agreement**") was entered into between, amongst others, the Company and Biostime Healthy Australia Investment Pty Ltd (a wholly-owned subsidiary of the Company) as original borrowers, and The Hongkong and Shanghai Banking Corporation Limited as agent and security agent, to provide for, among other things, (i) term loan facilities in the amount equivalent to approximately US$320,000,000; and (ii) a revolving credit facility in the amount equivalent to approximately US$10,000,000, in an aggregate amount equivalent to approximately US$330,000,000.

Under the terms of the 2026 August Refinancing Facilities Agreement, in the event that Mr. Luo Fei and his family members (collectively) cease to hold (directly or indirectly) beneficially the largest percentage of the issued voting share capital of the Company, the facilities made or to be made under the 2026 August Refinancing Facilities Agreement will be cancelled and all outstanding principal, together with accrued interest, and all other amounts accrued under the finance documents, shall become immediately due and payable.

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.

INTERIM DIVIDEND

After taking full consideration of the Group's financial position, net cash flow and capital expenditures, the Board has resolved to declare an interim dividend of HKD0.82 per ordinary share (six months ended 30 June 2025: HKD0.19 per ordinary share), representing approximately 50% of the Group's adjusted net profit for the period of six months ended 30 June 2026. The interim dividend will be paid on or about Monday, 12 October 2026 to the shareholders whose names appear on the register of members of the Company on Wednesday, 16 September 2026.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 14 September 2026 to Wednesday, 16 September 2026, both days inclusive, during which period no transfer of shares can be registered. The record date is Wednesday, 16 September 2026. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 11 September 2026.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the board of directors of Health and Happiness (H&H) International Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 38 to 76, which comprises the condensed consolidated statement of financial position of Health and Happiness (H&H) International Holdings Limited (the "**Company**") and its subsidiaries (together, 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 International Accounting Standard 34 "*Interim Financial Reporting*" ("**IAS 34**") as issued by the International Accounting Standards Board ("**IASB**"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 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 Hong Kong Institute of Certified Public Accountants. 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 IAS 34.

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

25 August 2026

INTERIM **CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

Six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
REVENUE	5	**8,695,910**	7,019,234
Cost of sales		**(3,009,906)**	(2,630,154)
Gross profit		**5,686,004**	4,389,080
Other income and gains	5	**36,276**	61,751
Selling and distribution expenses		**(3,400,653)**	(2,971,278)
Administrative expenses		**(443,763)**	(398,526)
Other expenses		**(404,083)**	(181,731)
Finance costs	6	**(311,927)**	(579,542)
Share of losses of associates		**(33,370)**	(13,462)
PROFIT BEFORE TAX	7	**1,128,484**	306,292
Income tax expense	8	**(517,855)**	(235,275)
PROFIT FOR THE PERIOD		**610,629**	71,017
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Hedge of net investments:			
Effective portion of changes in fair value of hedging instruments arising during the period	22	**(43,461)**	(13,245)
Exchange differences on translation of foreign operations		**19,634**	33,783
Exchange differences on net investment in foreign operations		**14,467**	133,058
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods		**(9,360)**	153,596
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:			
Changes in fair value of equity investments designated at fair value through other comprehensive income		**(4,885)**	781
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX		**(14,245)**	154,377
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**596,384**	225,394
Profit attributable to owners of the parent		**610,629**	71,017
Total comprehensive income attributable to owners of the parent		**596,384**	225,394
		RMB (Unaudited)	RMB (Unaudited)
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic		**0.95**	0.11
Diluted		**0.95**	0.11

INTERIM **CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

30 June 2026

	Notes	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	11	**300,970**	302,820
Right-of-use assets	12(a)	**196,313**	217,778
Goodwill	13	**7,534,316**	7,620,614
Intangible assets	14	**4,908,634**	5,063,903
Deposits	15	**509,639**	32,761
Investments in associates		**57,843**	91,213
Deferred tax assets	25	**568,146**	546,752
Derivative financial instruments	22	**17,509**	40,470
Other non-current financial assets	16	**143,404**	190,858
Total non-current assets		**14,236,774**	14,107,169
CURRENT ASSETS			
Inventories	17	**1,982,430**	1,968,079
Trade receivables	18	**1,025,155**	904,245
Prepayments, other receivables and other assets	19	**247,863**	697,673
Pledged deposits		**16,552**	17,357
Time deposits		**120,150**	40,000
Cash and cash equivalents		**1,856,301**	1,669,001
Total current assets		**5,248,451**	5,296,355
CURRENT LIABILITIES			
Trade and bills payables	20	**1,069,055**	1,007,982
Other payables and accruals	21	**2,508,288**	2,302,762
Contract liabilities		**42,037**	36,989
Derivative financial instruments		**44,365**	7,445
Interest-bearing bank loans and other borrowings	23	**1,722,099**	995,137
Lease liabilities	12(b)	**27,701**	29,548
Senior notes	24	**80,868**	83,656
Tax payable		**448,772**	151,919
Dividend payable		**89,206**	–
Total current liabilities		**6,032,391**	4,615,438
NET CURRENT (LIABILITIES)/ASSETS		**(783,940)**	680,917

INTERIM **CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
TOTAL ASSETS LESS CURRENT LIABILITIES		13,452,834	14,788,086
NON-CURRENT LIABILITIES			
Senior notes	24	2,017,639	2,074,993
Interest-bearing bank loans and other borrowings	23	3,760,989	5,740,336
Other payables and accruals	21	3,645	4,376
Lease liabilities	12(b)	112,356	127,255
Derivative financial instruments	22	309,316	160,126
Deferred tax liabilities	25	735,113	690,138
Total non-current liabilities		6,939,058	8,797,224
Net assets		6,513,776	5,990,862
EQUITY			
Issued capital	26	5,519	5,519
Reserves		6,508,257	5,894,531
Proposed dividend		–	90,812
Total equity		6,513,776	5,990,862

Luo Fei
Director

Wang Yidong
Director

INTERIM **CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Six months ended 30 June 2026

	Note	Issued capital RMB'000	Share premium account RMB'000	Shares held for the share award schemes RMB'000	Contributed surplus RMB'000	Capital surplus RMB'000	Statutory reserve RMB'000	Share option reserve RMB'000	Exchange fluctuation reserve RMB'000	Other reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Retained profits RMB'000	Proposed dividend RMB'000	Total equity RMB'000
At 31 December 2025 (audited)		5,519	694,991	(33,229)	26,992	95	382,665	59,511	(399,674)	(1,217,025)	(76,621)	6,456,826	90,812	5,990,862
Profit for the period		-	-	-	-	-	-	-	-	-	-	610,629	-	610,629
Changes in fair value of equity investment designated at fair value through other comprehensive income		-	-	-	-	-	-	-	-	-	(4,885)	-	-	(4,885)
Hedge of net investments	22	-	-	-	-	-	-	-	(43,461)	-	-	-	-	(43,461)
Exchange differences on translation of foreign operations		-	-	-	-	-	-	-	19,634	-	-	-	-	19,634
Exchange differences on net investment in foreign operations		-	-	-	-	-	-	-	14,467	-	-	-	-	14,467
Total comprehensive income for the period		-	-	-	-	-	-	-	(9,360)	-	(4,885)	610,629	-	596,384
Transfer of share option reserve upon the forfeiture or expiry of the share options		-	-	-	-	-	-	(3,430)	-	-	-	3,430	-	-
Equity-settled share option arrangements		-	-	-	-	-	-	16,233	-	-	-	-	-	16,233
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income		-	-	-	-	-	-	-	-	-	(54)	54	-	-
Final 2025 dividend declared		-	-	-	-	-	-	-	-	-	-	1,109	(90,812)	(89,703)
At 30 June 2026 (unaudited)		5,519	694,991*	(33,229)*	26,992*	95*	382,665*	72,314*	(409,034)*	(1,217,025)*	(81,560)*	7,072,048*	-	6,513,776

* These reserve accounts comprise the consolidated reserves of RMB6,508,257,000 (31 December 2025: RMB5,894,531,000) in these interim condensed consolidated statement of financial position as at 30 June 2026.

INTERIM **CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Six months ended 30 June 2026

	Note	Issued capital RMB'000	Share premium account RMB'000	Shares held for the share award schemes RMB'000	Contributed surplus RMB'000	Capital surplus RMB'000	Share award reserve RMB'000	Statutory reserve RMB'000	Share option reserve RMB'000	Exchange fluctuation reserve RMB'000	Other reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Retained profits RMB'000	Proposed dividend RMB'000	Total equity RMB'000
At 31 December 2024 (audited)		5,519	694,991	(37,680)	26,992	95	1,012	382,665	64,210	(517,440)	(1,217,025)	(79,987)	6,460,019	30,000	5,813,371
Profit for the period		-	-	-	-	-	-	-	-	-	-	-	71,017	-	71,017
Other comprehensive income/(loss) for the period:															
Changes in fair value of equity investment designated at fair value through other comprehensive income		-	-	-	-	-	-	-	-	-	-	781	-	-	781
Hedge of net investments	22	-	-	-	-	-	-	-	-	(13,245)	-	-	-	-	(13,245)
Exchange differences on translation foreign operations		-	-	-	-	-	-	-	-	33,783	-	-	-	-	33,783
Exchange differences on net investment in foreign operations		-	-	-	-	-	-	-	-	133,058	-	-	-	-	133,058
Total comprehensive income for the period		-	-	-	-	-	-	-	-	153,596	-	781	71,017	-	225,394
Transfer of share option reserve upon the forfeiture or expiry of the share options		-	-	-	-	-	-	-	(4,840)	-	-	-	4,840	-	-
Equity-settled share award arrangements		-	-	4,451	-	-	(1,012)	-	-	-	-	-	(3,095)	-	344
Final 2024 dividend declared		-	-	-	-	-	-	-	-	-	-	-	268	(30,000)	(29,732)
At 30 June 2025 (unaudited)		5,519	694,991	(33,229)	26,992	95	-	382,665	59,370	(363,844)	(1,217,025)	(79,206)	6,533,049	-	6,009,377

INTERIM **CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

Six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**1,128,484**	306,292
Adjustments for:			
Bank interest income	5	**(7,545)**	(6,335)
Finance costs	6	**311,927**	579,542
Share of losses of associates		**33,370**	13,462
Loss on disposal of other non-current financial assets	7	**454**	–
Depreciation of property, plant and equipment	11	**25,710**	33,082
Depreciation of right-of-use assets	12	**22,912**	19,989
Amortisation of intangible assets	14	**101,845**	100,517
Loss on disposal of items of property, plant and equipment and intangible assets	7	**336**	65
Equity-settled share option expense		**16,233**	–
Equity-settled share award expense		**–**	344
Fair value losses on derivative financial instruments, net	7	**154,889**	74,053
Fair value losses/(gains) on other non-current financial assets	7	**37,906**	(5,524)
(Reversal of impairment)/impairment of trade receivables	7	**(2,207)**	289
Write-down of inventories to net realisable value	7	**134,494**	206,514
Foreign exchange losses/(gains), net	7	**82,430**	(24,361)
		2,041,238	1,297,929
Increase in inventories		**(150,492)**	(205,570)
Increase in trade receivables		**(234,311)**	(190,538)
Increase in prepayments, other receivables and other assets		**(37,128)**	(21,860)
Decrease/(increase) in rental deposits		**2,050**	(342)
Decrease/(increase) in restricted deposits		**805**	(9,717)
Increase in trade and bills payables		**61,360**	52,076
Increase in other payables and accruals		**202,746**	165,622
Increase in contract liabilities		**4,825**	15,651
Cash generated from operations		**1,891,093**	1,103,251
Corporate income tax paid		**(196,003)**	(105,218)
Net cash flows from operating activities		**1,695,090**	998,033

INTERIM **CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

Six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Net cash flows from operating activities		**1,695,090**	998,033
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(28,416)**	(24,281)
Purchases of items of intangible assets		**(9,978)**	(16,710)
Proceeds from disposal of items of property, plant and equipment and intangible assets		**2,348**	425
Placement of time deposits with original maturity of three months or more when acquired		**(80,150)**	–
Addition to other non-current financial assets		**(4,285)**	–
Proceeds from disposal of certain financial assets		**860**	–
Interest received		**7,545**	9,181
Net cash flows used in investing activities		**(112,076)**	(31,385)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of senior notes		**–**	2,111,651
Payment of transaction costs for issue of senior notes		**–**	(28,685)
Repurchase and redemption of senior notes		**–**	(2,334,058)
Repayment of interest-bearing bank loans		**(1,337,980)**	(266,297)
New bank loans		**250,000**	50,000
Payment of lease liabilities	12(b)	**(23,057)**	(23,823)
Interest paid		**(271,417)**	(244,430)
Proceeds from the Swaps (as defined in note 22)	22	**24,735**	9,504
Proceeds from termination of certain Swaps		**–**	19,604
Settlement for termination of forward contracts		**(8,751)**	–
Net cash flows used in financing activities		**(1,366,470)**	(706,534)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**216,544**	260,114
Cash and cash equivalents at beginning of the period		**1,669,001**	1,603,920
Effect of foreign exchange rate changes, net		**(29,244)**	(52,010)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**1,856,301**	1,812,024
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**1,856,301**	1,812,024
Cash and cash equivalent as stated in the interim condensed consolidated statement of financial position and interim condensed consolidated statement of cash flows		**1,856,301**	1,812,024

NOTES **TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

30 June 2026

1. CORPORATE AND GROUP INFORMATION

Health and Happiness (H&H) International Holdings Limited (the "**Company**") was incorporated as an exempted company with limited liability in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company and its subsidiaries (together, the "**Group**") are principally engaged in the manufacture and sale of premium pediatric nutrition and baby care products, adult nutrition and care products and pet nutrition and care products.

In the opinion of the directors, the holding company and the ultimate holding company of the Company is Coliving Holdings Limited, a limited liability company incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2026 have been prepared in accordance with International Accounting Standard ("**IAS**") 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. These unaudited interim condensed consolidated financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

The accounting policies and basis of preparation used in the preparation of these unaudited interim condensed consolidated financial statements are the same as those used in the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the amended IFRS Accounting Standards as disclosed in note 3 below.

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

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

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

(a) Amendments to IFRS 9 and IFRS 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 IFRS 9 and IFRS 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 IFRS Accounting Standards* – Volume 11 set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS 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 organised into business units based on their products, and has five reportable operating segments as follows:

(a) the adult nutrition and care products segment comprises the production and sale of vitamins, herbal and mineral supplements, skin care and sports nutrition products for adults;

(b) the infant formulas segment comprises the production and sale of milk formulas for infants, children and expectant and nursing mothers;

(c) the pet nutrition and care products segment comprises the production and sale of holistic pet food and multi-condition pet supplements;

(d) the pediatric probiotic and kids nutritional supplements segment comprises the production and sale of probiotic supplements and nutrition supplements in the form of powder, sachets, capsules, gummies and tablets for infants, children and expectant mothers; and

(e) the other pediatric products segment comprises the production and sale of dried baby food and baby care products.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit which is measured consistently with the Group's profit before tax except that interest income, other income and unallocated gains, share of results of associates, finance costs as well as head office and corporate expenses are excluded from this measurement.

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Operating segment information for the six months ended 30 June 2026 (Unaudited):

	Adult nutrition and care products RMB'000	Infant formulas RMB'000	Pet nutrition and care products RMB'000	Probiotic and nutritional supplements RMB'000	Other pediatric products RMB'000	Unallocated RMB'000	Total RMB'000
Segment revenue:							
Sales to external customers	3,973,074	3,093,047	1,090,366	433,351	106,072	–	8,695,910
Segment results	2,787,218	1,857,469	665,876	332,570	42,871	–	5,686,004
Reconciliations:							
Interest income							7,545
Other income and unallocated gains							28,731
Share of losses of associates							(33,370)
Corporate and other unallocated expenses							(4,248,499)
Finance costs							(311,927)
Profit before tax							1,128,484
Other segment information:							
Depreciation and amortisation	42,569	14,397	44,284	3,289	2,370	43,558	150,467
Impairment/(reversal of impairment) of trade receivables	1,640	–	–	–	(3,847)	–	(2,207)
Write-down of inventories to net realisable value	24,231	84,270	3,227	456	22,310	–	134,494
Capital expenditure*	6,773	14,090	10,498	1,741	2,121	11,593	46,816

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Operating segment information for the six months ended 30 June 2025 (Unaudited):

	Adult nutrition and care products RMB'000	Infant formulas RMB'000	Pet nutrition and care products RMB'000	Probiotic and nutritional supplements RMB'000	Other pediatric products RMB'000	Unallocated RMB'000	Total RMB'000
Segment revenue:							
Sales to external customers	3,438,722	1,970,973	1,079,202	427,224	103,113	–	7,019,234
Segment results	2,322,496	1,092,323	633,556	297,001	43,704	–	4,389,080
Reconciliations:							
Interest income							6,335
Other income and unallocated gains							55,416
Share of losses of associates							(13,462)
Corporate and other unallocated expenses							(3,551,535)
Finance costs							(579,542)
Profit before tax							306,292
Other segment information:							
Depreciation and amortisation	39,348	14,877	41,358	3,399	4,774	49,832	153,588
Impairment of trade receivables	289	–	–	–	–	–	289
Write-down of inventories to net realisable value	37,592	115,779	5,301	41,775	6,067	–	206,514
Capital expenditure*	18,361	31,920	3,804	3,095	2,474	6,222	65,876

* Capital expenditure consists of additions to property, plant and equipment and intangible assets including assets from the acquisition of subsidiaries.

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Chinese mainland *	**6,462,475**	4,936,033
Australia and New Zealand	**771,681**	800,718
North America	**956,644**	862,155
Other locations#	**505,110**	420,328
Total revenue	**8,695,910**	7,019,234

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

* Including the cross-border e-commerce sales through the subsidiaries registered in Hong Kong Special Administrative Region ("**Hong Kong SAR**") of the People's Republic of China (the "**PRC**") to customers in Chinese mainland.

(b) Non-current assets

	30 June	31 December
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Chinese mainland	**63,779**	88,809
Australia and New Zealand	**2,649,265**	2,207,611
North America	**2,223,283**	2,329,894
Other locations#	**1,037,072**	1,082,161
Total non-current assets	**5,973,399**	5,708,475

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

Including the special administrative regions of the PRC and Taiwan of the PRC.

5. REVENUE, OTHER INCOME AND GAINS

Revenue

An analysis of the revenue is as follows:

	Six months ended 30 June 2026 RMB'000 (Unaudited)	Six months ended 30 June 2025 RMB'000 (Unaudited)
Revenue from contracts with customers		
Sale of goods	**8,695,910**	7,019,234

Disaggregated revenue information

For the six months ended 30 June 2026 (unaudited)

Segments	Adult nutrition and care products RMB'000	Infant formulas RMB'000	Pet nutrition and care products RMB'000	Probiotic and nutritional supplements RMB'000	Other pediatric products RMB'000	Total RMB'000
Geographical markets						
Chinese mainland	2,900,516	3,010,766	127,728	423,408	57	6,462,475
Australia and New Zealand	762,522	7,273	986	900	–	771,681
North America	16,074	–	939,027	1,543	–	956,644
Other locations*	293,962	75,008	22,625	7,500	106,015	505,110
Total	3,973,074	3,093,047	1,090,366	433,351	106,072	8,695,910
Timing of revenue recognition						
Goods transferred at a point in time	3,973,074	3,093,047	1,090,366	433,351	106,072	8,695,910

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Revenue (continued)

Disaggregated revenue information (continued)

For the six months ended 30 June 2025 (unaudited)

Segments	Adult nutrition and care products RMB'000	Infant formulas RMB'000	Pet nutrition and care products RMB'000	Probiotic and nutritional supplements RMB'000	Other pediatric products RMB'000	Total RMB'000
Geographical markets						
Chinese mainland	2,406,085	1,904,945	204,873	419,689	441	4,936,033
Australia and New Zealand	788,692	11,494	–	532	–	800,718
North America	11,700	–	849,985	462	8	862,155
Other locations*	232,245	54,534	24,344	6,541	102,664	420,328
Total	3,438,722	1,970,973	1,079,202	427,224	103,113	7,019,234
Timing of revenue recognition						
Goods transferred at a point in time	3,438,722	1,970,973	1,079,202	427,224	103,113	7,019,234

* Including the special administrative regions of the PRC and Taiwan of the PRC.

Other income and gains

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Bank interest income	**7,545**	6,335
Foreign exchange gains	**–**	24,361
Fair value gains on other non-current financial assets	**–**	5,524
Government subsidies*	**652**	363
Gains on sales of raw materials and scraps	**11,162**	13,940
Others	**16,917**	11,228
Total other income and gains	**36,276**	61,751

* There are no unfulfilled conditions or contingencies related to these government subsidies.

6. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on interest-bearing bank loans and senior notes	**307,056**	351,508
Interest expense on lease liabilities (note 12(b))	**4,871**	3,641
Loss from repurchase and redemption of senior notes	**–**	224,393
Total	**311,927**	579,542

7. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	**2,875,412**	2,423,640
Research and development costs*	**107,861**	95,913
Loss on disposal of items of property, plant and equipment and intangible assets*	**336**	65
Loss on disposal of other non-current financial assets*	**454**	–
(Reversal of impairment)/impairment of trade receivables	**(2,207)****	289*
Foreign exchange losses/(gains), net	**82,430***	(24,361)**
Fair value losses on derivative financial instruments, net*	**154,889**	74,053
Fair value losses/(gains) on other non-current financial assets	**37,906***	(5,524)**
Write-down of inventories to net realisable value#	**134,494**	206,514

* Included in "Other expenses" in profit or loss

** Included in "Other income and gains" in profit or loss

Included in "Cost of sales" in profit or loss

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current		
– Charge for the period		
Chinese mainland	**199,838**	91,490
Hong Kong SAR	**196,337**	58,873
Australia	**49,352**	51,834
Elsewhere	**31,931**	382
– Under/(over) provision in the prior year	**15,518**	(1,616)
Deferred (note 25)	**24,879**	34,312
Total	**517,855**	235,275

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.

PRC enterprise income tax ("EIT")

The income tax provision of the Group in respect of its operations in Chinese mainland has been calculated at the rate of 25% (six months ended 30 June 2025: 25%) on the taxable profits for the period, based on the existing legislation, interpretations and practices in respect thereof.

Certain of the Group's subsidiaries in Chinese mainland are qualified as high and new technology enterprises and are entitled to a preferential corporate income tax rate of 15% during the relevant periods.

Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HKD2,000,000 (six months ended 30 June 2025: HKD2,000,000) of assessable profits of this subsidiary is taxed at 8.25% (six months ended 30 June 2025: 8.25%) and the remaining assessable profits are taxed at 16.5% (six months ended 30 June 2025: 16.5%).

8. INCOME TAX EXPENSE (CONTINUED)

Australia corporate income tax

Australia corporate income tax has been provided at the rate of 30% (six months ended 30 June 2025: 30%) on the estimated assessable profits arising in Australia.

Tax consolidation legislation

Biostime Healthy Australia Pty Ltd. ("**BHA**"), its wholly-owned Australian subsidiaries and eligible Tier 1 fellow subsidiary have elected to form an income tax multiple entry consolidated ("**MEC**") group, for Australian income tax purposes.

In an income tax MEC group, BHA, its wholly-owned subsidiaries and eligible Tier 1 fellow subsidiary within the income tax MEC group account for their own current and deferred tax amounts. These income tax amounts are measured as if each entity in the income tax MEC group continues to be a standalone taxpayer in its own right.

In addition to its own current and deferred tax amounts, BHA also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from subsidiaries within the income tax MEC group.

The entities have also entered into a tax funding arrangement under which the wholly-owned entities fully compensate BHA for any current tax payable assumed and are compensated by BHA for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to BHA under the income tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding arrangement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entitles.

8. INCOME TAX EXPENSE (CONTINUED)

Income tax for other jurisdictions

The Group's tax provision in respect of other jurisdictions has been calculated at the applicable tax rates in accordance with the prevailing practices of the jurisdictions in which the Group operates.

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current period. As such, it may not be entirely representative of future circumstances.

Based on the assessment, transitional safe harbor may apply on all the jurisdictions where Pillar Two legislation is in effect during the current period. The management is not currently aware of any circumstances under which this might change. The Group does not expect a material exposure to Pillar Two income taxes. The Group continues to follow Pillar Two legislative developments, as more countries prepare to enact the Pillar Two model rules, to evaluate the potential future impact on its financial statements.

9. DIVIDENDS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Final declared – HKD0.16 (2025: HKD0.05) per ordinary share	**89,703**	29,732
Dividends on ordinary shares declared after the interim reporting date:		
Interim – HKD0.82 (2025: HKD0.19) per ordinary share	**459,612**	108,893

On 25 August 2026, the board of directors of Health and Happiness (H&H) International Holdings Limited declared an interim dividend of HKD0.82 (six months ended 30 June 2025: HKD0.19) per ordinary share, amounting to a total of approximately RMB459,612,000 (six months ended 30 June 2025: RMB108,893,000).

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

The calculation of the basic earnings per share amounts is based on the profit for the six months ended 30 June 2026 attributable to ordinary equity holders of the parent of RMB610,629,000 (six months ended 30 June 2025: RMB71,017,000), and the adjusted weighted average number of ordinary shares of 641,778,731 (six months ended 30 June 2025: 641,662,090) outstanding during the period.

The calculation of the diluted earnings per share amounts for the period 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 of diluted earnings per share is the adjusted weighted average number of ordinary shares 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 at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares under the share option schemes and the share award schemes. No adjustment had been made to the basic earnings per share amount presented for the six months ended 30 June 2026 in respect of a dilution as impact of the potential ordinary shares had an anti-dilutive effect on the basic earnings per share amount presented.

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

	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 earnings per share calculation	**610,629**	71,017

	Number of shares	
Shares		
Weighted average number of ordinary shares outstanding	**645,561,354**	645,561,354
Weighted average number of shares held for the share award schemes	**(3,782,623)**	(3,899,264)
Adjusted weighted average number of ordinary shares outstanding used in the basic earnings per share calculation	**641,778,731**	641,662,090
Effect of dilution – weighted average number of ordinary shares: Share options and awarded shares	**–**	116,646
Adjusted weighted average number of ordinary shares outstanding used in the diluted earnings per share calculation	**641,778,731**	641,778,736

11. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment with an aggregate cost of RMB28,788,000 (six months ended 30 June 2025: RMB48,925,000). Furthermore, depreciation of RMB25,710,000 (six months ended 30 June 2025: RMB33,082,000) was charged, and property, plant and equipment with an aggregate carrying amount of RMB2,684,000 (six months ended 30 June 2025: RMB445,000) were disposed. Besides, exchange realignment with an amount of RMB2,244,000 (negative) was recognised (six months ended 30 June 2025: RMB4,423,000) in the period.

12. LEASE

(a) Right-of-use assets

The Group has lease contracts for various items of land, office buildings, warehouses, vehicles and office equipment. During the period, the Group recognised the right-of-use assets, with an aggregate cost of RMB1,975,000 (six months ended 30 June 2025: RMB76,593,000). Depreciation of RMB22,912,000 (six months ended 30 June 2025: RMB19,989,000) was charged. Furthermore, exchange realignment with an amount of RMB528,000 (negative) was recognised in the period (six months ended 30 June 2025: RMB3,289,000).

(b) Lease liabilities

During the period, the Group recognised the new lease liabilities of RMB1,975,000 (six months ended 30 June 2025: RMB76,593,000) and interest expense of RMB4,871,000 (six months ended 30 June 2025: RMB3,641,000) was charged. Furthermore, the Group paid for the lease liabilities of RMB23,057,000 (six months ended 30 June 2025: RMB23,823,000). Besides, exchange realignment with an amount of RMB535,000 (negative) was recognised in the period (six months ended 30 June 2025: RMB3,573,000).

13. GOODWILL

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
At 1 January		
Cost	**7,997,655**	7,960,300
Accumulated impairment	**(377,041)**	(356,659)
Net carrying amount	**7,620,614**	7,603,641
Cost at 1 January, net of accumulated impairment	**7,620,614**	7,603,641
Exchange realignment	**(86,298)**	16,973
At end of the period/year	**7,534,316**	7,620,614
At 31 December		
Cost	**7,895,658**	7,997,655
Accumulated impairment	**(361,342)**	(377,041)
Net carrying amount	**7,534,316**	7,620,614

14. INTANGIBLE ASSETS

During the period, the Group acquired intangible assets with an aggregate cost of RMB18,028,000 (six months ended 30 June 2025: RMB16,951,000). Furthermore, amortisation of RMB101,845,000 (six months ended 30 June 2025: RMB100,517,000) was charged by the Group, and intangible asset with an aggregate carrying amount of nil (six months ended 30 June 2025: RMB45,000) was disposed of by the Group. Besides, exchange realignment with an amount of RMB71,452,000 (negative) was recognised in the period (six months ended 30 June 2025: RMB81,828,000).

15. DEPOSITS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Deposits paid for purchase of items of property, plant and equipment	**284**	284
Deposits paid for purchase of intangible assets	**3,835**	11,885
Rental deposits	**18,533**	20,592
Deposits paid to Australian Tax Office (note 28)	**486,987**	–
Total	**509,639**	32,761

16. OTHER NON-CURRENT FINANCIAL ASSETS

	Notes	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
Financial assets at fair value through profit or loss	(a)		
– Unlisted equity investments		**12,734**	52,757
– Other unlisted investments		**130,165**	131,345
Subtotal		**142,899**	184,102
Equity investments designated at fair value through other comprehensive income	(b)		
– Listed equity investment in Else Nutrition Holdings Limited		**505**	5,389
– Other unlisted investments		**–**	1,367
Subtotal		**505**	6,756
Total		**143,404**	190,858

Notes:

(a) These equity investments were classified as financial assets at fair value through profit or loss as the Group has not elected to recognise the fair value gain or loss through other comprehensive income.

These unlisted investments were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

(b) These equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers the investments to be strategic in nature.

17. INVENTORIES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Raw materials	407,668	443,829
Goods in transit	406,169	442,433
Work in progress	1,575	710
Finished goods	1,167,018	1,081,107
Total	1,982,430	1,968,079

18. TRADE RECEIVABLES

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 month	566,389	472,122
1 to 3 months	370,953	381,204
Over 3 months	87,813	50,919
Total	1,025,155	904,245

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Prepayments	156,414	118,655
Deposits paid to Australian Tax Office	–	487,895
Other deposits	3,109	3,262
Other receivables	66,529	79,919
Prepaid expenses	17,918	5,874
Right-of-return assets	3,893	2,068
Total	247,863	697,673

As at 30 June 2026, the balance due from the Group's associate included in the prepayments was RMB4,000 (31 December 2025: RMB4,000).

During the period, the financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 30 June 2026 and 31 December 2025, the loss allowance was assessed to be minimal.

20. TRADE AND BILLS PAYABLES

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 month	893,794	841,635
1 to 3 months	139,805	134,390
Over 3 months	35,456	31,957
Total	1,069,055	1,007,982

21. OTHER PAYABLES AND ACCRUALS

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Salaries and welfare payables		216,301	214,687
Accruals		1,281,212	1,103,804
Other tax payables		97,132	53,210
Other payables	(a)	281,394	326,384
Refund liabilities	(b)	635,894	609,053
Total		2,511,933	2,307,138
Less: current portion		(2,508,288)	(2,302,762)
Non-current portion		3,645	4,376

Notes:

(a) Other payables are non-interest-bearing and have an average term of three months.

(b) Details of refund liabilities as at 30 June 2026 and 31 December 2025 are as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Sales rebate	619,769	598,116
Sales return	16,125	10,937
Total	635,894	609,053

22. DERIVATIVE FINANCIAL INSTRUMENTS

	Notes	30 June 2026 Assets RMB'000 (Unaudited)	30 June 2026 Liabilities RMB'000 (Unaudited)	31 December 2025 Assets RMB'000 (Audited)	31 December 2025 Liabilities RMB'000 (Audited)
Current					
Foreign currency forward contracts	(a)	–	44,365	–	7,445
Non-current					
Early redemption option embedded in the senior notes	(b)	17,509	–	40,470	–
The Swaps (as defined below)					
– designated as hedge	(c)	–	117,333	–	37,407
– not designated as hedge	(c)	–	191,983	–	122,719
Total		17,509	309,316	40,470	160,126

Notes:

(a) The Group has entered into various foreign currency forward contracts to manage its exchange rate exposures. These forward contracts are not designated for hedge purposes and are measured at fair value through profit or loss. The fair value of the forward currency contracts as at 30 June 2026 was RMB44,365,000 (31 December 2025: RMB7,445,000). A fair value loss of RMB45,671,000 was charged to profit or loss for the period (six months ended 30 June 2025: nil).

(b) An early redemption option is embedded in the senior notes, details of which are set out in note 24 to these interim condensed consolidated financial statements. The fair value of the early redemption option as at 30 June 2026 was RMB17,509,000 (31 December 2025: RMB40,470,000). A fair value loss of RMB21,718,000 was charged to profit or loss for the period (six months ended 30 June 2025: RMB5,707,000).

(c) Hedges of net investments in foreign operations

As at 30 June 2026 and 31 December 2025, the Company had certain cross currency swap and cross currency interest rate swap agreements (the "**Swaps**") to hedge its exposure of foreign currency risks arising from its investments in Chinese mainland. Under the Swaps, the Company agreed with the counterparties to exchange, at specified interval, the difference between fixed contract rates and fixed or floating-rate interest amounts calculated by reference to the agreed notional amounts at specified currencies.

For the Swaps designated as hedging instruments, there is an economic relationship between the hedge item and the hedging instrument as the net investment creates a translation risk that will match the foreign exchange risk on the Swaps. The Company has established a hedge ratio of 1:1 as the underlying risk of the hedging instrument is identical to the hedged risk component. The hedge ineffectiveness will arise when the amount of the investments in the foreign subsidiaries becomes lower than the amount of the Swaps.

During the period, in respect of the Swaps designated as hedging instruments, a net loss of RMB43,461,000 (six months ended 30 June 2025: RMB13,245,000) arising from the changes in fair value was included in exchange fluctuation reserve and a net loss of RMB26,633,000 (six months ended 30 June 2025: a net gain of RMB3,059,000) was recognised in profit or loss. For the Swaps not designated as hedging instruments, a net loss of RMB60,867,000 (six months ended 30 June 2025: RMB71,405,000) was recognised in profit or loss during the period. During the period, the Company has received net cash of RMB24,735,000 (six months ended 30 June 2025: RMB9,504,000) in respective of those Swaps.

23. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS

	30 June 2026			31 December 2025		
	Effective interest rate (%)*	Maturity	RMB'000 (Unaudited)	Effective interest rate (%)*	Maturity	RMB'000 (Audited)
Current						
Current portion of long term bank loan – unsecured	LPR+margin/ 4.22-5.23	2026-2027	708,569	LPR+margin/ 5.27/4.17	2026	558,397
Current portion of long term bank loan – secured	LPR/ HIBOR/SOFR +margin/6.74	2026-2027	599,916	HIBOR/SOFR +margin/6.70	2026	183,318
Current portion of RMB500,000,000 7.5% guaranteed bonds	9.28	2027	413,614	9.28	2026	8,634
Other borrowings			–	1.3-2.0	2026	244,788
Total – current			1,722,099			995,137
Non-current						
Long term bank loans – unsecured	LPR +margin/4.22	2027-2029	898,900	LPR +margin/4.17	2027-2028	1,270,000
Long term bank loans – secured	LPR/ HIBOR/SOFR +margin/6.74	2027-2028	2,862,089	HIBOR/SOFR +margin/6.70	2027	4,068,160
RMB500,000,000 7.5% guaranteed bonds	9.28	2027	–	9.28	2027	402,176
Total – non-current			3,760,989			5,740,336
Total			5,483,088			6,735,473

23. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS (CONTINUED)

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Analysed into:		
Bank loans repayable:		
within one year or on demand	**1,308,485**	741,715
in the second year	**3,005,189**	4,950,660
in the third to fifth years, inclusive	**755,800**	387,500
Subtotal	**5,069,474**	6,079,875
Other borrowings repayable:		
within one year or on demand	**413,614**	253,422
in the second year	**–**	402,176
Subtotal	**413,614**	655,598
Total	**5,483,088**	6,735,473

* HIBOR stands for the Hong Kong InterBank Offered Rate
SOFR stands for the Secured Overnight Financing Rate
LPR stands for the Loan Prime Rate

Notes:

(a) As at 30 June 2026, certain of the Group's interest-bearing bank loans are guaranteed on a joint and several basis by the Company and certain of the Company's subsidiaries and are secured by fixed and floating charges over present and future assets of the Company and certain of its subsidiaries and assignments over the Company's and certain of its subsidiaries' rights to their material contracts and insurance policies.

(b) Certain of the Group's interest-bearing bank loans are subject to the fulfilment of certain covenants relating to limitations on indebtedness. The Company regularly monitors its compliance with these covenants.

(c) As at 30 June 2026, the Group's interest-bearing bank loans and other borrowings were denominated in USD, HKD and RMB at aggregate amounts of RMB1,798,361,000 (31 December 2025: RMB2,192,636,000), RMB152,180,000 (31 December 2025: RMB992,111,000), and RMB3,532,547,000 (31 December 2025: RMB3,550,726,000) respectively.

24. SENIOR NOTES

On 24 January 2025, the Company issued senior notes due 24 July 2028 with principal amount of USD300,000,000 and coupon interest rate of 9.125% per annum (the "**2028 Notes**"). The net proceeds from the issuance of the 2028 Notes were used to refinance the Company's existing indebtedness including funding the repayment of the senior notes due 2026 together with accrued interest.

The 2028 Notes are (i) listed on The Stock Exchange of Hong Kong Limited, (ii) jointly and severally guaranteed, on a senior basis, by certain subsidiaries of the Company, and (iii) secured on a first-ranking basis, by floating charges over all or substantially all assets of the Company and its initial subsidiary guarantors (in each case other than any assets located in the PRC or shares of subsidiaries in the PRC that do not secure the senior notes) and pledges/charges over shares of the initial subsidiary guarantors, Health and Happiness (H&H) China Limited and Biostime (Guangzhou) Health Products Limited ("**Biostime Health**").

The 2028 Notes contain certain covenants relating to limitations on indebtedness and certain transactions of the Company and certain of its subsidiaries. The Company regularly monitors its compliance with these covenants.

The Company may redeem part or all of the senior notes at certain time and certain redemption prices as specified in the terms of the senior notes.

As at 30 June 2026, the fair value of the early redemption option embedded in the senior notes amounted to RMB17,509,000 (31 December 2025: RMB40,470,000). A fair value loss of RMB21,718,000 was charged to profit or loss for the period (six months ended 30 June 2025: RMB5,707,000).

24. SENIOR NOTES (CONTINUED)

The movements of the senior notes during the six months ended 30 June 2026 and the year ended 31 December 2025 are set out below:

	Total RMB'000 (Unaudited)
At 1 January 2025 (Audited)	2,119,495
Repurchase or redemption of senior notes	(2,334,058)
Premium paid for repurchase or redemption of senior notes	224,393
Upon the completion of the issuance of senior notes	
Proceeds received	2,111,651
Transaction cost incurred	(25,812)
Early redemption option embedded in senior notes	14,297
Interest charged during the year	217,803
Interest paid during the year	(121,148)
Exchange realignment	(47,972)
At 31 December 2025 and 1 January 2026 (Audited)	**2,158,649**
Interest charged during the period	**101,857**
Interest paid during the period	**(95,179)**
Exchange realignment	**(66,820)**
At 30 June 2026 (Unaudited)	**2,098,507**
Less: current portion	**(80,868)**
Non-current portion	**2,017,639**

25. DEFERRED TAX

The movements in deferred tax assets and liabilities during the six months ended 30 June 2026 and the year ended 31 December 2025 are as follows:

Deferred tax assets

	Provision for Impairment of assets RMB'000	Accrued liabilities and future deductible expenses RMB'000	Unrealised profit arising from intra-group transactions RMB'000	Tax losses recognised RMB'000	Lease liabilities RMB'000	Others RMB'000	Total RMB'000
At 1 January 2026 (Audited)	15,127	424,368	40,274	295,026	38,936	46,442	860,173
(Charged)/credited to profit or loss for the period	(6,218)	37,031	5,678	9,608	(3,030)	7,878	50,947
Exchange realignment	–	(218)	–	(8,523)	6	(1,470)	(10,205)
Gross deferred tax assets at 30 June 2026 (Unaudited)	8,909	461,181	45,952	296,111	35,912	52,850	900,915

	Provision for Impairment of assets RMB'000	Accrued liabilities and future deductible expenses RMB'000	Unrealised profit arising from intra-group transactions RMB'000	Tax losses recognised RMB'000	Lease liabilities RMB'000	Others RMB'000	Total RMB'000
At 1 January 2025	40,521	359,447	33,988	270,812	13,428	75,847	794,043
(Charged)/credited to profit or loss for the year	(25,394)	63,623	6,286	28,928	24,906	(29,192)	69,157
Exchange realignment	–	1,298	–	(4,714)	602	(213)	(3,027)
Gross deferred tax assets at 31 December 2025 (Audited)	15,127	424,368	40,274	295,026	38,936	46,442	860,173

25. DEFERRED TAX (CONTINUED)

The movements in deferred tax assets and liabilities during the six months ended 30 June 2026 and the year ended 31 December 2025 are as follows: (continued)

Deferred tax liabilities

	Depreciation allowance in excess of related depreciation RMB'000	Withholding tax on distributable profits of subsidiaries in the PRC RMB'000	Fair value adjustments arising from acquisition of subsidiaries RMB'000	Right-of-use assets RMB'000	Others RMB'000	Total RMB'000
At 1 January 2026 (Audited)	**78,027**	**27,084**	**849,053**	**37,275**	**12,120**	**1,003,559**
(Credited)/charged to profit or loss for the period	**(10,529)**	**36,362#**	**29,735**	**(3,656)**	**23,914**	**75,826**
Exchange realignment	**(2,293)**	**–**	**(8,514)**	**26**	**(722)**	**(11,503)**
Gross deferred tax liabilities at 30 June 2026 (Unaudited)	**65,205**	**63,446**	**870,274**	**33,645**	**35,312**	**1,067,882**
At 1 January 2025	188,128	12,093	726,390	12,289	8,917	947,817
(Credited)/charged to profit or loss for the year	(107,644)	14,991#	113,560	24,421	3,185	48,513
Exchange realignment	(2,457)	–	9,103	565	18	7,229
Gross deferred tax liabilities at 31 December 2025 (Audited)	78,027	27,084	849,053	37,275	12,120	1,003,559

The amount represented a deferred tax provision of RMB36,362,000 (year ended 31 December 2025: RMB24,500,000) on the distributable profits of the Company's subsidiaries in Chinese mainland after offsetting the realised deferred tax liabilities of nil (year ended 31 December 2025: RMB9,509,000) arising from dividends declared by these subsidiaries to their foreign investors in the period.

For presentation purpose, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purpose:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Net deferred tax assets recognised in the interim condensed consolidated statement of financial position	**568,146**	546,752
Net deferred tax liabilities recognised in the interim condensed consolidated statement of financial position	**(735,113)**	(690,138)
Total	**(166,967)**	(143,386)

26. SHARE CAPITAL

Shares

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Authorised:		
10,000,000,000 (31 December 2025: 10,000,000,000) ordinary shares of HKD0.01 each	**HKD100,000,000**	HKD100,000,000
Issued and fully paid:		
645,561,354 (31 December 2025: 645,561,354) ordinary shares of HKD0.01 each	**HKD6,455,614**	HKD6,455,614
Equivalent to	**RMB5,519,000**	RMB5,519,000

27. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the interim condensed consolidated statement of changes in equity on pages 41 and 42 of these interim condensed consolidated financial statements.

The Group's contributed surplus represents the excess of the previous nominal value of shares of the subsidiaries acquired pursuant to the group reorganisation over the previous nominal value of the Company's shares issued and cash consideration paid in exchange therefor.

The Group's capital surplus represents 1% of the equity in Biostime Health contributed by Coliving Holdings Limited, the ultimate shareholder, during the year ended 31 December 2009 when Biostime Health became a wholly-owned subsidiary of the Group.

In accordance with the Company Law of the PRC, the Company's subsidiaries registered in the PRC are required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses), determined in accordance with generally accepted accounting principles in the PRC, to the statutory reserve until the balance of the reserve fund reaches 50% of the entity's registered capital. The statutory reserve can be utilised to offset prior years' losses or to increase capital, provided the remaining balance of the statutory reserve is not less than 25% of the registered capital.

28. CONTINGENT LIABILITIES

As disclosed in the Company's Annual Report for the year ended 31 December 2025, BHA, a subsidiary of the Company, has undergone an audit (the "**BHA Tax Audit**") conducted by the Australian Tax Office's ("**ATO**") in respect of the value of intellectual property and other assets transferred as part of the Group-wide integration initiatives in 2018, for which BHA paid AUD19 million (approximately RMB89 million) of tax under the Australian capital gains tax ("**CGT**") rules.

Based on the conclusion of ATO audit above, on 10 April 2025, the ATO issued official notices of amended assessment requesting (i) AUD234.5 million of primary tax payable by BHA in respect of the year ended 31 December 2018; (ii) AUD55.2 million of interest and (iii) AUD117.3 million penalty payable by BHA.

In June 2025, BHA formally objected to the ATO's amended assessments to officially dispute these amounts ("**Objection**").

On 4 July 2025, having considered BHA's proposals regarding payment arrangement, the ATO confirmed that it required BHA to provide a cash deposit of AUD104 million (approximately RMB487.0 million) to the ATO by 15 July 2025, in accordance with the ATO administrative practice for disputed tax debts. Consequently, such cash deposit was made on 15 July 2025 and recorded as deposits in BHA's financial statements as at 30 June 2026 and 31 December 2025. No further deposit is required until the final conclusion of this matter.

BHA and its representatives have actively engaged with the ATO's objection team to discuss technical areas of disagreement and other developments. On 3 July 2026, the ATO issued a written decision (the "**Objection Decision**") substantially disallowing (and allowing in part) BHA's Objection (resulting in a reduction in primary tax from AUD234.5 million to AUD208.1 million and a reduction in penalty from AUD117.3 million to AUD104.0 million). In doing so, the ATO has maintained its reliance on its primary position to substitute the value of the transferred assets under the CGT rules, as well as an alternative position under the transfer pricing rules.

BHA has been and will continue vigorously defending its position. On 10 July 2026, BHA filed a Notice of Appeal in the Federal Court of Australia (the "**Court**") to formally initiate legal proceedings in relation to the Objection Decision insofar as it concerns ATO's tax assessment. On 16 July 2026, BHA filed an application in the Administrative Review Tribunal (the "**Tribunal**") to seek a review of the Objection Decision insofar as it concerns penalties and interest. A hearing date for each proceeding is yet to set by the Court and Tribunal, respectively.

BHA continues to be assisted by tax litigation lawyers and preeminent Counsel. At this time, in the opinion of the Directors, BHA does not consider that it is probable that there will be a final outflow of funds in relation to the matters in dispute. In the event BHA is successful in the dispute, BHA will be entitled to a refund of the deposit plus interest.

29. COMMITMENTS

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Intangible assets	8,112	9,068
Property, plant and equipment	4,124	4,383
Total	12,236	13,451

30. RELATED PARTY BALANCES AND TRANSACTIONS

(a) Outstanding balance with related parties

Details of the Group's prepayment balance with its associate as at the end of the reporting period are disclosed in note 19 to these interim condensed consolidated financial statements.

(b) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Fees	3,756	3,588
Short-term employee benefits	27,388	24,138
Pension scheme contributions	518	409
Equity-settled share option expense	8,409	–
Equity-settled share award expense	–	344
Total compensation paid to key management personnel	40,071	28,479

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Unaudited)	**30 June 2026 RMB'000 (Audited)**	31 December 2025 RMB'000 (Audited)
Financial assets				
Derivative financial instruments				
– Early redemption option embedded in the senior notes	**17,509**	40,470	**17,509**	40,470
Other non-current financial assets	**143,404**	190,858	**143,404**	190,858
Total	**160,913**	231,328	**160,913**	231,328
Financial liabilities				
Derivative financial instruments				
– The Swaps	**(309,316)**	(160,126)	**(309,316)**	(160,126)
– Foreign currency forward contracts	**(44,365)**	(7,445)	**(44,365)**	(7,445)
Senior notes	**(2,098,507)**	(2,158,649)	**(2,147,824)**	(2,233,919)
Total	**(2,452,188)**	(2,326,220)	**(2,501,505)**	(2,401,490)

Management has assessed that the fair values of cash and cash equivalents, restricted deposits, trade receivables, financial assets included in prepayments, other receivables and other assets, trade and bills payables, financial liabilities included in other payables and accruals and lease liability (current) 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:

(a) The fair values of lease liabilities (non-current) and the interest-bearing bank loans and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The change in fair value as a result of the Group's own non-performance risk for lease liabilities (non-current) and interest-bearing loans, and the suppliers' non-performance risk for bonds receivable as at 30 June 2026 were assessed to be insignificant.

(b) The financial assets of unlisted equity investments at fair value through profit or loss included in the other non-current financial assets are measured using the market approach using significant unobservable market inputs.

(c) The financial assets of other unlisted investments at fair value through profit or loss included in the other non-current financial assets are measured using valuation technique of the discounted cash flow model.

(d) The fair values of equity investments designed at fair value through other comprehensive income included in the other non-current financial assets are based on quoted market prices.

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

(e) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with high credit quality. Derivative financial instruments, including the Swaps, are measured using discounted cash flow models. The valuation techniques used both observable and unobservable market inputs. The fair values of the Swaps were the same as their carrying amounts.

(f) The Group enters into foreign currency forward contracts with various counterparties, principally financial institutions. Derivative financial instruments arising from the foreign currency forward contracts are measured using market observable input. The carrying amounts of foreign currency forward contracts are the same as their fair values.

(g) The derivative financial instrument arising from the early redemption option embedded in the senior notes is measured using the valuation technique of discounted cash flow model using significant unobservable market inputs.

(h) The fair value of the senior notes is based on the quoted market price provided by a leading global financial market data provider.

Below is a summary of significant unobservable inputs to the valuation of financial instruments:

	Valuation techniques	**Significant unobservable input**	**Range**	**Sensitivity of fair value to the input**
Other non-current financial assets – other unlisted investment	Discounted cash flow model	Discount rate	1.19% to 1.22% (31 December 2025: 1.49% to 1.52%)	1% (31 December 2025: 1%) increase in discount rate would result in decrease in fair value by RMB31,000 (31 December 2025: RMB47,000)
				1% (31 December 2025: 1%) decrease in discount rate would result in increase in fair value by RMB31,000 (31 December 2025: RMB49,000)
Other non-current financial assets – the unlisted equity investment	Market approach	Enterprise value-to-sales ratio	5.17 to 5.27 (31 December 2025: 3.82 to 3.90)	1% (31 December 2025: 1%) increase in enterprise value-to-sales ratio would result in increase in fair value by RMB136,000 (31 December 2025: RMB569,000)
				1% (31 December 2025: 1%) decrease in enterprise value-to-sales ratio would result in decrease in fair value by RMB136,000 (31 December 2025: RMB562,000)

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

	Valuation techniques	Significant unobservable input	Range	Sensitivity of fair value to the input
Derivative financial instrument – the Swaps (USD/RMB)	Discounted cash flow model	Discount rate – receive leg	3.68% to 4.03% (31 December 2025: 3.30% to 3.73%)	1% (31 December 2025: 1%) increase in discount rate would result in decrease in fair value by RMB3,064,000 (31 December 2025: RMB2,561,000)
				1% (31 December 2025: 1%) decrease in discount rate would result in increase in fair value by RMB3,066,000 (31 December 2025: RMB2,563,000)
		Discount rate – pay leg	1.52% to 1.61% (31 December 2025: 1.68% to 1.88%)	1% (31 December 2025: 1%) increase in discount rate would result in increase in fair value by RMB651,000 (31 December 2025: RMB747,000)
				1% (31 December 2025: 1%) decrease in discount rate would result in decrease in fair value by RMB652,000 (31 December 2025: RMB323,000)
Derivative financial instrument – early redemption option embedded in the senior notes	Discounted cash flow model	Discount rate	6.10% (31 December 2025: 5.88%)	1% (31 December 2025: 1%) increase in discount rate would result in increase in fair value by RMB2,405,000 (31 December 2025: RMB2,966,000)
				1% (31 December 2025: 1%) decrease in discount rate would result in decrease in fair value by RMB2,409,000 (31 December 2025: RMB2,972,000)

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

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

Assets measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
At 30 June 2026 (Unaudited)				
Derivative financial instruments				
– Early redemption option embedded in the senior notes	**–**	**–**	**17,509**	**17,509**
Other non-current financial assets	**505**	**–**	**142,899**	**143,404**
Total	**505**	**–**	**160,408**	**160,913**
As at 31 December 2025 (Audited)				
Derivative financial instruments				
– Early redemption option embedded in the senior notes	–	–	40,470	40,470
Other non-current financial assets	5,389	–	185,469	190,858
Total	5,389	–	225,939	231,328

The movements in fair value measurements within Level 3 during the six months ended 30 June 2026 and the year ended 31 December 2025 are as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
At 1 January	**225,939**	192,591
Additions	**4,285**	18,272
Net settlement	**(860)**	(19,535)
Total (losses)/gains recognised in profit or loss	**(60,131)**	26,063
Total losses recognised in equity	**–**	(1,535)
Exchange realignment	**(8,825)**	10,083
At end of the period/year	**160,408**	225,939

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Liabilities measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
At 30 June 2026 (Unaudited)				
Derivative financial instruments				
– The Swaps	**–**	**–**	**309,316**	**309,316**
– Foreign currency forward contracts	**–**	**–**	**44,365**	**44,365**
Total	**–**	**–**	**353,681**	**353,681**
As at 31 December 2025 (Audited)				
Derivative financial instruments				
– The Swaps	–	–	160,126	160,126
– Foreign currency forward contracts	–	–	7,445	7,445
Total	–	–	167,571	167,571

The movements in fair value measurements within Level 3 during six months ended 30 June 2026 and the year ended 31 December 2025 are as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
At 1 January	**167,571**	266
Derecognition	**(8,751)**	(6,227)
Net settlement	**24,735**	37,539
Total losses charged to profit or loss	**133,171**	109,768
Total losses recognised in equity	**43,461**	27,690
Exchange realignment	**(6,506)**	(1,465)
At end of the period/year	**353,681**	167,571

During six months ended 30 June 2026 and the year ended 31 December 2025, 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.

32. APPROVAL OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved and authorised for issue by the Board on 25 August 2026.

H&H Group
inspiring wellness

Health and Happiness (H&H)
International Holdings Limited
健合(H&H)國際控股有限公司

Biostime Swisse Zesty Paws solid gold dodie GOOD GOÛT AURELIA