Smoore

SMOORE INTERNATIONAL HOLDINGS LIMITED
思 摩 爾 國 際 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 06969)

2026
INTERIM REPORT

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CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Chen Zhiping *(Chairman and Chief executive officer)*
Mr. Xiong Shaoming
Mr. Wang Guisheng
Ms. Wang Xin

Non-Executive Director

Ms. Jiang Min

Independent Non-Executive Directors

Mr. Zhong Shan *(Lead independent Non-executive Director)*
Mr. Yim Siu Wing, Simon
Dr. Wang Gao

Audit Committee

Mr. Zhong Shan *(Chairman)*
Mr. Yim Siu Wing, Simon
Dr. Wang Gao

Nomination Committee

Mr. Chen Zhiping *(Chairman)*
Ms. Wang Xin
Mr. Zhong Shan
Dr. Wang Gao
Mr. Yim Siu Wing, Simon

Remuneration Committee

Mr. Yim Siu Wing, Simon *(Chairman)*
Mr. Chen Zhiping
Dr. Wang Gao

Environmental, Social and Governance Committee

Mr. Chen Zhiping *(Chairman)*
Mr. Wang Guisheng
Mr. Zhong Shan

Joint Company Secretaries

Mr. Wang Guisheng *(CICPA, HKICPA, FCCA)*
Ms. Cheng Choi Ha *(ACG, HKACG)*

Authorized Representatives

Mr. Wang Guisheng
Ms. Cheng Choi Ha

Registered Office

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

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Head Office in the PRC

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Gushu Community, Xixiang Street
Bao'an District, Shenzhen, Guangdong
China

Legal Advisers

Reed Smith Richards Butler LLP
DeHeng Law Offices (Shenzhen)
Conyers Dill & Pearman

Auditor

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors
35/F, One Pacific Place
88 Queensway
Hong Kong

The Cayman Islands Principal Share Registrar and Transfer Office

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Hong Kong Branch Share Registrar

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Principal Banks

Bank of China Limited
China Construction Bank Corporation
Industrial and Commercial Bank of China Limited
Agricultural Bank of China Limited
China Merchants Bank
CMB Wing Lung Bank Limited
Bank of Ningbo Company Limited
Bank of Shanghai Company Limited
Ping An Bank Co., Ltd.
China CITIC Bank International Limited
Citibank (China) Company Limited
Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Morgan Stanley Bank Asia Limited

Stock Short Name

Smoore Intl

Stock Code

06969

Company's Website

www.smooreholdings.com

Investor Relations Consultants

Tyche Advisory Limited

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Smoore International Holdings Limited ("**Smoore**" or the "**Company**"), I am pleased to present the interim report of the Company and its subsidiaries (together referred to as the "**Group**") for the six months ended 30 June 2026 ("**Review Period**").

Business Review

We achieved record-high revenue for the first half of the year during the Review Period. In the electronic vaping business, we capitalized on market opportunities by supporting key ODM customers in launching products and increasing their market share in the increasingly competitive landscape. This was underpinned by our compliance capabilities, R&D strengths, customer resources and manufacturing excellence. In the heat-not-burn ("**HNB**") business, we continued to support a key customer in rolling out its premium HNB products across additional major global markets. Together, these two businesses drove the Group's revenue growth during the Review Period.

Our electronic vaping business delivered continued growth during the Review Period, mainly driven by our Corporate Client Oriented ("**ToB**") business. We believe that the success of the Group is closely tied to the success of our ODM customers. We focused our resources on high-potential brands, supporting their growth and helping reinforce their market leadership. During the Review Period, we leveraged our compliance capabilities, R&D strengths, customer resources and, manufacturing excellence to support faster product rollouts for our customers. In major European markets, we deepened cooperation with high-value customers and supported them in further consolidating their market shares. As our ODM customers achieved growth in retail sales and market share, we grew alongside them. In the U.S., the regulatory landscape reached a turning point. In May 2026, the U.S. Food and Drug Administration ("**FDA**") authorized the first electronic vaping products in flavors other than tobacco and menthol. Subsequently, the FDA updated its enforcement priorities for unauthorized electronic vaping products, stating that it would continue to adopt an aggressive approach to prevent illegal imports of unlawful tobacco products, with a focus on the most deceptive and dangerous products, the worst actors, and egregious conduct relating to illicit electronic vaping products. In response to the opportunities brought by the latest enforcement priorities in the U.S., our key customers have planned to roll out new products in the U.S., which is expected to unlock growth opportunities for our electronic vaping business in the U.S. in the near future. During the Review Period, the Group's self-branded vaping business continued growth despite evolving market conditions in a key market and adverse impact on logistics due to geopolitical tensions in the Middle East. The Group further strengthened its core capabilities by expanding its presence and penetration across key sales channels and enhancing its offline marketing initiatives, thereby laying a solid foundation for long-term brand development and sustainable growth.

In heat-not-burn ("**HNB**") business, we continued to support our key customer in rolling out its premium portfolio across an expanded range of markets. To date, we have supported our customer in launching products across nine markets ("key HNB markets"). During the Review Period, the customer focused resources on key HNB markets, with a view to improving execution efficiency and market penetration. The products continued to drive share progress in priority markets, particularly in the premium segment in Poland and Italy.

Beyond our electronic vaping and HNB businesses, the Group's inhalation therapy business progressed as planned during the Review Period, in line with our strategic development roadmap.

During the Review Period, Transpire Bio Inc. ("**Transpire**"), a subsidiary of the Group principally engaged in inhalation therapies in the U.S., continued to advance the development of drug-device combination products for respiratory diseases, including asthma, chronic obstructive pulmonary disease ("**COPD**"), idiopathic pulmonary fibrosis ("**IPF**") and other therapeutic areas. Transpire has established multiple proprietary inhalation technology platforms, including dry powder inhaler and soft mist inhaler platforms. Its team has accumulated extensive experience in the development, manufacturing, regulatory approval and commercialization of inhalation drug-device combination products in the U.S. and Europe. During the Review Period, all development programs progressed in accordance with development plans and achieved key milestones on schedule. In May 2026, the FDA accepted the third abbreviated new drug application ("**ANDA**") filed by Transpire. To date, all three ANDAs of Transpire have been confirmed as first filer. In addition, the co-development partnership program with a leading U.S. biopharmaceutical company continued to progress ahead of schedule. Meanwhile, the Group is proactively advancing the external equity financing of Transpire to better unlock its value and to mitigate its impact on the Group's profit and cash flow.

Outlook

A successful company is built on insightful strategy planning, followed by continuously excellent execution, in order to drive enduring value creation. The Group's compliance capabilities, R&D strengths, customer resources and manufacturing excellence have underpinned its success to date. Looking ahead to the second half of the year, the Group believes that these established strengths will continue to support its sustainable growth and long-term success.

Market dynamics in the vaping industry continued to evolve, with distinct characteristics across different regions. In Europe, which remained the Group's largest revenue contributor during the Review Period, our ODM customer base is diversified comprising both independent brands and tobacco customers. In those markets, customers that are able to respond swiftly to changing market conditions and remain committed to investing in channel coverage and brand building are better positioned to achieve sustainable growth. Accordingly, the Group will continue to identify high-value customers and grow alongside them, while leveraging its manufacturing excellence and overseas operating capabilities to support customers in accelerating product launches. In the U.S., the enforcement framework has undergone significant changes during the Review Period, giving opportunity to compliant players to launch more electronic vaping products. We will fully support customers in bringing more compliant products to the U.S. market and regain market shares. This is anticipated to reshape market dynamics currently dominated by non-compliant products.

The HNB industry remains as a whole at an early stage of penetration and offers considerable growth potential. Leading global tobacco companies have positioned HNB as a key pillar of their long-term growth strategies. Increasing competition across major HNB markets further demonstrates the industry's growing strategic focus on this category. Leveraging our diversified technology platforms, we are committed to serving as a trusted strategic partner and providing customers with comprehensive HNB solutions. In the second half of the year, we will continue to support our existing customers in executing their HNB strategies. In parallel, we will accelerate the commercialization of our existing technology platforms through a multi-customer strategy and support the launch of competitive new products. We adopt a long-term approach to customer collaboration and will work closely with our customers to develop their long-term product roadmaps. We will work closely with customers to address key consumer pain points including reducing preheating time, enhancing taste performance and improving flavor consistency. Hence, we aim to elevate the user experience, expand the HNB market and contribute to the sustainable development of the industry.

Looking ahead, Transpire will remain focused on the field of inhalation therapy and will continue to develop high-quality inhaled drug-device combination products with a view to addressing therapeutic areas with significant unmet medical needs. In the second half of 2026, the Group expects to continue investing in Transpire's proprietary technology platforms and pipeline products and to further advance research and development initiatives in a prudent and disciplined manner. Transpire will continue to assess potential partnerships opportunities where appropriate, with the objective of enhancing the value of its technology platforms and pipeline assets. Meanwhile, the Group will continue to advance the external equity financing of Transpire to better unlock its value and to mitigate its impact on the Group's profit and cash flow.

We believe these strategic areas present substantial growth opportunities. To sustain our success and market leadership, we will continue to strengthen our R&D capabilities, enhance management and operational efficiency, and continue to reinforce our compliance framework to capture the emerging industry opportunities.

Sincere Appreciation

On behalf of the Board, I would like to express our sincere appreciation to our shareholders for their continued trust and support; our customers for their valuable insights and feedback; our employees for their dedication and professionalism; regulators for their guidance and oversight; and our business partners for their collaboration and confidence.

Looking ahead, we will remain committed to pursuing excellence, advancing sustainable industry development and creating enduring value for our shareholders and society as a whole.

Chen Zhiping
Chairman of the Board
Smoore International Holdings Limited

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2026	2025	Changes
	RMB'000	RMB'000	%
	Unaudited	Unaudited	
Revenue	**7,208,880**	6,013,290	19.9
Gross profit	**2,321,811**	2,243,850	3.5
Gross profit margin	**32.2%**	37.3%	(5.1pp)
Profit before tax	**872,512**	698,735	24.9
Profit for the period	**571,916**	492,154	16.2
Total comprehensive income for the period	**270,012**	501,166	(46.1)
Total comprehensive income for the period attributable to shareholders of the Company	**272,582**	501,166	(45.6)
Adjusted profit for the period*	**756,610**	737,410	2.6
Adjusted net profit margin	**10.5%**	12.3%	(1.8pp)
Adjusted profit for the period excluding the inhalation therapy business*	**888,891**	829,700	7.1
Adjusted net profit margin, excluding the inhalation therapy business	**12.3%**	13.8%	(1.5pp)

* The adjustments adopted for deriving the adjusted profit measures for the period:

	For the six months ended 30 June		
	2026	2025	Changes
	RMB'000	RMB'000	%
	Unaudited	Unaudited	
Profit for the period before adjustment	**571,916**	492,154	16.2
Add:			
Share-based payment expenses related to share option scheme and share award scheme	**184,694**	245,256	(24.7)
Adjusted profit for the period	**756,610**	737,410	2.6
Subtract:			
Loss for the period of the inhalation therapy business	**(132,281)**	(92,290)	43.3
Adjusted profit for the period, excluding the inhalation therapy business	**888,891**	829,700	7.1

To supplement the Group's financial results prepared in accordance with Hong Kong Financial Reporting Standards, the Group presents two adjusted profit measures to provide both investors and management additional financial information and perspectives:

1. Adjusted profit for the period: Management believes that, as share-based payment expenses are non-cash in nature, excluding such expenses from profit for the period can provide a clearer view of the Group's underlying operating performance.

2. Adjusted profit for the period, excluding the inhalation therapy business: Management believes that, as the inhalation therapy business remains at an early stage of development, excluding its financial results from profit for the period, in addition to share-based payment expenses, can provide a clearer view of the underlying operating performance of the Group's core business.

	30 June 2026 RMB'000 Unaudited	31 December 2025 RMB'000 Audited	Changes %
Total assets	**25,797,333**	28,537,778	(9.6)
Equity attributable to shareholders of the Company	**21,044,644**	21,847,529	(3.7)
Non-controlling interests	**42,053**	28,251	48.9
Total equity	**21,086,697**	21,875,780	(3.6)
Cash and cash equivalents	**3,956,029**	7,322,926	(46.0)
Asset-liability ratio (%)	**18.3**	23.3	(5.0pp)
Current ratio (%)	**359.7**	257.4	102.3pp
Trade and bills receivables turnover days (Day)	**57.1**	56.1	1.8
Inventory turnover days (Day)	**57.7**	50.0	15.4
Trade and bills payables turnover days (Day)	**60.3**	59.3	1.7

Notes:

1. Cash and cash equivalents = demand deposits + time deposits with maturity of less than three months as at the end of the period
2. Asset-liability ratio = total liabilities/total assets
3. Current ratio = current assets/current liabilities
4. Trade and bills receivables turnover days = average balance of trade and bills receivables/revenue × 180
5. Inventory turnover days = average balance of inventory/cost of revenue × 180
6. Trade and bills payables turnover days = average balance of trade and bills payables/cost of revenue × 180
7. Average balance = (beginning balance for the period + ending balance for the period)/2

MANAGEMENT DISCUSSION AND ANALYSIS

Principal Business of the Group

The Group is a global leader in offering atomization technology solutions. During the Review Period, through our innovative and pioneering atomization technology solutions, we mainly operated two business segments: (1) **Corporate Client Oriented Business** ("**ToB Business**") focuses on the research, design, and manufacturing of vaping products, heat-not-burn ("**HNB**") products, special purpose atomization products and inhalation therapy products for leading global tobacco companies, independent vaping brands, and other corporate clients, and the provision of technological services relating to these products; (2) **Self-Branded Business** focuses on the research, design, manufacturing, and sales of self-branded electronic vaping products and beauty atomization products.

The Group achieved a record high revenue for the corresponding period in the first half of 2026. During the Review Period, the Group achieved revenue of approximately RMB7,209 million, representing a year-on-year increase of approximately 19.9%. The growth was primarily driven by the continued expansion of the Group's ToB business, particularly its electronic vaping and HNB businesses.

The ToB business contributed approximately RMB5,910 million, representing a year-on-year increase of approximately 24.7% during the Review Period. The ToB business primarily includes sales of electronic vaping products, HNB products, special purpose atomization products and the provision of technical services relating to inhalation therapy. During the Review Period, each of these businesses recorded year-on-year revenue growth.

Revenue from electronic vaping and special purpose atomization products amounted to approximately RMB4,801 million during the Review Period, representing a year-on-year growth of approximately 9.3%. The Group continued to deepen its collaboration with high-value ODM customers, supporting the launch of a broader range of products and the expansion of their market presence in global major markets.

Revenue from the HNB business amounted to approximately RMB962 million, representing a year-on-year increase of approximately 322.1% during the Review Period. The strong growth was primarily attributable to the commencement of product shipments to a key customer in the second half of last year. During the Review Period, the Group continued to support customers in launching HNB products across additional global markets. The Group views HNB as a long-term growth opportunity, and the Group remains committed to supporting the long-term development of the HNB business and unlocking its growth potential.

Revenue from the Group's inhalation therapy business amounted to approximately RMB147 million, representing a year-on-year increase of approximately 24.8% during the Review Period. Transpire, the Group's subsidiary specializing in inhalation therapy, continued its co-development program with a leading U.S. biopharmaceutical company and received milestone payments from the partner.

The self-branded business recorded revenue of approximately RMB1,299 million, representing a year-on-year increase of approximately 1.9% during the Review Period. The business primarily comprised electronic vaping products. During the Review Period, VAPORESSO, the Group's proprietary vaping brand, continued to record revenue growth and strengthen its leading position in major markets. The team further strengthened its core direct-to-consumer ("**ToC**") capabilities in brand building, key channel penetration and retail marketing, laying a solid foundation for the Group's long-term development and sustainable growth.

During the Review Period, research and development ("**R&D**") expenses amounted to approximately RMB845 million, representing a year-on-year increase of approximately 16.9%. The increase was primarily attributable to higher investment in the Group's HNB business. The Group believes that the HNB industry offers significant growth potential. Thus continuous product enhancement and innovation are essential to capitalize on market opportunities.

During the Review Period, administrative expenses were approximately RMB620 million, representing a year-on-year increase of approximately 1.8%.

During the Review Period, distribution and selling expenses amounted to approximately RMB388 million, representing a year-on-year decrease of approximately 21.0%.

The Group's profit for the Review Period amounted to approximately RMB572 million, representing a year-on-year increase of approximately 16.2%. After adding back non-cash share-based payment expenses, adjusted profit amounted to approximately RMB757 million, representing a year-on-year increase of approximately 2.6%. During the Review Period, the Group continued to invest in its inhalation therapy business to accelerate the commercialization of Transpire's proprietary technology platforms and pipeline products, supporting its long-term development. Excluding the losses from the inhalation therapy business, adjusted profit for the Review Period amounted to approximately RMB889 million, representing a year-on-year increase of approximately 7.1%.

BUSINESS REVIEW

Summary of Material Laws, Regulations, Executive Orders and Policies Updates

The following table supplements the related disclosures in the prospectus of the Company dated 29 June 2020, past interim and annual reports and illustrates major updates of material laws, regulations, executive orders and policies in relation to e-cigarette and the tobacco products of the electronic vaping device industry promulgated or proposed by relevant authorities in our major markets ("**Material Laws, Regulations, Executive Orders and Policies Updates**"):

Principal Sale Jurisdictions	Material Laws, Regulations, Executive Orders and Policies Updates	Relevant Products, Potential Impact and Compliance Status
U.S.[1]	Premarket tobacco application ("**PMTA**") filing requirements for electronic nicotine delivery system ("**ENDS**") products, including devices, assemblies and/or components that deliver vaporized e-liquids when inhaled.	As of 30 June 2026, the Food and Drug Administration ("**FDA**") has taken action on more than 99% of PMTAs submitted as of the initial deadline, being 9 September 2020. Among them, marketing denial orders ("**MDOs**") have been issued for more than 1 million non-tobacco and non-menthol-flavored and some menthol-flavored ENDS products. Many manufacturers have challenged these MDOs in court, and as of 30 June 2026, three federal appellate courts had cancelled certain MDOs for tobacco, non-tobacco and non-menthol-flavored ENDS products, while other appeals continue on the merits. In March 2026, FDA issued a draft guidance in which it proposed that, due to their increased appeal to youth, ENDS products in sweet and dessert flavors would have a particularly high evidentiary burden of showing an increased marginal benefit to adult users compared to tobacco-flavored ENDS in order to be eligible for marketing authorization if such products did not include a device access restriction feature that would effectively mitigate the risk of youth use. The draft guidance suggested that while menthol, mint, and spice flavors would also be required to outperform a comparator tobacco-favored ENDS if the products did not include an effective device access restriction feature, the degree of outperformance could be less than sweet and dessert flavors because of the reduced risk of youth uptake of these flavors. In May 2026, FDA authorized the first non-tobacco and non-menthol flavored ENDS. The authorized products are mango- and blueberry-flavored. The authorized products contain a smartphone and Bluetooth-based device-access restriction feature that FDA concluded effectively mitigates the ability of youth to use the products. Also in May 2026, FDA issued a new guidance describing its enforcement priorities for unauthorized ENDS in which FDA for the first time stated that it generally does not intend to prioritize enforcement of the premarket authorization requirement for products that are the subject of pending premarket applications that (i) have been both accepted and filed by FDA and (ii) for nontobacco-flavored ENDS, FDA has determined that the application also includes data necessary to evaluate whether the product is appropriate for the protection of the public health. This guidance marks the first time since 2016 that FDA has adopted a formal discretionary enforcement policy that is not based on the date the premarket application was submitted, but rather the quality of the application and its progress in the review process. As of the date of this report, the FDA had issued marketing authorization for 25 closed system tobacco-flavored ENDS products and 4 closed system menthol-flavored ENDS products produced by the Group for its clients.

Principal Sale Jurisdictions	Material Laws, Regulations, Executive Orders and Policies Updates	Relevant Products, Potential Impact and Compliance Status
United Kingdom	**About the Overview of the Tobacco and Vapes Act 2026** The UK Tobacco and Vapes Act 2026 received Royal Assent on 29 April 2026. The legislation is marked by extensive delegated powers, enabling ministers to make detailed regulatory provisions by statutory instrument across virtually the entire vaping market — spanning product standards, ingredients, packaging, retail licensing and advertising — without recourse to further primary legislation. The Act extends to England, Wales, Scotland and Northern Ireland. **About the Commencement** The sale and distribution provisions in Parts 1-3 of the Act will come into force on 29 October 2026. The advertising and sponsorship provisions set out in Part 6 are not yet in force, with their commencement date to be appointed by separate regulations. Certain provisions, notably the regulation-making powers under Part 5, took effect immediately on Royal Assent (29 April 2026). **About the Sales & Supply** The Act criminalizes selling or purchasing vaping/nicotine products for under-18s, with a defense for sellers who take prescribed or all reasonable verification steps; it authorizes retail licensing and local enforcement, bans vending machines except in mental health inpatient areas, and in England requires personal and premises licenses (penalties up to £2,500) with regulations on product display and pricing. Free distribution or substantial discounts for promotional purposes are offences, unless carried out under public authority arrangements. Separately, from 1 January 2027, selling tobacco products, herbal smoking products or cigarette papers to persons born on or after 1 January 2009 will also be an offence. **About the Product Requirement** The Act empowers the Secretary of State to regulate vape packaging, flavors, registration, safety, plain packaging, and disposable vape bans via secondary legislation. **About the Advertising and Promotion** The Act imposes a comprehensive ban on vaping advertising, criminalizing publication/distribution with penalties up to 2 years/fine and holding ISPs liable for failing to remove prohibited ads. The Communications Act amended to restrict product placement, allow only non-branded public health ads on-demand. Related prohibitions are intended to come into force across the UK on 1 June 2027.	The Act establishes a broad regulatory framework for tobacco, heated tobacco, vaping and nicotine products. It confers extensive and discretionary powers to regulate all aspects of vaping and nicotine products, including product and advertising restrictions, flavors, market access requirements, retail licensing and labelling and packaging requirements. Section 138, which widens the definition of a tobacco product and brings heated tobacco products within the existing prohibition on tobacco advertising, came into force on Royal Assent. The Act's substantive restrictions on vaping and nicotine products had not been commenced as at 30 June 2026, and no restriction on flavors, packaging, display or product standards was made during the period. Vaping products remain subject to the Tobacco and Related Products Regulations 2016, including the 2ml tank capacity, 10ml refill container and 20mg/ml nicotine concentration limits. The generational sales prohibition applies to tobacco products, including heated tobacco products, and does not apply to vaping products or nicotine pouches.

Principal Sale Jurisdictions	Material Laws, Regulations, Executive Orders and Policies Updates	Relevant Products, Potential Impact and Compliance Status
E.U.	**About the Revision of the EU Tobacco Control Framework** In April 2026, the European Commission published its evaluation of the Tobacco Products Directive (2014/40/EU) and the Tobacco Advertising Directive (2003/33/EC), concluding that the current framework no longer adequately addresses novel nicotine products and highlighting increasing regulatory fragmentation among Member States. In May 2026, the Commission launched a public consultation in preparation for a future revision of the EU tobacco control framework.	
	About Flavor Restrictions Countries with Flavor Restrictions: As of June 2026, ten countries — Finland, Estonia, Hungary, the Netherlands, Lithuania, Latvia, Denmark, Slovenia, Czech Republic and Ukraine — had established their own flavor restrictions, most of which allow only tobacco flavors or tobacco and menthol flavors. During the reporting period, Belgium announced a future flavor ban, Ireland advanced draft legislation, and Spain, Croatia, Germany and Slovakia continued to consider similar reforms.	In countries with the ban, only tobacco or menthol-flavored products can be sold, and compliant tobacco-flavored products need to be developed. The Group has developed products in compliance with the latest regulations in the respective countries.
	About the Ban on Disposable e-Cigarettes and other Tobacco products As of June 2026, several EU Member States had introduced bans on disposable e-cigarettes (Belgium, France and Bulgaria), while others had adopted related restrictive measures (Italy: ban on online sales of nicotine-containing e-cigarettes; Poland: prohibition of sales to minors). Ireland, Poland, Slovakia and Spain continued legislative work on similar bans, while Germany announced its intention to introduce a nationwide ban.	The Group has developed new products in compliance with the latest regulations in the respective countries where disposable vaping products are banned.
	About Packaging and Labeling As of June 2026, enhanced packaging and labelling requirements for e-cigarettes had been adopted in several European countries (Norway, Sweden, Italy, Poland, Greece, Portugal, Austria and the Czech Republic), mainly covering health warnings, branding limitations and ingredient and nicotine disclosures.	The Group has developed new products in compliance with the latest regulations of packing and labeling in the respective countries.
	About the Battery Regulation As of June 2026, further implementing measures had been adopted under Regulation (EU) 2023/1542, including battery labelling requirements applicable from 18 August 2026. Preparatory work also continued on the requirement that portable batteries placed on the EU market must be removable and replaceable by end-users from 18 February 2027, subject to limited exceptions.	All relevant batteries, including those used in their electronic cigarette products, shall comply with the new battery requirements. The Group has developed new solutions in compliance with the relevant amended regulations.

Principal Sale Jurisdictions	Material Laws, Regulations, Executive Orders and Policies Updates	Relevant Products, Potential Impact and Compliance Status
Hong Kong, China	In accordance with the Tobacco Control Legislation (Amendment) Ordinance 2025, with effect from 30 April 2026, no person may possess an alternative smoking product in a public place. As advised by external legal counsels, no other new material laws, regulations, executive orders and rules relating to e-cigarette and the electronic vaping device industry were issued in Hong Kong, China for the six months ended 30 June 2026.	With effect from 30 April 2022, the import, promotion, manufacture, sale and possession of alternative smoking products for commercial purposes have been prohibited. The further restriction in the Tobacco Control Legislation (Amendment) Ordinance 2025 will not affect the regulatory framework administered by the Customs and Excise Department (C&ED) which allows the trans-shipment of alternative smoking products by air, sea and land.
Japan	Under the Fiscal Year 2025 Tax Reform, the method for converting "heated tobacco products" into the equivalent number of cigarettes was revised, and the revised method came into effect on April 1, 2026. Heat-not-burn tobacco will be classified into "Stick-type heat-not-burn tobacco" (Note 1) and "Non-stick-type heat-not-burn tobacco" (Note 2). As a general rule, the conversion to the number of cigarette units will be determined based on the weight per pack. In addition, a minimum taxation mechanism has been introduced. This mechanism is applied based on the weight per stick for "Stick-type heat-not-burn tobacco" and the weight per pack for "Non-stick-type heat-not-burn tobacco." (Note 1) "Stick-type heat-not-burn tobacco" refers to heat-not-burn tobacco in which all or part of the raw material consists of leaf tobacco wrapped in paper or other similar materials. (Note 2) "Non-stick-type heat-not-burn tobacco" refers to heat-not-burn tobacco other than "Stick-type heat-not-burn tobacco". The Ministry of Health, Labor and Welfare promulgated ministerial ordinances on January 21, March 4, March 18 and June 17 respectively, designating certain substances contained in so-called "dangerous drugs" as Designated Substances. After the enforcement of this designation, the manufacture, import, sale, possession, use, and other handling of these substances, as well as products containing such substances, for purposes other than medical or similar uses, will be prohibited. 6-Methylnicotine was added to the "List of Ingredients (Raw Materials) Used Exclusively as Pharmaceuticals" by the notice issued by the Director of the Compliance and Narcotics Division, Pharmaceutical Safety Bureau, Ministry of Health, Labor and Welfare, dated May 28, 2026.	

Principal Sale Jurisdictions	Material Laws, Regulations, Executive Orders and Policies Updates	Relevant Products, Potential Impact and Compliance Status
Mainland China	In February 2026, the State Tobacco Monopoly Administration (STMA) issued the *Notice on E-Cigarette Industry Policies for Dynamic Supply-Demand Balance* (Guo Yan Fa [2026] No.21). It bans new e-cigarette investment projects and capacity expansion through relocation/restoration projects, imposes legal penalties for violations including export backflow, false customs declaration, and products failing national standards/quality safety rules. It also requires improving full-chain e-cigarette standards, setting up differentiated credit supervision to simplify checks and cut on-site inspections for compliant manufacturers, and forbidding e-cigarettes from being named after dessert, candy, fruit and other flavors. Violations will be deemed unqualified for the licensing conditions set out in the *Detailed Rules for Tobacco Monopoly Licenses for E-Cigarette-related Enterprises* (Guo Yan Fa [2025] No.77). In June 2026, pursuant to the aforementioned Notice, the State Tobacco Monopoly Administration (STMA) carried out revisions to 7 existing regulatory policy documents governing the e-cigarette sector, with the aim of standardizing the wording and aligning the policy calibration across the relevant documents.	The Group has set up a dedicated team to coordinate all related compliance matters to ensure the Group's production and operating activities strictly comply with the prevailing regulations.

Note:

(1) In U.S. market, only federal level laws, regulations, executive orders, and policies were summarized.

The legal department of the Group will continue to cooperate with external professionals to closely monitor global regulatory developments and changes related to its business activities, and adjust its business activities such as R&D and production in a timely manner to ensure that our business activities comply with regulations and adapt to the regulatory environment changes. At the same time, the Group will continue to diversify its revenue in different countries and regions, expand its product portfolio, promote the application of atomization technology in industries such as healthcare, and develop a brand-new atomization technology industry.

Sales and Marketing

During the Review Period, the Group achieved record-high revenue for the corresponding period, primarily driven by growth in its ToB segment, particularly the electronic vaping and HNB businesses.

During the Review Period, the Group achieved a revenue of approximately RMB7,209 million, representing a year-on-year growth of approximately 19.9%. Of this, the corporate client oriented ("**ToB**") business generated revenue of approximately RMB5,910 million, marking a year-on-year growth of approximately 24.7%. This segment accounted for approximately 82.0% of the total revenue during the Review Period (1H2025: approximately 78.8%). Meanwhile, the self-branded business contributed approximately RMB1,299 million, representing an approximately 1.9% year-on-year increase during the Review Period. This segment accounted for approximately 18.0% of the Group's total revenue during the Review Period (1H2025: approximately 21.2%).

During the Review Period, the Group's ToB segment primarily comprised the sale of electronic vaping products, HNB products and special purpose atomization products, as well as the provision of inhalation therapy-related technical services to corporate customers. The year-on-year increase in revenue was mainly driven by growth in the electronic vaping business and a greater revenue contribution from HNB product sales. All businesses within the ToB segment demonstrated positive growth momentum during the Review Period.

During the Review Period, the Group's electronic vaping products and special purpose atomization products businesses recorded revenue of approximately RMB4,801 million, with performance varying across regions. Revenue from Europe and other countries and regions amounted to approximately RMB3,250 million, representing a solid year-on-year increase of approximately 29.7%, primarily driven by growth in the electronic vaping products business. Adhering to its strategies of engaging high-value customers and pursuing opportunities at the appropriate time, the Group successfully established collaborations with those customers. The Group prioritized ODM customers with robust financial capabilities, strong commitment to invest in marketing and a long-term strategic vision. Leveraging its compliance capabilities, R&D strengths, customer resources and manufacturing excellence, the Group supported its ODM customers in accelerating business growth and strengthening their market positions. Revenue from the U.S. market amounted to approximately RMB1,493 million, representing a year-on-year decrease of approximately 15.6%, primarily due to a key customer's proactive adjustments to its product portfolio in preparation for new market opportunities. The U.S. regulatory landscape for electronic vaping products underwent significant changes, creating a more favourable operating environment for compliant brands, primarily tobacco companies. Leveraging its long-standing and stable relationships with these customers, SMOORE is well positioned to benefit from these developments. In May 2026, the FDA authorized the first electronic vaping products in flavours other than tobacco and menthol. Later that month, the FDA updated its enforcement guidance regarding unauthorized products in the U.S., stating that it did not intend to prioritize enforcement against certain non-tobacco flavoured electronic nicotine delivery system ("**ENDS**") products where the relevant application had been accepted and filed and contained the data necessary for the FDA to assess whether the product was appropriate for the protection of public health. After the guidance was issued, the Group's key U.S. customers have been preparing to launch new compliant products. The Group will continue to support these customers in rolling out a broader range of compliant products in the coming future. Revenue from the Group's special purpose atomization products business increased during the Review Period, as its earlier optimization of the product mix and customer portfolio began to yield positive results. In mainland China market, revenue amounted to approximately RMB58 million, representing a year-on-year decrease of approximately 50.3%.

During the Review Period, revenue from the HNB business amounted to approximately RMB962 million, representing a year-on-year increase of 322.1% as the Group began large-scale shipment of HNB products to its key customer since the second half of 2025. During the Review Period, the Group continued to support its customer in expanding global footprint of its premium HNB products. As at the end of the Review Period, the Group supported the customer in launching new products across a total of nine markets. End-market data indicated growth in both sales volume and market share across major markets, particularly in the premium segment. The Group is collaborating with the customer on future product iterations and the development of a long-term product roadmap for HNB products. In parallel, the Group is actively expanding its customer base and implementing a multi-customer strategy to drive growth in its HNB business.

The Group's inhalation therapy business recorded revenue of approximately RMB147 million, representing a year-on-year increase of approximately 24.8% during the Review Period. Transpire's co-development partnership program with a leading U.S. biopharmaceutical company continued to progress ahead of scheduled milestones and received technical services fees from the customer. During the Review Period, Transpire continued to advance the development of drug-device combination products for respiratory diseases, including asthma, chronic obstructive pulmonary disease ("**COPD**"), idiopathic pulmonary fibrosis ("**IPF**") and other therapeutic areas. Transpire has established multiple proprietary inhalation technology platforms, including dry powder inhaler and soft mist inhaler platforms. During the Review Period, all development programs progressed as planned and achieved key milestones on schedule. In May 2026, the FDA accepted the third abbreviated new drug application ("**ANDA**") filed by Transpire. To date, all three ANDAs of Transpire have been confirmed as first filer.

Meanwhile, the Group is proactively advancing the external equity financing of Transpire to better unlock its value and to mitigate its impact on the Group's profit and cash flow.

During the Review Period, the Group's self-branded business primarily comprised electronic vaping products.

Revenue from the Group's proprietary electronic vaping products amounted to approximately RMB1,277 million, representing a year-on-year increase of approximately 2.6%. Revenue from Europe and other countries and regions amounted to approximately RMB1,068 million, representing a slight year-on-year decrease of approximately 0.2%, mainly due to evolving market conditions in a key market and adverse impact on logistics due to geopolitical tensions in the Middle East. Nevertheless, the Group further strengthened its market leadership in other major markets by expanding channel coverage and implementing brand-building initiatives. It also increased its market presence in potential markets worldwide by establishing partnerships with leading local distributors and channel partners. In the U.S. market, revenue from the Group's self-branded electronic vaping products amounted to approximately RMB209 million, representing a year-on-year increase of approximately 19.9%. The Group continued to enhance its core capabilities in product development, channel coverage, brand building and retail engagement, laying a solid foundation for the long-term development of its proprietary brands.

Research and Development

During the Review Period, the Group further enhanced its R&D efficiency, responsiveness and risk resilience and accelerated the commercialization of its R&D platforms. Through these efforts, the Group seeks to translate technological innovation into revenue growth and increased market share.

The Group has established an R&D framework encompassing near-term commercialization, medium-term platform development and long-term innovation. This framework is designed to support near-term business performance while building the technological capabilities for sustainable medium- to long-term growth.

In support of near-term commercialization, the Group provides customers with end-to-end R&D services covering product definition, technology development, compliance management and production. It also offers customized solutions designed to comply with applicable regulatory frameworks, including the EU Tobacco Products Directive ("**TPD**"), the U.S. Premarket Tobacco Product Application ("**PMTA**") requirements and relevant local regulations. These capabilities help ODM customers shorten product development and market access timelines, enabling them to respond more effectively to opportunities arising from evolving regulatory environments.

In the medium term, the Group continues to invest in modular, scalable and reusable technology platforms to facilitate the translation of fundamental research into mass-production applications. It has established technology portfolios covering key areas such as ceramic heating, precision liquid delivery and intelligent temperature control. These platforms shorten response times for ODM customers and enable the Group to address their diverse and evolving requirements more efficiently.

In the long term, the Group continues to explore frontier technologies and assess the potential application of atomization technology across a broader range of industries and make forward-looking investments in selected frontier technologies, with a view to developing new avenues for sustainable growth.

The Group has established a strategy-led, end-to-end R&D management system to enhance efficiency, manage risks and ensure its R&D investment generates sustainable commercial value. First, dedicated project teams are established for key technology development programs. Second, the Group's end-to-end digital R&D management platform supports standardized and integrated development processes, enabling experimental data, technology-module assets, project progress and associated risks to be digitized, visualized and traced. The platform enhances collaboration across teams and regions, reduces resource inefficiencies, and supports more effective allocation of R&D resources.

The Group places compliance at the forefront of its operations by integrating market-specific regulatory requirements throughout the entire product development lifecycle. This approach helps ODM customers shorten market access timelines while enhancing the Group's operational resilience amid a rapidly evolving global regulatory environment.

While maintaining its technological leadership, the Group continues to build up a global intellectual property protection system to continuously strengthen its intellectual property barriers against core technologies and to protect its own product brands and technology brands. During the Review Period, the Group filed 1,101 new patent applications worldwide, including 739 patents for invention. As of 30 June 2026, the Group had filed, accumulatively, a total of 12,410 patents worldwide, including 6,805 patents for invention.

During the Review Period, the Group's total research and development expenditure amounted to approximately RMB845 million, representing an increase of approximately 16.9% as compared to the same period last year and a decrease as a percentage of revenue from approximately 12.0% in the same period last year to approximately 11.7% in the Review Period.

The research and development expenditures by different business were as below:

	For the six months ended 30 June				
	2026		2025		Changes
	RMB'000	%	RMB'000	%	%
Research and development of electronic nicotine delivery system (including electronic vaping products and heat-not-burn products)	**644,560**	**76.3**	478,591	66.2	34.7
Research and development of inhalation therapy and beauty atomization products	**139,427**	**16.5**	179,241	24.8	(22.2)
Research and development of special purpose atomization products and solutions	**60,514**	**7.2**	64,732	9.0	(6.5)
Total	**844,501**	**100.0**	722,564	100.0	16.9

During the Review Period, research and development expenditure of the electronic nicotine delivery system business amounted to approximately RMB645 million, representing an increase of approximately 34.7%. The increase was primarily attributable to the Group's further investment in the HNB business. The Group remains dedicated to be a comprehensive solutions provider for customers.

Production and Operation

Manufacturing competitiveness remains a key strategic priority for the Group. Amid the evolving regulatory environments, the Group continued to optimize costs, enhance operational efficiency and strengthen compliance capabilities across its production and operations.

The Group established a multidimensional material cost management mechanism. Through centralized procurement negotiations, longer-term strategic inventory planning, and the adoption of new materials and manufacturing processes, the Group achieved reductions in material procurement costs. While maintaining stringent product quality standards and ensuring timely delivery to customers worldwide, the Group continued to strengthen its overall cost competitiveness.

During the Review Period, the Group's production and operation team successfully supported its key customers' product upgrades and product launches across multiple regional markets. The Group continued to enhance its end-to-end quality management system and deepen integration of automation with digital information management systems. These initiatives improved efficiency and quality while enabling data traceability throughout the manufacturing process, thereby establishing a solid operational foundation for the long-term expansion and profitability improvement of the HNB business.

The Group regards compliance as a fundamental prerequisite for sustainable development. During the Review Period, the Group conducted a comprehensive review of the regulatory and compliance requirements applicable throughout the manufacturing process. It implemented targeted measures across production, quality control and supply chain management. Through ongoing training, internal communications and compliance reviews, the Group continued to foster a strong compliance culture and ensure that its production bases operated in accordance with applicable laws and regulations. These efforts further strengthened the Group's compliance management capabilities and provided a solid foundation for its sustainable long-term development.

Future Prospects and Strategies

The journey ahead may be long and challenging, but perseverance will ultimately lead to success.

The Group believes that it has strategically positioned itself in business segments with significant growth potential. It has established leading technological capabilities in these areas and formulated clear commercialization roadmaps. The Group will continue to place atomization technology at the core of its strategy and enhance execution across electronic vaping products, HNB products, and inhalation therapies. Looking ahead to the second half of 2026, the Group will continue to implement its established development strategy, expand its presence in selected areas and enhance management efficiency across its sales, administrative and research and development functions. Through these initiatives, the Group aims to drive sustainable, high-quality growth and create long-term value for its stakeholders.

Global regulatory frameworks for electronic vaping market are increasingly focused on compliance, requiring industry participants to demonstrate strong capabilities in regulatory foresight, R&D, and manufacturing excellence. The evolving regulatory landscape is expected to accelerate industry consolidation and enable leading compliant players to further expand their market share. In the U.S. market, the evolving regulatory landscape and increasing clarity regarding enforcement are expected to support the development of the electronic vaping businesses of the Group's tobacco company customers. The Group will seize the opportunity to support its customers in launching a broader range of compliant electronic vaping products in the U.S., with a view to helping them regain market shares. In Europe and other countries and regions, the Group will remain committed to its key-account strategy by strengthening partnerships with high-value customers and supporting their growth. The Group will also continue to optimize its operations and manufacturing processes to enhance production agility and cost efficiency, while improving R&D efficiency to accelerate commercialization and shorten time to market. In parallel, the Group will continue to strengthen its ToC capabilities in product development, brand building and channel penetration. These capabilities will, in turn, generate deeper consumer and market insights, enabling the Group to provide more effective support to its ODM customers and drive sustainable long-term growth.

HNB represents a long-term business opportunity with considerable growth potential and is regarded by global tobacco companies as an important pillar of their harm-reduction strategies. Although the global HNB user base exceeded 55 million in 2025, unresolved user pain points continue to constrain category penetration. The Group implements a multi-customer strategy in its HNB business. Leveraging its technology platforms and accumulated know-how, the Group is committed to providing different customers with differentiated and competitive comprehensive product solutions. In the second half of 2026, the Group will continue to support its existing core customer in executing its HNB development strategies and collaborate closely with it to develop roadmaps for continuous product enhancement. In parallel, the Group will accelerate the commercialization of its technology platforms and collaborate with a broader range of customers to drive wider market adoption and business growth. Through these initiatives, the Group aims to further strengthen its position as a trusted partner, facilitate the transition of more adult tobacco users to HNB products and capture additional market share.

The Group believes that the continued increase in the prevalence of respiratory diseases globally will support long-term demand for inhalable therapeutics and related drug delivery technologies. To capitalize on this trend, Transpire will continue to focus on the development of innovative inhaled medicines targeting large addressable markets, together with complex generics of leading asthma and COPD products used in the U.S. and Europe. The Group believes that this strategy has the potential to improve treatment outcomes for diseases and conditions with unmet medical needs and to enhance patient access to essential asthma and COPD therapies by reducing treatment costs while maintaining standards of safety and efficacy. In the second half of 2026, Transpire intends to continue advancing the development of drug-device combination products for the treatment of respiratory diseases in accordance with its established product development plan. Transpire will also continue to evaluate collaboration opportunities with international pharmaceutical companies, leveraging its R&D and industrialization capabilities with the objective of enhancing the value of its technology platforms and pipeline products. In addition, Transpire will seek to improve R&D efficiency and support the orderly advancement of product development, marketing authorization applications and commercialization activities.

Meanwhile, the Group will proactively advance the external equity financing of Transpire to better unlock its commercial value and to mitigate the impact on the Group's profit and cashflow.

In the second half of 2026, the Group will remain focused on the strategic priorities outlined above to drive sustainable growth. The Group will continue to invest in priority R&D areas to reinforce its technological leadership and accelerate the commercialization of its innovations. The Group will also enhance management and operational efficiency while maintaining compliance as a cornerstone of its operations through strengthened end-to-end compliance management across all functions. Through compliance capabilities, R&D strengths, customer resources and manufacturing excellence, the Group remains committed to delivering enhanced value to customers and consumers, achieving sustainable growth and generating greater returns for Shareholders.

Financial Review

During the Review Period, the total revenue of the Group was approximately RMB7,208,880,000 (the same period in 2025: approximately RMB6,013,290,000), representing an increase of approximately 19.9% as compared to the same period last year. During the Review Period, the gross profit of the Group was approximately RMB2,321,811,000 (the same period in 2025: approximately RMB2,243,850,000), representing an increase of approximately 3.5% as compared to the same period last year. During the Review Period, the gross profit margin of the Group was approximately 32.2% (the same period in 2025: approximately 37.3%). During the Review Period, the profit for the period of the Group was approximately RMB571,916,000 (the same period in 2025: approximately RMB492,154,000), representing an increase of approximately 16.2% as compared to the same period last year.

The increase of profit for the period was mainly attributable to: (i) revenue from the corporate client oriented business increased during the Review Period, mainly driven by revenue from heat-not-burn products and electronic vaping products; and (ii) the Group's share-based payment expenses during the Review Period decreased as compared to the same period last year, as the expenses recognition periods for certain share-based payments gradually completed.

Excluding the share-based payment expenses, the Group's adjusted profit for the Review Period was approximately RMB756,610,000 (the same period in 2025: approximately RMB737,410,000), representing an increase of approximately 2.6% as compared to the same period last year. After further excluding the loss from the inhalation therapy business, the Group's adjusted profit for the period, excluding the inhalation therapy business, was approximately RMB888,891,000 (the same period in 2025: approximately RMB829,700,000), representing a year-on-year increase of approximately 7.1%.

1. Revenue — Categorized by Business Types

	For the six months ended 30 June				
	2026		2025		Changes
	RMB'000	%	RMB'000	%	%
Self-branded business	**1,299,112**	**18.0**	1,274,306	21.2	1.9
Corporate client oriented business	**5,909,768**	**82.0**	4,738,984	78.8	24.7
Total	**7,208,880**	**100.0**	6,013,290	100.0	19.9

(1) *Self-branded business*

The Group's self-branded business mainly included the sales of electronic vaping products and beauty atomization products. During the Review Period, revenue from sales of self-branded business amounted to approximately RMB1,299,112,000 (the same period in 2025: approximately RMB1,274,306,000), representing an increase of approximately 1.9% as compared to the same period last year, and its percentage of total revenue decreased from approximately 21.2% the same period last year to approximately 18.0% during the Review Period. Among which:

(i) *Electronic vaping products*

- Revenue from Europe and other countries and regions market amounted to approximately RMB1,067,549,000 (the same period in 2025: approximately RMB1,069,339,000), representing a slight decrease of approximately 0.2% as compared to the same period last year;

- Revenue from the U.S. market amounted to approximately RMB208,976,000 (the same period in 2025: approximately RMB174,349,000), representing an increase of approximately 19.9% as compared to the same period last year.

(ii) *Beauty atomization products*

- Revenue from the China market amounted to approximately RMB22,587,000 (the same period in 2025: approximately RMB30,618,000), representing a decrease of approximately 26.2% as compared to the same period last year.

(2) *Corporate client oriented business*

During the Review Period, revenue from corporate client oriented business amounted to approximately RMB5,909,768,000 (the same period in 2025: approximately RMB4,738,984,000), representing an increase of approximately 24.7% as compared to the same period last year, and its percentage of total revenue increased from approximately 78.8% the same period last year to approximately 82.0% during the Review Period. Among which:

(i) *Electronic vaping products and related technical services, and special purpose atomization products*

- Revenue from Europe and other countries and regions markets amounted to approximately RMB3,249,474,000 (the same period in 2025: approximately RMB2,506,320,000), representing an increase of approximately 29.7% as compared to the same period last year, and an increase in percentage of total revenue from approximately 41.7% the same period last year to approximately 45.1% for the Review Period;

- Revenue from the U.S. market amounted to approximately RMB1,493,046,000 (the same period in 2025: approximately RMB1,769,567,000), representing a decrease of approximately 15.6% as compared to the same period last year, and a decrease in percentage of total revenue from approximately 29.4% the same period last year to approximately 20.7% for the Review Period; and

- Revenue from China market amounted to approximately RMB58,216,000 (the same period in 2025: approximately RMB117,089,000), representing a decrease of approximately 50.3% as compared to the same period last year, and a decrease in percentage of total revenue from approximately 1.9% the same period last year to approximately 0.8% for the Review Period.

(ii) Heat-not-burn products and technical services

- Revenue from Japan and European countries amounted to approximately RMB961,560,000 (the same period in 2025: approximately RMB227,807,000), representing an increase of approximately 322.1% as compared to the same period last year, and an increase in percentage of total revenue from approximately 3.8% the same period last year to approximately 13.4% for the Review Period.

(iii) Inhalation therapy technical services

- Revenue from the U.S. market amounted to approximately RMB147,472,000 (the same period in 2025: approximately RMB118,201,000), representing an increase of approximately 24.8% as compared to the same period last year, and the percentage of total revenue was broadly maintained at the same level as the same period last year, i.e. approximately 2.0%.

To our knowledge, the distribution of the Group's revenue from various regions is roughly as follows:

	For the six months ended 30 June				
	2026		2025		Changes
	RMB'000	%	RMB'000	%	%
Self-branded business	**1,299,112**	**18.0**	1,274,306	21.2	1.9
Electronic vaping products	**1,276,525**	**17.7**	1,243,688	20.7	2.6
— Revenue from Europe and other countries and regions	**1,067,549**	**14.8**	1,069,339	17.8	(0.2)
— Revenue from the U.S.	**208,976**	**2.9**	174,349	2.9	19.9
Beauty atomization products （revenue from China)	**22,587**	**0.3**	30,618	0.5	(26.2)
Corporate client oriented business	**5,909,768**	**82.0**	4,738,984	78.8	24.7
Electronic vaping products, special purpose atomization products and technical services	**4,800,736**	**66.6**	4,392,976	73.0	9.3
— Revenue from Europe and other countries and regions	**3,249,474**	**45.1**	2,506,320	41.7	29.7
— Revenue from the U.S.	**1,493,046**	**20.7**	1,769,567	29.4	(15.6)
— Revenue from China	**58,216**	**0.8**	117,089	1.9	(50.3)
Heat-not-burn products and technical services (revenue mainly from Japan and European countries)	**961,560**	**13.4**	227,807	3.8	322.1
Inhalation therapy technical services (revenue from the U.S.)	**147,472**	**2.0**	118,201	2.0	24.8
Total	**7,208,880**	**100.0**	6,013,290	100.0	19.9

2. Gross Profit and Cost of Revenue

During the Review Period, the Group's gross profit was approximately RMB2,321,811,000 (the same period in 2025: approximately RMB2,243,850,000), representing an increase of approximately 3.5% as compared to the same period last year, and the gross profit margin decreased from approximately 37.3% for the same period last year to approximately 32.2% for the Review Period. During the Review Period, the Group's gross profit margin increased by approximately 0.5pp compared with the second half of last year, from approximately 31.7% to approximately 32.2%. The increase of gross profit margin was primarily attributable to the adverse impact of policy changes related to products being offset by economies of scale resulting from revenue growth and the Group's efficiency enhancement measures.

Cost of revenue as a percentage of revenue:

	For the six months ended 30 June				
	2026		2025		Changes
	RMB'000	**%**	RMB'000	%	%
Cost of raw materials	**3,737,508**	**51.9**	2,845,798	47.3	31.3
Labor costs	**564,704**	**7.8**	433,682	7.2	30.2
Overhead	**555,495**	**7.7**	454,955	7.6	22.1
Tax and surcharge	**29,362**	**0.4**	35,005	0.6	(16.1)
Total	**4,887,069**	**67.8**	3,769,440	62.7	29.6

During the Review Period, the Group's cost of raw materials as a percentage of revenue increased from approximately 47.3% for the same period last year to approximately 51.9% for the Review Period, and the Group's labor costs as a percentage of total revenue increased from approximately 7.2% for the same period last year to approximately 7.8% for the Review Period, which were primarily attributable to changes in the revenue mix of product portfolio, with a higher proportion of revenue derived from comparatively lower-margin products during the Review Period.

3. Distribution and Selling Expenses

The Group's distribution and selling expenses decreased by approximately 21.0% from approximately RMB491,229,000 for the same period last year to approximately RMB388,080,000 for the Review Period. The distribution and selling expenses as a percentage of revenue decreased from approximately 8.2% for the same period last year to approximately 5.4% for the Review Period. The decrease in distribution and selling expenses as a percentage of revenue was mainly due to a decrease in the Group's provisions for product related expenses and the Group's optimization of its marketing strategies in light of its business development during the Review Period. In particular:

(1) Staff salaries and benefits increased by approximately 2.7% from approximately RMB185,664,000 for the same period last year to approximately RMB190,730,000 for the Review Period, and as a percentage of revenue, decreased from approximately 3.1% for the same period last year to approximately 2.7% for the Review Period. The increase in staff salaries and benefits was mainly attributable to the Group's strengthened focus on incentives during the Review Period, which resulted in an increase in the remuneration of marketing staff.

(2) Market development costs decreased by approximately 17.1% from approximately RMB133,965,000 for the same period last year to approximately RMB111,056,000 for the Review Period, and as a percentage of revenue, decreased from approximately 2.2% for the same period last year to approximately 1.5% for the Review Period. The decrease in market development expenses was mainly attributable to the Group's optimization of its marketing strategies in light of its business development during the Review Period.

(3) Travelling expenses decreased by approximately 18.5% from approximately RMB19,682,000 for the same period last year to approximately RMB16,033,000 for the Review Period, and as a percentage of revenue, decreased slightly from approximately 0.3% for the same period last year to approximately 0.2% for the Review Period.

(4) Other expenses decreased by approximately 53.8% from approximately RMB151,918,000 for the same period last year to approximately RMB70,261,000 during the Review Period, and as a percentage of revenue, decreased from approximately 2.5% for the same period last year to approximately 1.0% during the Review Period. The decrease in other expenses was primarily due to a decrease in the Group's provisions for product related expenses during the Review Period in view of expected product changes related to regulatory and compliance requirements.

4. Administrative Expenses

The administrative expenses of the Group increased by approximately 1.8% from approximately RMB609,548,000 for the same period last year to approximately RMB620,492,000 for the Review Period. Administrative expenses as a percentage of revenue decreased from approximately 10.1% for the same period last year to approximately 8.6% for the Review Period. In particular:

(1) Staff salaries and benefits increased by approximately 8.7% from approximately RMB357,378,000 for the same period last year to approximately RMB388,336,000 for the Review Period, and as a percentage of revenue, decreased from approximately 5.9% for the same period last year to approximately 5.4% for the Review Period. The increase in staff salaries and benefits was mainly attributable to the Group's increased staff expenses in line with the revenue growth during the Review Period.

(2) Professional service fees decreased by approximately 13.7% from approximately RMB139,687,000 for the same period last year to approximately RMB120,573,000 for the Review Period, and as a percentage of revenue, decreased from approximately 2.3% for the same period last year to approximately 1.7% for the Review Period. The decrease in professional service fees was mainly attributable to the decrease in the Group's legal-related service expenses compared to the same period last year.

(3) Depreciation and amortization expenses decreased by approximately 31.7% from approximately RMB51,310,000 for the same period last year to approximately RMB35,059,000 during the Review Period, and as a percentage of revenue, decreased from approximately 0.9% for the same period last year to approximately 0.5% during the Review Period. The decrease in depreciation and amortization expenses was mainly due to a number of assets acquired in prior years progressively reaching fully depreciated status.

5. Research and Development Expenses

The Group's R&D expenses increased by approximately 16.9% from approximately RMB722,564,000 for the same period last year to approximately RMB844,501,000 during the Review Period. As a percentage of revenue, R&D expenses decreased from approximately 12.0% for the same period last year to approximately 11.7% during the Review Period. The R&D expenses of electronic nicotine delivery system (including electronic vaping products and heat-not-burn products) increased by approximately 34.7% compared with the same period last year, the R&D expenses of inhalation therapy and beauty atomization products decreased by approximately 22.2% compared with the same period last year, and the R&D expenses of special purpose atomization products and solutions decreased by approximately 6.5% compared with the same period last year. The year-on-year increase in R&D expenses was mainly due to the increased investment in the heat-not-burn business. In particular:

(1) Staff salaries and benefits increased by approximately 21.0% from approximately RMB469,969,000 for the same period last year to approximately RMB568,505,000 for the Review Period, and as a percentage of revenue, slightly increased from approximately 7.8% for the same period last year to approximately 7.9% for the Review Period. The increase in staff salaries and benefits was mainly due to the increase in the remuneration of R&D personnel in the heat-not-burn business during the Review Period.

(2) Development costs increased by approximately 7.3% from approximately RMB160,745,000 for the same period last year to approximately RMB172,507,000 for the Review Period, and as a percentage of revenue, decreased from approximately 2.7% for the same period last year to approximately 2.4% for the Review Period.

(3) Depreciation and amortization expenses increased by approximately 13.1% from approximately RMB49,340,000 for the same period last year to approximately RMB55,805,000 for the Review Period, and the percentage of revenue was broadly maintained at the same level as the same period last year, i.e. approximately 0.8%.

6. Other Income and Expenses

During the Review Period, the Group's net other income amounted to approximately RMB360,572,000, representing an increase of approximately 3.1% as compared to approximately RMB349,691,000 for the same period last year, as set out below:

	For the six months ended 30 June		
	2026 RMB'000	2025 RMB'000	Changes %
Interest income from bank deposits	**157,794**	235,658	(33.0)
Interest income from investment notes at amortized cost	**116,273**	87,130	33.4
Government grants	**18,617**	19,192	(3.0)
Compensation income from customers	**4,350**	1,846	135.6
Interest income from rental deposits	**563**	744	(24.3)
Net income from materials and services	**60,747**	11,363	434.6
Donation expenditures	**(2,399)**	(6,185)	(61.2)
Others	**4,627**	(57)	N/A
Total	**360,572**	349,691	3.1

7. Other Gains and Losses

During the Review Period, the Group's net other gains amounted to approximately RMB58,332,000, compared with net other losses approximately RMB55,177,000 for the same period last year, as set out below:

	For the six months ended 30 June		
	2026	2025	Changes
	RMB'000	RMB'000	%
Net foreign exchange loss	**(164,195)**	(37,238)	340.9
Gain (loss) arising on forward foreign exchange contracts/swap contracts	**200,161**	(482)	N/A
Loss on disposal/write-off of property, plant and equipment	**(9,729)**	(25,737)	(62.2)
Gain arising on short-term bank deposits with variable interest rate	**10,632**	5,524	92.5
Gain arising on debt instrument	**18,374**	2,498	635.5
Gain on early termination of leases	**32**	258	(87.6)
Others	**3,057**	—	N/A
Total	**58,332**	(55,177)	N/A

8. Finance Costs

During the Review Period, the finance costs of the Group amounted to approximately RMB13,468,000 (the same period in 2025: approximately RMB13,619,000), representing a decrease of approximately 1.1% as compared to the same period last year. The finance costs of the Group were mainly derived from the interest expenses on lease liabilities and the interest expenses on discount of bills receivables.

9. Income Tax Expense

During the Review Period, the Group's income tax expense amounted to approximately RMB300,596,000 (the same period in 2025: approximately RMB206,581,000), representing an increase of approximately 45.5% as compared to the same period last year. The increase in income tax expense was mainly due to the increased tax provisions related to the Group's international business expansion.

10. Profit for the Period and Total Comprehensive Income for the Period

During the Review Period, the profit for the period of the Group was approximately RMB571,916,000 (the same period in 2025: approximately RMB492,154,000), representing an increase of approximately 16.2% as compared to the same period last year. During the Review Period, the Group's total comprehensive income for the period was approximately RMB270,012,000 (the same period in 2025: approximately RMB501,166,000), representing a decrease of approximately 46.1% as compared to the same period last year. The decrease of total comprehensive income for the period was primarily due to the unfavourable foreign exchange differences arising from the translation of financial statements from a different presentation of currency to RMB.

11. Liquidity and Financial Resources

As at 30 June 2026, the net current assets of the Group were approximately RMB11,109,373,000 (31 December 2025: approximately RMB9,648,664,000). As at 30 June 2026, the Group's cash and cash equivalents were approximately RMB3,956,029,000 (31 December 2025: approximately RMB7,322,926,000), which mainly consisted of approximately RMB1,423,063,000 denominated in RMB, approximately RMB2,399,812,000 denominated in USD and approximately RMB115,203,000 denominated in HKD (31 December 2025: mainly consisted of approximately RMB2,829,450,000 denominated in RMB, approximately RMB4,324,697,000 denominated in USD and approximately RMB162,304,000 denominated in HKD). As at 30 June 2026, the current ratio of the Group was approximately 359.7% (31 December 2025: approximately 257.4%).

Treasury Management Policy

The treasury management policy of the Group is primarily to utilize surplus cash reserves to invest in low-risk products such as low-risk wealth management products, structured deposit or time deposit, etc. and to generate income without interfering with the Group's business operations or capital expenditures.

Borrowings

As at 30 June 2026, the Group did not have any bank or other financial institutions borrowings (31 December 2025: nil). As at 30 June 2026, the utilized portion of the Group's secured banking facilities was mainly for issuing and discounting bills, entering into forward foreign exchange contracts and opening letters of credit.

Gearing ratio

As at 30 June 2026, the gearing ratio, calculated as total liabilities divided by total equity, was approximately 22.3% (31 December 2025: approximately 30.5%).

12. Charge on Assets

As at 30 June 2026, the Group did not have any charge on assets (31 December 2025: nil).

13. Exposure to Foreign Exchange Risk

The functional currency of the Company is RMB. The revenue of the Group is mainly settled in USD and RMB. During the Review Period, approximately 70% of the Group's revenue was settled in USD and approximately 30% was settled in RMB. Meanwhile, approximately 80% of the materials, labors and various expenditures paid by the Group were settled in RMB. The foreign exchange risk of the Group mainly refers to the risks of foreign exchange gain or loss arising from the net amount of monetary funds denominated in USD, trade receivables denominated in USD deducted by trade payables denominated in USD ("**U.S. Dollars Exposure**") as a result of changes in the exchange rate between USD and RMB.

Sensitivity Analysis

For the above-mentioned U.S. Dollars Exposure, the Group controls relevant foreign exchange risks through timely settlement of foreign currencies or entering into forward foreign exchange contracts with commercial banks. The Board believes that the relevant foreign exchange risks are acceptable to the Group and such risks will be monitored closely.

Based on the amounts of assets and liabilities of the Group denominated in USD as of 30 June 2026, if the exchange rate of USD against RMB rises by 10%, the Group's total comprehensive income will increase by approximately RMB1,235,623,000 (31 December 2025: increase by approximately RMB1,171,357,000). Alternatively, if the exchange rate of USD against RMB drops by 10%, the Group's total comprehensive income will decrease by approximately RMB1,235,623,000 (31 December 2025: decrease by approximately RMB1,171,357,000).

14. Employment, Training and Development

As of 30 June 2026, the Group had 21,867 and 3,465 employees in China (including Mainland China and Hong Kong, China) and other countries and regions respectively. The Group provides its employees with comprehensive and attractive remuneration, retirement schemes, share incentive schemes and benefit packages, and also grants discretionary bonuses to the Group's employees based on their performance. The Group is required to contribute to the Mainland China social security scheme. Each of the Group and its employees in Mainland China is required to make contributions to pension insurance, medical insurance and unemployment insurance at rates specified in the relevant Mainland China laws and regulations. The Group has adopted a provident fund scheme for its Hong Kong employees under the Mandatory Provident Fund Schemes Ordinance. The Group also pays corresponding pension insurance, pension scheme, medical insurance, etc. for its employees in other countries in accordance with the laws and regulations of other countries where it operates.

In addition, the Group attaches great importance to the individual education and career development of employees, and has formulated targeted talent development programs tailored to different groups of talents, such as the "Hong Yi" program designed to cultivate outstanding director-level talents, the "Zhen Yu" program designed to cultivate excellent managerial talents, the "PM Training Camp" designed to cultivate outstanding product managers, and the "1-3-5-7-10" program, a ten-year development path cultivation designed to help fresh graduates adapt to the workplace better and become key members, including a 6-month systematic induction training, one-year mentorship centered on "Teach, Support and Guidance" and the "Magic Training Camp" for the outstanding graduates within 3 years. Meanwhile, the Group upgrades its online learning platform from time to time to enrich the on-line courses, so that all employees can enjoy the value of on-line learning in real time.

During the Review Period, the total staff costs (including management and administration staff) accounted for approximately 27.3% of the revenue of the Group (the same period in 2025: approximately 28.5%). The decrease in total staff costs as a percentage of revenue was mainly due to the decrease in share-based payment expenses during the Review Period.

15. Capital Expenditures

For the six months ended 30 June 2026, the total investment in property, plant and equipment and intangible assets of the Group was approximately RMB495,627,000 (the same period in 2025: approximately RMB784,581,000), which was mainly attributable to the recognition of (1) capital expenditure in relation to equipment, (2) capital expenditure in relation to self-owned buildings, and (3) research and development expenditure capitalized.

16. Capital Commitments

As at 30 June 2026, the Group had contracted capital commitment for property, plant and equipment of approximately RMB812,981,000 (31 December 2025: approximately RMB455,770,000), which will be financed with proceeds from the Listing and net proceeds generated from operations.

17. Material Acquisitions and Disposals

For the six months ended 30 June 2026, the Group did not carry out any material acquisitions or disposals of any subsidiaries, associates or joint ventures.

18. Significant Investments

For the six months ended 30 June 2026, the Group did not have any significant investments.

19. Contingent Liabilities

As at 30 June 2026, save as disclosed in Note 17 Contingent Liabilities to the consolidated financial statements, the Board has assessed that there are no other pending legal proceedings which would have a material impact on the Group's operating position, financial position or cash flows.

20. Future Plans for Material Investments or Capital Expenditures

Save as disclosed below, the Company has no other plans for material investments or capital expenditures:

(1) The section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 29 June 2020;

(2) The section headed "Intended Use of Net Proceeds" in the Company's announcement dated 4 February 2021 in connection with the completion of top-up placing; and

(3) The Group's investment plans as disclosed in the 2021 Annual Report "Future Plans for Material Investments or Capital Expenditures".

Major Customers and Suppliers

For the six months ended 30 June 2026, the Group's revenue from its top five customers accounted for approximately 57.4% (six months ended 30 June 2025: approximately 54.7%) of its total revenue. The Group's purchase amounts from its top five suppliers accounted for approximately 24.1% (six months ended 30 June 2025: approximately 21.0%) of its total purchase amounts. The Group aims to maintain long-term cooperative relationship with reputable customers and suppliers for the expansion of its business.

Corporate Governance

Compliance with the Code Provisions of the Corporate Governance Code

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The corporate governance principles of the Company emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders of the Company ("**Shareholders**").

For the six months ended 30 June 2026, the Company had applied the principles and complied with all code provisions (except as stated below) and (where applicable) the recommended best practices of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**"). In respect of code provision C.2.1 of the CG Code, the positions of the chairman of the Board and the chief executive officer are held by the same individual, namely, Mr. Chen Zhiping. The Board is of the view that this is the most appropriate arrangement in the interest of the Shareholders as a whole at present, and will not impair the balance of power between the Board and the Company's management, which is mainly in view of the following considerations:

(1) The decision of the Board requires the approval of a majority of Directors. Currently, the Board of the Company consists of eight Directors, comprising three independent non-executive Directors and one non-executive Director, in which the number of independent non-executive Directors is more than the Listing Rules requirement of one-third, and therefore, the Board believes that there are sufficient checks and balances within the Board;

(2) Mr. Chen and other Directors have already undertaken to fulfill their fiduciary duties as Directors, which requires them to act for the benefits and in the best interests of the Company;

(3) The balance of power guarantees the functioning of the Board. The Board of the Company consists of experienced talents in different fields. These members meet regularly to discuss significant issues relating to the business strategies and operations of the Group; and

(4) The Group's development strategies and other major operating decisions are jointly made by the management team, the Board, and special committees under the Board after regular discussions.

The Group will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman of the Board and chief executive officer is necessary.

Terms of Reference of Board Committees

The terms of reference for each Board committee and the list of Directors and their roles and functions have been published on the websites of the Company and the Stock Exchange, respectively.

Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely Mr. Zhong Shan, Mr. Yim Siu Wing, Simon and Dr. Wang Gao. Mr. Zhong Shan is the chairman of the Audit Committee. His expertise in accounting, auditing and finance enables him to lead the Audit Committee.

The primary duties of the Audit Committee are to conduct critical and objective reviews of the Group's financial and accounting practices, risk management and internal control systems, including considering the nature and scope of statutory audits, reviewing the interim and annual accounts of the Group, approving connected transactions and providing advice to the Board.

The Audit Committee has reviewed, with the management and the independent auditor of the Company, the Group's unaudited condensed consolidated interim financial information for the six months ended 30 June 2026, the interim report, the accounting principles and practices adopted by the Group and has discussed the risk management, internal controls and financial reporting matters.

Remuneration Committee

The Remuneration Committee currently consists of Mr. Chen Zhiping, an executive Director, Mr. Yim Siu Wing, Simon and Dr. Wang Gao, two independent non-executive Directors. Mr. Yim Siu Wing, Simon is the chairman of the Remuneration Committee.

The principal responsibilities of the Remuneration Committee are to make recommendations to the Board on the overall remuneration policy and structure for the Directors and senior management and on the establishment of a formal and transparent process for approving such remuneration policy. The Remuneration Committee makes recommendations to the Board on the remuneration packages of individual executive Directors and senior management. No Director will take part in any discussion on his or her own remuneration. During the Review Period, the Remuneration Committee also reviewed and approved matters relating to share schemes under Chapter 17 of the Listing Rules, including the grant of share options and share awards by the Company.

The objective of remuneration policy of the Company is to maintain fair and competitive packages based on business requirements and industry practice. In order to determine the level of remuneration and fees paid to members of the Board, market rates and factors such as each Director's workload, responsibility, and job complexity are taken into account.

Nomination Committee

The Nomination Committee consists of two executive Directors, namely Mr. Chen Zhiping and Ms. Wang Xin, and three independent non-executive Directors, namely Mr. Zhong Shan, Dr. Wang Gao and Mr. Yim Siu Wing, Simon, Mr. Chen Zhiping is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee are to review the Board composition, make recommendations to the Board regarding the rotation and appointment of Directors and Board succession, review Board Diversity Policy and Director Nomination Policy, and assess the independence of independent non-executive Directors of the Company. In order to achieve a diversity of perspectives of the Board, the Company considers a number of factors when deciding on appointments to the Board and the continuation of those appointments. Such factors include gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

Environmental, Social and Governance Committee

The Environmental, Social and Governance ("**ESG**") Committee was established by the Board for improving the ESG management level of the Company. The ESG Committee consists of three members, namely Mr. Chen Zhiping and Mr. Wang Guisheng, executive Directors, and Mr. Zhong Shan, independent non-executive Director. Mr. Chen Zhiping is the chairman of the ESG Committee.

The ESG Committee will meet on a regular basis to review the Company's ESG management system and enhance the ESG management capacity.

Risk Management and Internal Controls

The Company has an internal audit function in place to provide an independent assessment of the Group's risk management and internal control systems and review of their effectiveness in accordance with the CG Code. The Internal Audit Department prepares its unbiased view by using risk assessment method and consult management for the review by the Audit Committee of the Company. The audit work focuses on identification and analysis of the risks in relation to the Group's finance, operation, compliance monitoring, business activities and environmental, social and governance. An integral part of the internal audit function is to monitor and ensure effective operation of risk management and internal control systems.

The Board, through the Audit Committee, has conducted a review of the effectiveness of the risk management and internal control systems of the Group for the six months ended 30 June 2026.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") set forth in the Appendix C3 to the Listing Rules as a code of conduct of the Company for Directors' securities transactions. Having made specific enquiry on this matter, all Directors and relevant employees confirmed that they have complied strictly with the provisions of the Model Code for the six months ended 30 June 2026.

Directors' Interests in Competing Business

During the six months ended 30 June 2026, none of the Directors had any interest in any business which competes with the Company or any of its subsidiaries.

Continuous Professional Development of Directors

All Directors should participate in continuous professional training to acquire and refresh their knowledge and skills pursuant to the CG Code. The Company has arranged for continuous professional training for the directors during the Review Period.

Changes of Directors' and Chief Executive's Information

The three-year terms of each of the director service contracts of Mr. Chen Zhiping, Mr. Xiong Shaoming and Mr. Wang Guisheng, executive directors of the Company, with effect from 29 June 2023, ended on 29 June 2026, and each of Mr. Chen, Mr. Xiong and Mr. Wang entered into another three-year director service contracts on the same day.

The three-year terms of each of the director appointment letters of Mr. Zhong Shan and Mr. Yim Siu Wing, Simon, independent non-executive directors of the Company with effect from 10 July 2023, ended on 10 July 2026, and each of Mr. Zhong Shan and Mr. Yim Siu Wing, Simon entered into another three-year director appointment letters on the same day.

The three-year terms of the director appointment letter of Dr. Wang Gao, an independent non-executive director of the Company with effect from 9 June 2023, ended on 9 June 2026, and Dr. Wang Gao entered into another three-year director appointment letter on the same day.

Given that the term of office has expired, Mr. Zhong Shan ceased to be the chief financial officer of InnoScience (Suzhou) Technology Holding Co., Ltd. (英諾賽科(蘇州)科技股份有限公司) ("**InnoScience**"), a company listed on the Stock Exchange (stock code: 02577), since 28 August 2026.

Besides, due to the re-election of the board of InnoScience, Mr. Zhong will cease to serve as the executive director of InnoScience from the date on which the second session of the board of directors of InnoScience is elected by general meeting.

Save as disclosed above, as of the date of this interim report, there were no changes to the information of Directors and Chief Executive which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Investor Relations and Communication with Shareholders

The Company establishes different communication channels with the Shareholders and investors, including (i) corporate communications (including but not limited to annual reports, interim reports, notices of meetings, circulars and proxy forms) to be sent to the Shareholders as required under the Listing Rules, and the Shareholders can also choose to receive such documents in printed form; (ii) the annual general meeting provides a platform for the Shareholders to raise comments and exchange views with the Board; (iii) updated and key information of the Group is available on the website of the Company; (iv) the Company's website offers a communication channel between the Company and the Shareholders; (v) press conferences and briefing meetings with analysts are arranged from time to time to update on the performance of the Group; (vi) the Company's Hong Kong branch share registrar deals with all the share registration and related matters for Shareholders; and (vii) a dedicated team of the Company handles general enquiries from the Shareholders and investors.

Shareholders and investors are encouraged to access corporate communications of the Company by electronic means through the website of the Company at www.smooreholdings.com and the website of the Stock Exchange at www.hkexnews.hk to help protect the environment. Registered Shareholders may at any time change their choice of language or means of receipt of the Company's corporate communications by giving reasonable notice in writing to the below email to the Company.

Shareholders and investors can send written inquiries or requests to the attention of the Board in the following ways:
Address: Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Email: IR@smooreholdings.com

The Company has adopted the Shareholders' communication policy and procedures for Shareholders to propose a person for election as Director on 15 June 2020.

Interim Dividend

The Board has resolved to declare an interim dividend of HK20 cents per share for the six months ended 30 June 2026 (six months ended 30 June 2025: HK20 cents per share), to be paid to the Shareholders as appearing on the register of members of the Company on 10 September 2026 (i.e. the record date). The interim dividend is expected to be distributed on 25 September 2026, and the ex-dividend date is 4 September 2026.

Closure of Register of Members and Record Dates

The register of members of the Company will be closed from 8 September 2026 to 10 September 2026, both dates inclusive, during which period no transfer of shares will be registered. In order to determine the Shareholders who are entitled to the interim dividend, all transfer forms, accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 7 September 2026.

Purchase, Sale or Redemption of the Listed Securities of the Company (including Treasury Shares)

During the Review Period, neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities (including treasury shares) of the Company. Other than the issuance of equity securities under the share option scheme that complies with Chapter 17 of the Listing Rules, the Group did not issue any equity securities or sale of treasury shares for cash during the Review Period. As at 30 June 2026, the Group did not hold any treasury shares.

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any of Its Associated Corporations

As of 30 June 2026, the interests and short positions of our Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Directors or chief executive	Notes	**Nature of interest**	**Long/short position**	**Ordinary shares held**	**Approximate percentage of the total number of issued shares** (Note 1)
Chen Zhiping	(2)	Interest in controlled corporation	Long position	2,073,708,600	33.47%
	(3)	Interest of concert party	Long position	280,201,400	4.52%
	(4)	Beneficial owner	Long position	61,000,000	0.98%
	(5)	Others	Long position	40,927,848	0.66%
Xiong Shaoming	(6)	Interest in controlled corporation	Long position	319,692,100	5.16%
	(7)	Interest of concert party	Long position	1,997,635,600	32.24%
	(8)	Beneficial owner	Long position	1,437,148	0.0232%
	(9)	Others	Long position	137,073,000	2.21%
Wang Guisheng	(10)	Interest in controlled corporation	Long position	12,000,000	0.19%
	(11)	Beneficial owner	Long position	4,003,486	0.0646%
Wang Xin	(12)	Interest in controlled corporation	Long position	1,243,000	0.0201%
	(13)	Beneficial owner	Long position	1,570,047	0.0253%

Notes:

(1) The percentage is calculated based on the total number of shares of the Company in issue as at 30 June 2026, which was 6,195,631,079 shares.

(2) Mr. Chen Zhiping holds all the issued shares of SMR & Alon Limited, which in turn directly holds 1,997,635,600 shares of the Company. In addition, Mr. Chen holds all the issued shares of CZPGJ Holding Limited, which in turn directly holds 76,073,000 shares of the Company. Accordingly, Mr. Chen is deemed to be interested in the 2,073,708,600 shares of the Company held by SMR & Alon Limited and CZPGJ Holding Limited.

(3) By virtue of Section 317 of the SFO and the concert party agreement entered into between Mr. Chen Zhiping and Mr. Xiong Shaoming on 11 December 2019 (the "**Concert Party Agreement**"), Mr. Chen Zhiping is deemed to be interested in the 280,201,400 shares in which Mr. Xiong Shaoming has an interest.

(4) These represent the 61,000,000 shares of the Company to be issued upon the exercise of share options conditionally granted to Mr. Chen Zhiping on 27 December 2024 under the Share Option Scheme. On 18 February 2025, the requisite shareholders' approval was obtained and all conditions to the grant of such options have been satisfied. Vesting of up to 30%, 60% and 100% of these options will only occur if the average market capitalisation of the Company for any 15 consecutive business days first reaches HK$300,000,000,000, HK$400,000,000,000 or HK$500,000,000,000, respectively, during the period between 1 January 2025 and 31 December 2030. For more details, please refer to the Company's announcement dated 27 December 2024 and the Company's circulars dated 8 January 2025 and 24 April 2026 .

(5) By virtue of Section 318 of the SFO, except for the Concert Party Agreement, Mr. Chen Zhiping is deemed to be interested in the 40,927,848 shares in which Mr. Xiong Shaoming has an interest.

(6) Mr. Xiong Shaoming holds all the issued shares of Andy Xiong Holding Limited, which in turn directly holds 319,692,100 shares of the Company. Accordingly, Mr. Xiong is deemed to be interested in the 319,692,100 shares of the Company held by Andy Xiong Holding Limited.

(7) By virtue of Section 317 of the SFO and the Concert Party Agreement, Mr. Xiong Shaoming is deemed to be interested in the 1,997,635,600 shares in which Mr. Chen Zhiping has an interest.

(8) Mr. Xiong Shaoming beneficially holds a total interest of 1,437,148 shares, including: (i) 61,673 shares of the Company beneficially held by Mr. Xiong; (ii) 1,279,800 share options granted by the Company to Mr. Xiong under the Share Option Scheme; and (iii) 95,675 share awards granted by the Company to Mr. Xiong under the Share Award Scheme.

(9) By virtue of Section 318 of the SFO, apart from the Concert Party Agreement, Mr. Xiong Shaoming is deemed to be interested in the 137,073,000 shares in which Mr. Chen Zhiping has an interest.

(10) Mr. Wang Guisheng holds all the issued shares of Sunrise & Rainbow Holding Limited, which in turn directly holds 12,000,000 shares of the Company. Accordingly, Mr. Wang is deemed to be interested in the 12,000,000 shares of the Company held by Sunrise & Rainbow Holding Limited.

(11) Mr. Wang Guisheng beneficially holds a total interest of 4,003,486 shares, including: (i) 424,111 shares of the Company beneficially held by Mr. Wang; (ii) 2,509,250 share options granted by the Company to Mr. Wang under the Share Option Scheme; and (iii) 1,070,125 share awards granted by the Company to Mr. Wang under the Share Award Scheme.

(12) Ms. Wang Xin holds all the issued shares of WXGJ Holding Limited, which in turn directly holds 1,243,000 shares of the Company. Accordingly, Ms. Wang is deemed to be interested in the 1,243,000 shares of the Company held by WXGJ Holding Limited.

(13) Ms. Wang Xin beneficially holds a total interest of 1,570,047 shares, including (i) 134,367 shares of the Company beneficially held by Ms. Wang Xin; (ii) 947,755 share options granted by the Company to Ms. Wang under the Share Option Scheme; and (iii) 487,925 share awards granted by the Company to Ms. Wang under the Share Award Scheme.

(14) Apart from the interests of the four executive directors disclosed above, the remaining four non-executive director and independent non-executive directors of the Company have no interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations.

Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares and Underlying Shares

As of 30 June 2026, so far as the Directors of the Company are aware, the following parties (other than our Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and Section 336 of the SFO:

Name of substantial shareholders	Notes	Nature of interest	Long/short position	Ordinary shares held	Approximate percentage of the total number of issued shares (Note 1)
SMR & Alon Limited	(2)	Beneficial owner	Long position	1,997,635,600	32.24%
Zhao Zihan	(3)	Interest of spouse	Long position	2,455,837,848	39.64%
Andy Xiong Holding Limited	(4)	Beneficial owner	Long position	319,692,100	5.16%
Han Xiao	(5)	Interest of spouse	Long position	2,455,837,848	39.64%
EVE BATTERY INVESTMENT LTD. ("**EVE Battery**")	(6)	Beneficial owner	Long position	1,901,520,000	30.69%
EVE Asia Co., Limited	(6)	Interest in controlled corporation	Long position	1,901,520,000	30.69%
EVE Energy Co., Ltd. ("**EVE Energy**")	(6)	Interest in controlled corporation	Long position	1,901,520,000	30.69%
Liu Jincheng	(7)	Interest in controlled corporation	Long position	1,950,240,000	31.48%
Luo Jinhong	(8)	Interest of spouse	Long position	1,950,240,000	31.48%

Notes:

(1) The percentage is calculated based on the total number of shares of the Company in issue as at 30 June 2026, which was 6,195,631,079 shares.

(2) SMR & Alon Limited is beneficially and wholly owned by Mr. Chen Zhiping. Mr. Chen is therefore deemed to be interested in the Shares held by SMR & Alon Limited under the SFO.

(3) Ms. Zhao Zihan is the spouse of Mr. Chen Zhiping. Under the SFO, Ms. Zhao Zihan is deemed to be interested in the same number of Shares in which Mr. Chen is interested.

(4) Andy Xiong Holding Limited is beneficially and wholly owned by Mr. Xiong Shaoming. Mr. Xiong is therefore deemed to be interested in the Shares held by Andy Xiong Holding Limited under the SFO.

(5) Ms. Han Xiao is the spouse of Mr. Xiong Shaoming. Under the SFO, Ms. Han Xiao is deemed to be interested in the same number of Shares in which Mr. Xiong is interested.

(6) EVE Battery is an investment holding company wholly owned by EVE Asia Co., Limited which is a wholly-owned subsidiary of EVE Energy. EVE Energy is ultimately controlled by Dr. Liu Jincheng and Ms. Luo Jinhong (spouse of Dr. Liu).

(7) Dr. Liu Jincheng holds all the issued shares of Golden Energy Global Investment Ltd., which in turn directly holds 48,720,000 shares of the Company. In addition, Dr. Liu through EVE Energy and EVE Asia Co., Limited ultimately controls EVE Battery, which in turn directly holds, according to the register required to be kept by the Company pursuant to the SFO: 1,901,520,000 shares of the Company. Accordingly, Dr. Liu is deemed to be interested in an aggregate of 1,950,240,000 shares of the Company held by Golden Energy Global Investment Ltd. and EVE Battery.

    As disclosed in an announcement of EVE Energy dated 4 July 2026, EVE Battery had disposed of an aggregate of 27,355,000 shares of the Company by the end of July 2025, and was holding 1,874,165,000 shares of the Company as at the date of that announcement.

(8) Ms. Luo Jinhong is the spouse of Dr. Liu Jincheng. Under the SFO, Ms. Luo Jinhong is deemed to be interested in the same number of Shares in which Dr. Liu is interested.

Share Schemes

The number of shares that may be issued in respect of share options and awarded shares granted under all share schemes of the Company during the Review Period divided by the weighted average number of shares of the relevant share class in issue (excluding treasury shares) for the Review Period is approximately 0.05%.

OTHER INFORMATION (CONTINUED)

A. Share Option Scheme

The share option scheme was conditionally approved and adopted by the Shareholders on 15 June 2020 and was amended and approved by the Shareholders on 18 February 2025 ("**Share Option Scheme**"). The terms of Share Option Scheme were further amended by the Shareholders on 22 May 2026 and are subject to Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to incentivize and reward eligible persons for their contribution to our Group and to align their interests with that of our Company so as to encourage them to work towards enhancing the value of our Company. Participants of the Share Option Scheme included employees (whether full time or part time) or Directors of the members of the Group, and the number of share subscription could be determined by the Board.

For the six months ended 30 June 2026, the Company has granted 1,930,000 share options to eligible participants under the Share Option Scheme on 16 April 2026.

The number of options available for grant under the scheme mandate of the Share Option Scheme on 1 January 2026 was 551,022,627 shares and the number of options available for grant under the scheme mandate of the Share Option Scheme on 30 June 2026 was 549,532,627 shares. Assuming, for illustration purposes only, all awarded shares granted under the amended share award scheme after 18 February 2025 (i.e. the date of the Feb 2025 EGM where the shareholders approved the scheme mandate limit) are to be satisfied by allotment of new shares (including transfer of treasury shares), the number of options available for grant under the scheme mandate of the Share Option Scheme on 30 June 2026 was 544,873,627 shares.

For further information of the Share Option Scheme, please refer to Appendix II (Summary of the Principal terms of the Amended Share Option Scheme) to the Company's circular dated 8 January 2025 and Appendix V (Summary of the Proposed Amendments to the Share Option Scheme) to the Company's circular dated 24 April 2026.

For the six months ended 30 June 2026, details of the movement of the options granted under the Share Option Scheme are as follows:

Grantee	Date of grant	Number of options	Vesting period	Exercisable period	Closing price immediately before the date of grant (HKD)	Exercise (HKD)	Fair value as at the date of grant (HKD)	Weighted average closing price immediately before the exercise date (HKD)	Number of options at 1 January 2026	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Number of options at 30 June 2026
Chen Zhiping [1] ("Director")	2024/12/27 (Approved by shareholders on 18 February 2025)	18,300,000	2024/12/27–2025/12/26	2025/12/27–2034/12/26	10.10	11.26	3.46	NA	18,300,000	–	–	–	–	18,300,000
		18,300,000	2024/12/27–2025/12/26	2025/12/27–2034/12/26	10.10	11.26	2.61	NA	18,300,000	–	–	–	–	18,300,000
		24,400,000	2024/12/27–2025/12/26	2025/12/27–2034/12/26	10.10	11.26	2.03	NA	24,400,000	–	–	–	–	24,400,000
Wang Guisheng ("Director")	2022/11/09	66,500	2022/11/09–2023/05/08	2023/05/09–2032/11/08	11.78	11.11	2.77	NA	66,500	–	–	–	–	66,500
		66,500	2022/11/09–2024/03/31	2024/04/01–2032/11/08	11.78	11.11	3.19	NA	66,500	–	–	–	–	66,500
	2023/08/23	319,150	2023/08/23–2025/08/22	2025/08/23–2033/08/22	7.63	7.79	2.54	NA	319,150	–	–	–	–	319,150
		319,150	2023/08/23–2026/08/22	2026/08/23–2033/08/22	7.63	7.79	2.83	NA	319,150	–	–	–	–	319,150
		319,150	2023/08/23–2027/08/22	2027/08/23–2033/08/22	7.63	7.79	3.06	NA	319,150	–	–	–	–	319,150
	2024/10/24	126,450	2024/10/24–2025/10/23	2025/10/24–2034/10/23	11.26	11.16	3.39	NA	126,450	–	–	–	–	126,450
		126,450	2024/10/24–2026/10/23	2026/10/24–2034/10/23	11.26	11.16	4.04	NA	126,450	–	–	–	–	126,450
		126,450	2024/10/24–2027/10/23	2027/10/24–2034/10/23	11.26	11.16	4.55	NA	126,450	–	–	–	–	126,450
		126,450	2024/10/24–2028/10/23	2028/10/24–2034/10/23	11.26	11.16	4.97	NA	126,450	–	–	–	–	126,450
		91,300	2024/10/24–2026/04/29	2026/04/30–2034/10/23	11.26	11.16	3.76	NA	91,300	–	–	–	–	91,300
		182,600	2024/10/24–2027/04/29	2027/04/30–2034/10/23	11.26	11.16	4.33	NA	182,600	–	–	–	–	182,600
		273,900	2024/10/24–2028/04/29	2028/04/30–2034/10/23	11.26	11.16	4.79	NA	273,900	–	–	–	–	273,900
		365,200	2024/10/24–2029/04/29	2029/04/30–2034/10/23	11.26	11.16	5.17	NA	365,200	–	–	–	–	365,200
Xiong Shaoming ("Director")	2022/11/09	117,000	2022/11/09–2023/05/08	2023/05/09–2032/11/08	11.78	11.11	2.77	NA	117,000	–	–	–	–	117,000
		117,000	2022/11/09–2024/03/31	2024/04/01–2032/11/08	11.78	11.11	3.19	NA	117,000	–	–	–	–	117,000
	2023/08/23	172,825	2023/08/23–2024/08/22	2024/08/23–2033/08/22	7.63	7.79	2.15	NA	172,825	–	–	–	–	172,825
		172,825	2023/08/23–2025/08/22	2025/08/23–2033/08/22	7.63	7.79	2.54	NA	172,825	–	–	–	–	172,825
		172,825	2023/08/23–2026/08/22	2026/08/23–2033/08/22	7.63	7.79	2.83	NA	172,825	–	–	–	–	172,825
		172,825	2023/08/23–2027/08/22	2027/08/23–2033/08/22	7.63	7.79	3.06	NA	172,825	–	–	–	–	172,825
	2024/10/24	88,625	2024/10/24–2025/10/23	2025/10/24–2034/10/23	11.26	11.16	3.39	NA	88,625	–	–	–	–	88,625
		88,625	2024/10/24–2026/10/23	2026/10/24–2034/10/23	11.26	11.16	4.04	NA	88,625	–	–	–	–	88,625
		88,625	2024/10/24–2027/10/23	2027/10/24–2034/10/23	11.26	11.16	4.55	NA	88,625	–	–	–	–	88,625
		88,625	2024/10/24–2028/10/23	2028/10/24–2034/10/23	11.26	11.16	4.97	NA	88,625	–	–	–	–	88,625
Wang Xin ("Director")	2022/11/09	7,500	2022/11/09–2023/05/08	2023/05/09–2032/11/08	11.78	11.11	2.77	NA	7,500	–	–	–	–	7,500
		7,500	2022/11/09–2024/03/31	2024/04/01–2032/11/08	11.78	11.11	3.19	NA	7,500	–	–	–	–	7,500
	2023/08/23	87,650	2023/08/23–2024/08/22	2024/08/23–2033/08/22	7.63	7.79	2.15	NA	87,650	–	–	–	–	87,650
		87,650	2023/08/23–2025/08/22	2025/08/23–2033/08/22	7.63	7.79	2.54	NA	87,650	–	–	–	–	87,650
		87,650	2023/08/23–2026/08/22	2026/08/23–2033/08/22	7.63	7.79	2.83	NA	87,650	–	–	–	–	87,650
		87,650	2023/08/23–2027/08/22	2027/08/23–2033/08/22	7.63	7.79	3.06	NA	87,650	–	–	–	–	87,650
	2024/10/24	58,725	2024/10/24–2025/10/23	2025/10/24–2034/10/23	11.26	11.16	3.39	NA	46,980	–	–	–	–	46,980
		58,725	2024/10/24–2026/10/23	2026/10/24–2034/10/23	11.26	11.16	4.04	NA	58,725	–	–	–	–	58,725
		58,725	2024/10/24–2027/10/23	2027/10/24–2034/10/23	11.26	11.16	4.55	NA	58,725	–	–	–	–	58,725
		58,725	2024/10/24–2028/10/23	2028/10/24–2034/10/23	11.26	11.16	4.97	NA	58,725	–	–	–	–	58,725
		35,900	2024/10/24–2026/04/29	2026/04/30–2034/10/23	11.26	11.16	3.76	NA	35,900	–	–	–	–	35,900
		71,800	2024/10/24–2027/04/29	2027/04/30–2034/10/23	11.26	11.16	4.33	NA	71,800	–	–	–	–	71,800
		107,700	2024/10/24–2028/04/29	2028/04/30–2034/10/23	11.26	11.16	4.79	NA	107,700	–	–	–	–	107,700
		143,600	2024/10/24–2029/04/29	2029/04/30–2034/10/23	11.26	11.16	5.17	NA	143,600	–	–	–	–	143,600
Li Xiaoping ("Associate of Director")	2022/11/09	32,500	2022/11/09–2023/05/08	2023/05/09–2032/11/08	11.78	11.11	2.77	NA	32,500	–	–	–	–	32,500
		32,500	2022/11/09–2024/03/31	2024/04/01–2032/11/08	11.78	11.11	3.19	NA	32,500	–	–	–	–	32,500
	2023/08/23	21,900	2023/08/23–2024/08/22	2024/08/23–2033/08/22	7.63	7.79	2.15	NA	21,900	–	–	–	–	21,900
		21,900	2023/08/23–2025/08/22	2025/08/23–2033/08/22	7.63	7.79	2.54	NA	21,900	–	–	–	–	21,900
		21,900	2023/08/23–2026/08/22	2026/08/23–2033/08/22	7.63	7.79	2.83	NA	21,900	–	–	–	–	21,900
		21,900	2023/08/23–2027/08/22	2027/08/23–2033/08/22	7.63	7.79	3.06	NA	21,900	–	–	–	–	21,900
	2024/10/24	19,900	2024/10/24–2025/10/23	2025/10/24–2034/10/23	11.26	11.16	3.39	NA	19,900	–	–	–	–	19,900
		19,900	2024/10/24–2026/10/23	2026/10/24–2034/10/23	11.26	11.16	4.04	NA	19,900	–	–	–	–	19,900
		19,900	2024/10/24–2027/10/23	2027/10/24–2034/10/23	11.26	11.16	4.55	NA	19,900	–	–	–	–	19,900
		19,900	2024/10/24–2028/10/23	2028/10/24–2034/10/23	11.26	11.16	4.97	NA	19,900	–	–	–	–	19,900
		8,000	2024/10/24–2026/04/29	2026/04/30–2034/10/23	11.26	11.16	3.76	NA	8,000	–	–	–	–	8,000
		16,000	2024/10/24–2027/04/29	2027/04/30–2034/10/23	11.26	11.16	4.33	NA	16,000	–	–	–	–	16,000
		24,000	2024/10/24–2028/04/29	2028/04/30–2034/10/23	11.26	11.16	4.79	NA	24,000	–	–	–	–	24,000
		32,000	2024/10/24–2029/04/29	2029/04/30–2034/10/23	11.26	11.16	5.17	NA	32,000	–	–	–	–	32,000

OTHER INFORMATION (CONTINUED)

Grantee	Date of grant	Number of options	Vesting period	Exercisable period	Closing price immediately before the date of grant (HKD)	Exercise (HKD)	Fair value as at the date of grant (HKD)	Weighted average closing price immediately before the exercise date (HKD)	Number of options at 1 January 2026	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Number of options at 30 June 2026
Bu Zhiqiang	2022/11/09	15,500	2022/11/09–2023/05/08	2023/05/09–2032/11/08	11.78	11.11	2.77	NA	15,500	–	–	–	–	15,500
(“Associate		15,500	2022/11/09–2024/03/31	2024/04/01–2032/11/08	11.78	11.11	3.19	NA	15,500	–	–	–	–	15,500
of Director”)	2023/08/23	33,550	2023/08/23–2024/08/22	2024/08/23–2033/08/22	7.63	7.79	2.15	NA	33,550	–	–	–	–	33,550
		33,550	2023/08/23–2025/08/22	2025/08/23–2033/08/22	7.63	7.79	2.54	NA	33,550	–	–	–	–	33,550
		33,550	2023/08/23–2026/08/22	2026/08/23–2033/08/22	7.63	7.79	2.83	NA	33,550	–	–	–	–	33,550
		33,550	2023/08/23–2027/08/22	2027/08/23–2033/08/22	7.63	7.79	3.06	NA	33,550	–	–	–	–	33,550
	2024/10/24	16,075	2024/10/24–2025/10/23	2025/10/24–2034/10/23	11.26	11.16	3.39	NA	16,075	–	–	–	–	16,075
		16,075	2024/10/24–2026/10/23	2026/10/24–2034/10/23	11.26	11.16	4.04	NA	16,075	–	–	–	–	16,075
		16,075	2024/10/24–2027/10/23	2027/10/24–2034/10/23	11.26	11.16	4.55	NA	16,075	–	–	–	–	16,075
		16,075	2024/10/24–2028/10/23	2028/10/24–2034/10/23	11.26	11.16	4.97	NA	16,075	–	–	–	–	16,075
		5,000	2024/10/24–2026/04/29	2026/04/30–2034/10/23	11.26	11.16	3.76	NA	5,000	–	–	–	–	5,000
		10,000	2024/10/24–2027/04/29	2027/04/30–2034/10/23	11.26	11.16	4.33	NA	10,000	–	–	–	–	10,000
		15,000	2024/10/24–2028/04/29	2028/04/30–2034/10/23	11.26	11.16	4.79	NA	15,000	–	–	–	–	15,000
		20,000	2024/10/24–2029/04/29	2029/04/30–2034/10/23	11.26	11.16	5.17	NA	20,000	–	–	–	–	20,000
Yuan Xiang	2023/08/23	9,650	2023/08/23–2024/08/22	2024/08/23–2033/08/22	7.63	7.79	2.15	NA	9,650	–	–	–	–	9,650
(“Associate		9,650	2023/08/23–2025/08/22	2025/08/23–2033/08/22	7.63	7.79	2.54	NA	9,650	–	–	–	–	9,650
of Director”)		9,650	2023/08/23–2026/08/22	2026/08/23–2033/08/22	7.63	7.79	2.83	NA	9,650	–	–	–	–	9,650
		9,650	2023/08/23–2027/08/22	2027/08/23–2033/08/22	7.63	7.79	3.06	NA	9,650	–	–	–	–	9,650
	2024/10/24	6,650	2024/10/24–2025/10/23	2025/10/24–2034/10/23	11.26	11.16	3.39	NA	6,650	–	–	–	–	6,650
		6,650	2024/10/24–2026/10/23	2026/10/24–2034/10/23	11.26	11.16	4.04	NA	6,650	–	–	–	–	6,650
		6,650	2024/10/24–2027/10/23	2027/10/24–2034/10/23	11.26	11.16	4.55	NA	6,650	–	–	–	–	6,650
		6,650	2024/10/24–2028/10/23	2028/10/24–2034/10/23	11.26	11.16	4.97	NA	6,650	–	–	–	–	6,650
Bu Weiqiang	2023/08/23	26,825	2023/08/23–2024/08/22	2024/08/23–2033/08/22	7.63	7.79	2.15	NA	26,825	–	–	–	–	26,825
(“Associate		26,825	2023/08/23–2025/08/22	2025/08/23–2033/08/22	7.63	7.79	2.54	NA	26,825	–	–	–	–	26,825
of Director”)		26,825	2023/08/23–2026/08/22	2026/08/23–2033/08/22	7.63	7.79	2.83	NA	26,825	–	–	–	–	26,825
		26,825	2023/08/23–2027/08/22	2027/08/23–2033/08/22	7.63	7.79	3.06	NA	26,825	–	–	–	–	26,825
	2024/10/24	18,425	2024/10/24–2025/10/23	2025/10/24–2034/10/23	11.26	11.16	3.39	NA	14,740	–	–	–	–	14,740
		18,425	2024/10/24–2026/10/23	2026/10/24–2034/10/23	11.26	11.16	4.04	NA	18,425	–	–	–	–	18,425
		18,425	2024/10/24–2027/10/23	2027/10/24–2034/10/23	11.26	11.16	4.55	NA	18,425	–	–	–	–	18,425
		18,425	2024/10/24–2028/10/23	2028/10/24–2034/10/23	11.26	11.16	4.97	NA	18,425	–	–	–	–	18,425
		9,300	2024/10/24–2026/04/29	2026/04/30–2034/10/23	11.26	11.16	3.76	NA	9,300	–	–	–	–	9,300
		18,600	2024/10/24–2027/04/29	2027/04/30–2034/10/23	11.26	11.16	4.33	NA	18,600	–	–	–	–	18,600
		27,900	2024/10/24–2028/04/29	2028/04/30–2034/10/23	11.26	11.16	4.79	NA	27,900	–	–	–	–	27,900
		37,200	2024/10/24–2029/04/29	2029/04/30–2034/10/23	11.26	11.16	5.17	NA	37,200	–	–	–	–	37,200
Other employees	2022/05/19	2,447,000	2022/05/19–2023/05/18	2023/05/19–2032/05/18	17.46	16.88	4.56	NA	1,214,387	–	–	–	33,000	1,181,387
(“Not		2,993,750	2022/05/19–2024/05/18	2024/05/19–2032/05/18	17.46	16.88	5.19	NA	1,500,830	–	–	–	58,500	1,442,330
Directors”)		2,993,750	2022/05/19–2025/05/18	2025/05/19–2032/05/18	17.46	16.88	5.67	NA	1,592,836	–	–	–	58,569	1,534,267
		2,993,750	2022/05/19–2026/05/18	2026/05/19–2032/05/18	17.46	16.88	6.04	NA	1,616,125	–	–	–	82,500	1,533,625
		546,750	2022/05/19–2027/05/18	2027/05/19–2032/05/18	17.46	16.88	6.33	NA	255,750	–	–	–	25,500	230,250
Other employees	2022/07/21	629,500	2022/07/21–2023/07/20	2023/07/21–2032/07/20	20.60	20.80	5.51	NA	184,500	–	–	–	–	184,500
(“Not		629,500	2022/07/21–2024/07/20	2024/07/21–2032/07/20	20.60	20.80	6.32	NA	184,500	–	–	–	–	184,500
Directors”)		629,500	2022/07/21–2025/07/20	2025/07/21–2032/07/20	20.60	20.80	6.94	NA	184,500	–	–	–	–	184,500
		629,500	2022/07/21–2026/07/20	2026/07/21–2032/07/20	20.60	20.80	7.44	NA	184,500	–	–	–	–	184,500
Other employees	2022/11/09	8,760,200	2022/11/09–2023/05/08	2023/05/09–2032/11/08	11.78	11.11	2.77	NA	3,992,800	–	–	–	141,500	3,851,300
(“Not		8,760,200	2022/11/09–2024/03/31	2024/04/01–2032/11/08	11.78	11.11	3.19	NA	4,162,800	–	–	–	141,500	4,021,300
Directors”)		6,223,600	2022/11/09–2025/03/31	2025/04/01–2032/11/08	11.78	11.11	3.56	NA	2,310,759	–	–	–	100,000	2,210,759
		910,000	2022/11/09–2023/0708	2023/07/09–2032/11/08	11.78	11.11	2.87	NA	363,814	–	–	–	–	363,814
		910,000	2022/11/09–2024/0708	2024/07/09–2032/11/08	11.78	11.11	3.31	NA	439,864	–	–	–	–	439,864
		910,000	2022/11/09–2025/0708	2025/07/09–2032/11/08	11.78	11.11	3.65	NA	563,400	–	–	–	–	563,400
		2,915,800	2022/11/09–2023/0929	2023/09/30–2032/11/08	11.78	11.11	2.97	NA	984,200	–	–	–	3,000	981,200
		2,915,800	2022/11/09–2024/0929	2024/09/30–2032/11/08	11.78	11.11	3.39	NA	1,099,753	–	–	–	36,103	1,063,650
		2,907,400	2022/11/09–2025/0929	2025/09/30–2032/11/08	11.78	11.11	3.71	NA	1,543,200	–	–	–	79,600	1,463,600
		1,103,500	2022/11/09–2024/0103	2024/01/04–2032/11/08	11.78	11.11	3.10	NA	490,100	–	–	–	–	490,100
		1,103,500	2022/11/09–2025/0103	2025/01/04–2032/11/08	11.78	11.11	3.49	12.09	510,100	–	20,000	–	–	490,100
		1,103,000	2022/11/09–2026/0103	2026/01/04–2032/11/08	11.78	11.11	3.79	12.09	616,400	–	20,000	–	–	596,400
Other employees	2022/11/10	515,000	2022/11/10–2023/11/09	2023/11/10–2032/11/09	11.02	11.20	2.81	NA	245,000	–	–	–	–	245,000
(“Not		515,000	2022/11/10–2024/11/09	2024/11/10–2032/11/09	11.02	11.20	3.22	NA	255,000	–	–	–	–	255,000
Directors”)		515,000	2022/11/10–2025/11/09	2025/11/10–2032/11/09	11.02	11.20	3.52	NA	292,500	–	–	–	–	292,500
		515,000	2022/11/10–2026/11/09	2026/11/10–2032/11/09	11.02	11.20	3.75	NA	292,500	–	–	–	–	292,500
Other employees	2022/12/28	482,500	2022/12/28–2023/12/27	2023/12/28–2032/12/27	12.78	12.96	3.57	NA	27,500	–	–	–	–	27,500
(“Not		482,500	2022/12/28–2024/12/27	2024/12/28–2032/12/27	12.78	12.96	4.09	NA	32,500	–	–	–	–	32,500
Directors”)		482,500	2022/12/28–2025/12/27	2025/12/28–2032/12/27	12.78	12.96	4.47	NA	47,500	–	–	–	–	47,500
		482,500	2022/12/28–2026/12/27	2026/12/28–2032/12/27	12.78	12.96	4.77	NA	47,500	–	–	–	–	47,500

Grantee	Date of grant	Number of options	Vesting period	Exercisable period	Closing price immediately before the date of grant (HKD)	Exercise (HKD)	Fair value as at the date of grant (HKD)	Weighted average closing price immediately before the exercise date (HKD)	Number of options at 1 January 2026	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Number of options at 30 June 2026
Other employees	2023/04/19	865,000	2023/04/19–2024/04/18	2024/04/19–2033/04/18	9.95	9.71	3.03	NA	104,695	–	–	–	–	104,695
("Not		865,000	2023/04/19–2025/04/18	2025/04/19–2033/04/18	9.95	9.71	3.54	NA	105,305	–	–	–	–	105,305
Directors")		865,000	2023/04/19–2026/04/18	2026/04/19–2033/04/18	9.95	9.71	3.91	NA	270,000	–	–	–	–	270,000
		865,000	2023/04/19–2027/04/18	2027/04/19–2033/04/18	9.95	9.71	4.20	NA	270,000	–	–	–	–	270,000
Other employees	2023/07/20	735,000	2023/07/20–2024/07/19	2024/07/20–2033/07/19	7.88	8.16	2.57	10.98	90,000	–	40,000	–	–	50,000
("Not		735,000	2023/07/20–2025/07/19	2025/07/20–2033/07/19	7.88	8.16	2.99	10.98	160,000	–	99,461	–	539	60,000
Directors")		735,000	2023/07/20–2026/07/19	2026/07/20–2033/07/19	7.88	8.16	3.28	NA	160,000	–	–	–	100,000	60,000
		735,000	2023/07/20–2027/07/19	2027/07/20–2033/07/19	7.88	8.16	3.51	NA	160,000	–	–	–	100,000	60,000
Other employees	2023/08/23	18,707,225	2023/08/23–2024/08/22	2024/08/23–2033/08/22	7.63	7.79	2.15	11.31	10,539,037	–	302,004	–	91,525	10,145,508
("Not		18,707,225	2023/08/23–2025/08/22	2025/08/23–2033/08/22	7.63	7.79	2.54	10.94	14,962,621	–	800,538	–	115,862	14,046,221
Directors")		18,707,225	2023/08/23–2026/08/22	2026/08/23–2033/08/22	7.63	7.79	2.83	NA	16,083,725	–	–	–	561,825	15,521,900
		18,707,225	2023/08/23–2027/08/22	2027/08/23–2033/08/22	7.63	7.79	3.06	NA	16,083,725	–	–	–	561,825	15,521,900
Other employees	2023/10/20	390,000	2023/10/20–2024/10/19	2024/10/20–2033/10/19	5.97	5.99	1.79	11.82	20,000	–	20,000	–	–	–
("Not		390,000	2023/10/20–2025/10/19	2025/10/20–2033/10/19	5.97	5.99	2.09	9.82	120,000	–	20,000	–	–	100,000
Directors")		390,000	2023/10/20–2026/10/19	2026/10/20–2033/10/19	5.97	5.99	2.31	NA	165,000	–	–	–	15,000	150,000
		390,000	2023/10/20–2027/10/19	2027/10/20–2033/10/19	5.97	5.99	2.48	NA	165,000	–	–	–	15,000	150,000
Other employees	2024/03/27	145,000	2024/03/27–2025/03/26	2025/03/27–2034/03/26	6.55	6.85	1.96	NA	115,000	–	–	–	–	115,000
("Not		145,000	2024/03/27–2026/03/26	2026/03/27–2034/03/26	6.55	6.85	2.31	NA	115,000	–	–	–	–	115,000
Directors")		145,000	2024/03/27–2027/03/26	2027/03/27–2034/03/26	6.55	6.85	2.59	NA	115,000	–	–	–	–	115,000
		145,000	2024/03/27–2028/03/26	2028/03/27–2034/03/26	6.55	6.85	2.82	NA	115,000	–	–	–	–	115,000
Other employees	2024/07/04	477,500	2024/07/04–2025/07/03	2025/07/04–2034/07/03	8.57	9.24	2.52	NA	20,000	–	–	–	–	20,000
("Not		477,500	2024/07/04–2026/07/03	2026/07/04–2034/07/03	8.57	9.24	3.00	NA	170,000	–	–	–	–	170,000
Directors")		477,500	2024/07/04–2027/07/03	2027/07/04–2034/07/03	8.57	9.24	3.38	NA	170,000	–	–	–	–	170,000
		477,500	2024/07/04–2028/07/03	2028/07/04–2034/07/03	8.57	9.24	3.70	NA	170,000	–	–	–	–	170,000
Other employees	2024/10/24	355,000	2024/10/24–2025/10/23	2025/10/24–2034/10/23	11.26	11.16	3.39	NA	60,785	–	–	–	–	60,785
("Not		355,000	2024/10/24–2026/10/23	2026/10/24–2034/10/23	11.26	11.16	4.04	NA	90,000	–	–	–	25,000	65,000
Directors")		355,000	2024/10/24–2027/10/23	2027/10/24–2034/10/23	11.26	11.16	4.55	NA	90,000	–	–	–	25,000	65,000
		355,000	2024/10/24–2028/10/23	2028/10/24–2034/10/23	11.26	11.16	4.97	NA	90,000	–	–	–	25,000	65,000
		12,643,325	2024/10/24–2025/10/23	2025/10/24–2034/10/23	11.26	11.16	3.39	12.33	10,876,995	–	55,655	–	342,149	10,479,191
		12,643,325	2024/10/24–2026/10/23	2026/10/24–2034/10/23	11.26	11.16	4.04	NA	11,616,400	–	–	–	428,550	11,187,850
		12,643,325	2024/10/24–2027/10/23	2027/10/24–2034/10/23	11.26	11.16	4.55	NA	11,616,400	–	–	–	468,050	11,148,350
		12,643,325	2024/10/24–2028/10/23	2028/10/24–2034/10/23	11.26	11.16	4.97	NA	11,616,400	–	–	–	484,550	11,131,850
		3,858,100	2024/10/24–2026/04/29	2026/04/30–2034/10/23	11.26	11.16	3.76	NA	3,607,400	–	–	–	59,500	3,547,900
		7,716,200	2024/10/24–2027/04/29	2027/04/30–2034/10/23	11.26	11.16	4.33	NA	7,214,800	–	–	–	119,000	7,095,800
		11,574,300	2024/10/24–2028/04/29	2028/04/30–2034/10/23	11.26	11.16	4.79	NA	10,822,200	–	–	–	178,500	10,643,700
		15,432,400	2024/10/24–2029/04/29	2029/04/30–2034/10/23	11.26	11.16	5.17	NA	14,429,600	–	–	–	238,000	14,191,600
Other employees	2024/12/27	415,000	2024/12/27–2025/12/26	2025/12/27–2034/12/26	10.10	11.26	3.63	NA	240,000	–	–	–	65,000	175,000
("Not		415,000	2024/12/27–2026/12/26	2026/12/27–2034/12/26	10.10	11.26	4.32	NA	240,000	–	–	–	65,000	175,000
Directors")		415,000	2024/12/27–2027/12/26	2027/12/27–2034/12/26	10.10	11.26	4.87	NA	240,000	–	–	–	65,000	175,000
		415,000	2024/12/27–2028/12/26	2028/12/27–2034/12/26	10.10	11.26	5.31	NA	240,000	–	–	–	65,000	175,000
		60,000	2024/12/27–2026/04/29	2026/04/30–2034/12/26	10.10	11.26	3.89	NA	60,000	–	–	–	24,000	36,000
		120,000	2024/12/27–2027/04/29	2027/04/30–2034/12/26	10.10	11.26	4.53	NA	120,000	–	–	–	48,000	72,000
		180,000	2024/12/27–2028/04/29	2028/04/30–2034/12/26	10.10	11.26	5.03	NA	180,000	–	–	–	72,000	108,000
		240,000	2024/12/27–2029/04/29	2029/04/30–2034/12/26	10.10	11.26	5.45	NA	240,000	–	–	–	96,000	144,000
Other employees	2025/05/07	347,500	2025/05/07–2026/05/06	2026/05/07–2035/05/06	13.86	13.52	4.24	NA	282,500	–	–	–	10,000	272,500
("Not		347,500	2025/05/07–2027/05/06	2027/05/07–2035/05/06	13.86	13.52	4.98	NA	282,500	–	–	–	10,000	272,500
Directors")		347,500	2025/05/07–2028/05/06	2028/05/07–2035/05/06	13.86	13.52	5.63	NA	282,500	–	–	–	10,000	272,500
		347,500	2025/05/07–2029/05/06	2029/05/07–2035/05/06	13.86	13.52	6.12	NA	282,500	–	–	–	10,000	272,500
		100,000	2025/05/07–2026/05/06	2026/05/07–2035/05/06	13.86	13.52	4.24	NA	100,000	–	–	–	–	100,000
		200,000	2025/05/07–2027/04/29	2027/04/30–2035/05/06	13.86	13.52	4.98	NA	200,000	–	–	–	–	200,000
		300,000	2025/05/07–2028/04/29	2028/04/30–2035/05/06	13.86	13.52	5.58	NA	300,000	–	–	–	–	300,000
		400,000	2025/05/07–2029/04/29	2029/04/30–2035/05/06	13.86	13.52	6.08	NA	400,000	–	–	–	–	400,000
Other employees	2025/07/17	372,500	2025/07/17–2026/07/16	2026/07/17–2035/07/16	20.95	21.05	6.64	NA	292,500	–	–	–	55,000	237,500
("Not		372,500	2025/07/17–2027/07/16	2027/07/17–2035/07/16	20.95	21.05	7.82	NA	292,500	–	–	–	55,000	237,500
Directors")		372,500	2025/07/17–2028/07/16	2028/07/17–2035/07/16	20.95	21.05	8.88	NA	292,500	–	–	–	55,000	237,500
		372,500	2025/07/17–2029/07/16	2029/07/17–2035/07/16	20.95	21.05	9.68	NA	292,500	–	–	–	55,000	237,500
		70,000	2025/07/17–2026/07/16	2026/07/17–2035/07/16	20.95	21.05	6.64	NA	70,000	–	–	–	–	70,000
		140,000	2025/07/17–2027/04/29	2027/04/30–2035/07/16	20.95	21.05	7.61	NA	140,000	–	–	–	–	140,000
		210,000	2025/07/17–2028/04/29	2028/04/30–2035/07/16	20.95	21.05	8.61	NA	210,000	–	–	–	–	210,000
		280,000	2025/07/17–2029/04/29	2029/04/30–2035/07/16	20.95	21.05	9.45	NA	280,000	–	–	–	–	280,000
Other employees	2025/10/15	295,000	2025/10/15–2026/10/14	2026/10/15–2035/10/14	15.14	15.72	4.67	NA	295,000	–	–	–	–	295,000
("Not		295,000	2025/10/15–2027/10/14	2027/10/15–2035/10/14	15.14	15.72	5.42	NA	295,000	–	–	–	–	295,000
Directors")		295,000	2025/10/15–2028/10/14	2028/10/15–2035/10/14	15.14	15.72	6.03	NA	295,000	–	–	–	–	295,000
		295,000	2025/10/15–2029/10/14	2029/10/15–2035/10/14	15.14	15.72	6.49	NA	295,000	–	–	–	–	295,000

Grantee	Date of grant	Number of options	Vesting period	Exercisable period	Closing price immediately before the date of grant (HKD)	Exercise (HKD)	Fair value as at the date of grant (HKD)	Weighted average closing price immediately before the exercise date (HKD)	Number of options at 1 January 2026	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Number of options at 30 June 2026
Other employees ("Not Directors")	2025/12/31	172,500	2025/12/31–2026/12/30	2026/12/31–2035/12/30	11.90	12.24	3.46	NA	172,500	–	–	–	20,000	152,500
		172,500	2025/12/31–2027/12/30	2027/12/31–2035/12/30	11.90	12.24	4.00	NA	172,500	–	–	–	20,000	152,500
		172,500	2025/12/31–2028/12/30	2028/12/31–2035/12/30	11.90	12.24	4.45	NA	172,500	–	–	–	20,000	152,500
		172,500	2025/12/31–2029/12/30	2029/12/31–2035/12/30	11.90	12.24	4.76	NA	172,500	–	–	–	20,000	152,500
		45,000	2025/12/31–2027/04/29	2027/04/30–2035/12/30	11.90	12.24	3.69	NA	45,000	–	–	–	–	45,000
		67,500	2025/12/31–2028/04/29	2028/04/30–2035/12/30	11.90	12.24	4.18	NA	67,500	–	–	–	–	67,500
		90,000	2025/12/31–2029/04/29	2029/04/30–2035/12/30	11.90	12.24	4.55	NA	90,000	–	–	–	–	90,000
		22,500	2025/12/31–2030/04/29	2030/04/30–2035/12/30	11.90	12.24	4.84	NA	22,500	–	–	–	–	22,500
Other employees ("Not Directors")	2026/04/16	407,500	2026/04/16–2027/04/15	2027/04/16–2036/04/15	9.35	9.42	2.64	NA	–	407,500	–	–	25,000	382,500
		407,500	2026/04/16–2028/04/15	2028/04/16–2036/04/15	9.35	9.42	2.99	NA	–	407,500	–	–	25,000	382,500
		407,500	2026/04/16–2029/04/15	2029/04/16–2036/04/15	9.35	9.42	3.19	NA	–	407,500	–	–	25,000	382,500
		407,500	2026/04/16–2030/04/15	2030/04/16–2036/04/15	9.35	9.42	3.32	NA	–	407,500	–	–	25,000	382,500
		60,000	2026/04/16–2027/04/29	2027/04/30–2036/04/15	9.35	9.42	2.68	NA	–	60,000	–	–	–	60,000
		90,000	2026/04/16–2028/04/29	2028/04/30–2036/04/15	9.35	9.42	2.99	NA	–	90,000	–	–	–	90,000
		120,000	2026/04/16–2029/04/29	2029/04/30–2036/04/15	9.35	9.42	3.19	NA	–	120,000	–	–	–	120,000
		30,000	2026/04/16–2030/04/29	2030/04/30–2036/04/15	9.35	9.42	3.32	NA	–	30,000	–	–	–	30,000
Total									242,134,226	1,930,000	1,377,658	–	5,654,647	237,031,921

Notes:

(1) For the 61,000,000 options granted to Mr. Chen Zhiping, the vesting of up to 30%, 60% and 100% of such options will only occur if the average market capitalisation of the Company for any 15 consecutive business days first reaches HK$300,000,000,000, HK$400,000,000,000 or HK$500,000,000,000, respectively, during the period between 1 January 2025 and 31 December 2030. The adjustment mechanism to such performance targets applicable in cases of spin-offs by the Company was approved by the shareholders at the annual general meeting of the Company held on 22 May 2026.

For all other options granted during the period, they were based on the positions, job tenures and performance evaluation results of the grantees. The Group has in place a performance evaluation mechanism for its employees to comprehensively evaluate their performance and contribution to the Group. Based on the grantees' performance evaluation results, the grantees receive different levels of ratings which may affect the vesting period and the number of options to be vested of each individual grantee.

Please refer to page 75–76 of this Interim Report for the accounting standard and policy adopted to calculate the fair value of the options.

B. Share Award Scheme

The Company adopted a share award scheme on 2 September 2021, which was amended and approved by the shareholders of the Company on 18 February 2025 (the "**Share Award Scheme**"). With effect from 1 January 2023, the Share Award Scheme is subject to the provisions of Chapter 17 of the Listing Rules. The purpose of the Share Award Scheme is to recognize and reward the contribution of certain eligible participants through the awarded shares to the growth and development of the Group and to provide incentives in order to retain them for continual operation and development of the Group; and to attract suitable personnel for further development of the Group.

For the six months ended 30 June 2026, the Company has granted 930,000 awarded shares to certain selected participants in accordance with the terms of the Share Award Scheme on 16 April 2026.

The number of awarded shares available for grant under the scheme mandate of the Share Award Scheme on 1 January 2026 was 305,883,671 shares, and the number of awarded shares available for grant under the scheme mandate of the Share Award Scheme on 30 June 2026 was 305,122,553 shares.

For the six months ended 30 June 2026, details of the movement of the awarded shares granted under the Share Award Scheme are as follows:

Grantee	Date of grant	Number of awards	Vesting period	Closing price immediately before the date of grant (HKD)	Purchase price (HKD)	Fair value as at the date of grant (HKD)	Weighted average closing price immediately before the vesting date (HKD)	Number of awards as at 1 January 2026	Granted during the period	Vested during the period	Cancelled during the period	Lapsed during the period	Number of awards as at 30 June 2026
Xiong Shaoming	2023/8/23	24,700	2026/8/23–2033/8/22	7.63	–	7.20	NA	24,700	–	–	–	–	24,700
("Director")		24,700	2027/8/23–2033/8/22	7.63	–	7.20	NA	24,700	–	–	–	–	24,700
	2024/10/24	15,425	2026/10/24–2034/10/23	11.26	–	10.82	NA	15,425	–	–	–	–	15,425
		15,425	2027/10/24–2034/10/23	11.26	–	10.82	NA	15,425	–	–	–	–	15,425
		15,425	2028/10/24–2034/10/23	11.26	–	10.82	NA	15,425	–	–	–	–	15,425
Wang Guisheng	2023/8/23	45,600	2026/8/23–2033/8/22	7.63	–	7.20	NA	45,600	–	–	–	–	45,600
("Director")		45,600	2027/8/23–2033/8/22	7.63	–	7.20	NA	45,600	–	–	–	–	45,600
	2024/10/24	21,975	2026/10/24–2034/10/23	11.26	–	10.82	NA	21,975	–	–	–	–	21,975
		21,975	2027/10/24–2034/10/23	11.26	–	10.82	NA	21,975	–	–	–	–	21,975
		21,975	2028/10/24–2034/10/23	11.26	–	10.82	NA	21,975	–	–	–	–	21,975
		91,300	2026/04/30–2034/10/23	11.26	–	10.82	NA	91,300	–	–	–	–	91,300
		182,600	2027/04/30–2034/10/23	11.26	–	10.82	NA	182,600	–	–	–	–	182,600
		273,900	2028/04/30–2034/10/23	11.26	–	10.82	NA	273,900	–	–	–	–	273,900
		365,200	2029/04/30–2034/10/23	11.26	–	10.82	NA	365,200	–	–	–	–	365,200
Wang Xin	2023/8/23	29,225	2026/8/23–2033/8/22	7.63	–	7.20	NA	29,225	–	–	–	–	29,225
("Director")		29,225	2027/8/23–2033/8/22	7.63	–	7.20	NA	29,225	–	–	–	–	29,225
	2024/10/24	23,825	2026/10/24–2034/10/23	11.26	–	10.82	NA	23,825	–	–	–	–	23,825
		23,825	2027/10/24–2034/10/23	11.26	–	10.82	NA	23,825	–	–	–	–	23,825
		23,825	2028/10/24–2034/10/23	11.26	–	10.82	NA	23,825	–	–	–	–	23,825
		35,800	2026/04/30–2034/10/23	11.26	–	10.82	NA	35,800	–	–	–	–	35,800
		71,600	2027/04/30–2034/10/23	11.26	–	10.82	NA	71,600	–	–	–	–	71,600
		107,400	2028/04/30–2034/10/23	11.26	–	10.82	NA	107,400	–	–	–	–	107,400
		143,200	2029/04/30–2034/10/23	11.26	–	10.82	NA	143,200	–	–	–	–	143,200
Bu Zhiqiang	2023/8/23	11,200	2026/8/23–2033/8/22	7.63	–	7.20	NA	11,200	–	–	–	–	11,200
("Associate of Director")		11,200	2027/8/23–2033/8/22	7.63	–	7.20	NA	11,200	–	–	–	–	11,200
	2024/10/24	6,450	2026/10/24–2034/10/23	11.26	–	10.82	NA	6,450	–	–	–	–	6,450
		6,450	2027/10/24–2034/10/23	11.26	–	10.82	NA	6,450	–	–	–	–	6,450
		6,450	2028/10/24–2034/10/23	11.26	–	10.82	NA	6,450	–	–	–	–	6,450
		5,000	2026/04/30–2034/10/23	11.26	–	10.82	NA	5,000	–	–	–	–	5,000
		10,000	2027/04/30–2034/10/23	11.26	–	10.82	NA	10,000	–	–	–	–	10,000
		15,000	2028/04/30–2034/10/23	11.26	–	10.82	NA	15,000	–	–	–	–	15,000
		20,000	2029/04/30–2034/10/23	11.26	–	10.82	NA	20,000	–	–	–	–	20,000
Li Xiaoping	2023/8/23	7,300	2026/8/23–2033/8/22	7.63	–	7.20	NA	7,300	–	–	–	–	7,300
("Associate of Director")		7,300	2027/8/23–2033/8/22	7.63	–	7.20	NA	7,300	–	–	–	–	7,300
	2024/10/24	8,150	2026/10/24–2034/10/23	11.26	–	10.82	NA	8,150	–	–	–	–	8,150
		8,150	2027/10/24–2034/10/23	11.26	–	10.82	NA	8,150	–	–	–	–	8,150
		8,150	2028/10/24–2034/10/23	11.26	–	10.82	NA	8,150	–	–	–	–	8,150
		8,000	2026/04/30–2034/10/23	11.26	–	10.82	NA	8,000	–	–	–	–	8,000
		16,000	2027/04/30–2034/10/23	11.26	–	10.82	NA	16,000	–	–	–	–	16,000
		24,000	2028/04/30–2034/10/23	11.26	–	10.82	NA	24,000	–	–	–	–	24,000
		32,000	2029/04/30–2034/10/23	11.26	–	10.82	NA	32,000	–	–	–	–	32,000
Yuan Xiang	2023/8/23	3,225	2026/8/23–2033/8/22	7.63	–	7.20	NA	3,225	–	–	–	–	3,225
("Associate of Director")		3,225	2027/8/23–2033/8/22	7.63	–	7.20	NA	3,225	–	–	–	–	3,225
	2024/10/24	2,825	2026/10/24–2034/10/23	11.26	–	10.82	NA	2,825	–	–	–	–	2,825
		2,825	2027/10/24–2034/10/23	11.26	–	10.82	NA	2,825	–	–	–	–	2,825
		2,825	2028/10/24–2034/10/23	11.26	–	10.82	NA	2,825	–	–	–	–	2,825
Bu Weiqiang	2023/8/23	8,925	2026/8/23–2033/8/22	7.63	–	7.20	NA	8,925	–	–	–	–	8,925
("Associate of Director")		8,925	2027/8/23–2033/8/22	7.63	–	7.20	NA	8,925	–	–	–	–	8,925
	2024/10/24	7,475	2026/10/24–2034/10/23	11.26	–	10.82	NA	7,475	–	–	–	–	7,475
		7,475	2027/10/24–2034/10/23	11.26	–	10.82	NA	7,475	–	–	–	–	7,475
		7,475	2028/10/24–2034/10/23	11.26	–	10.82	NA	7,475	–	–	–	–	7,475
		9,200	2026/04/30–2034/10/23	11.26	–	10.82	NA	9,200	–	–	–	–	9,200
		18,400	2027/04/30–2034/10/23	11.26	–	10.82	NA	18,400	–	–	–	–	18,400
		27,600	2028/04/30–2034/10/23	11.26	–	10.82	NA	27,600	–	–	–	–	27,600
		36,800	2029/04/30–2034/10/23	11.26	–	10.82	NA	36,800	–	–	–	–	36,800
Other employees ("Not Directors")	2022/1/4	235,000	2026/1/4–2032/1/3	37.10	–	35.00	12.09	200,000	–	200,000	–	–	–
Other employees	2022/4/19	1,588,500	2024/4/19–2032/4/18	18.46	–	17.18	NA	250	–	–	–	–	250
("Not Directors")		1,588,500	2025/4/19–2032/4/18	18.46	–	17.18	NA	4,250	–	–	–	–	4,250
		1,588,500	2026/4/19–2032/4/18	18.46	–	17.18	9.82	939,750	–	910,750	–	20,000	9,000
		614,250	2027/4/19–2032/4/18	18.46	–	17.18	NA	357,000	–	–	–	14,750	342,250
Other employees ("Not Directors")	2022/7/21	244,000	2026/7/21–2032/7/20	20.60	–	20.35	NA	46,500	–	–	–	–	46,500

Grantee	Date of grant	Number of awards	Vesting period	Closing price immediately before the date of grant (HKD)	Purchase price (HKD)	Fair value as at the date of grant (HKD)	Weighted average closing price immediately before the vesting date (HKD)	Number of awards as at 1 January 2026	Granted during the period	Vested during the period	Cancelled during the period	Lapsed during the period	Number of awards as at 30 June 2026
Other employees	2022/11/10	171,000	2025/11/10–2032/11/09	11.02	–	10.70	NA	12,500	–	–	–	–	12,500
("Not Directors")		171,000	2026/11/10–2032/11/09	11.02	–	10.70	NA	98,875	–	–	–	–	98,875
Other employees	2023/4/19	433,000	2026/4/19–2033/4/18	9.95	–	9.62	9.82	149,250	–	149,250	–	–	–
("Not Directors")		428,000	2027/4/19–2033/4/18	9.95	–	9.62	NA	149,250	–	–	–	–	149,250
Other employees	2023/7/20	479,250	2026/7/20–2033/7/19	7.88	–	8.16	NA	50,000	–	–	–	50,000	–
("Not Directors")		479,250	2027/7/20–2033/7/19	7.88	–	8.16	NA	50,000	–	–	–	50,000	–
Other employees	2023/8/23	6,144,675	2024/8/23–2033/8/22	7.63	–	7.20	NA	900	–	–	–	–	900
("Not Directors")		6,144,675	2025/8/23–2033/8/22	7.63	–	7.20	NA	53,500	–	–	–	–	53,500
		6,144,675	2026/8/23–2033/8/22	7.63	–	7.20	NA	5,195,975	–	–	–	199,675	4,996,300
		6,144,675	2027/8/23–2033/8/22	7.63	–	7.20	NA	5,195,975	–	–	–	199,675	4,996,300
Other employees	2023/10/20	162,125	2026/10/20–2033/10/19	5.97	–	5.82	NA	67,500	–	–	–	–	67,500
("Not Directors")		162,125	2027/10/20–2033/10/19	5.97	–	5.82	NA	67,500	–	–	–	–	67,500
Other employees	2024/3/27	97,500	2026/3/27–2034/3/26	6.55	–	6.60	9.33	77,500	–	65,000	–	12,500	–
("Not Directors")		97,500	2027/3/27–2034/3/26	6.55	–	6.60	NA	77,500	–	–	–	12,500	65,000
		97,500	2028/3/27–2034/3/26	6.55	–	6.60	NA	77,500	–	–	–	12,500	65,000
Other employees	2024/7/4	180,000	2026/7/4–2034/7/3	8.57	–	8.68	NA	87,500	–	–	–	–	87,500
("Not Directors")		180,000	2027/7/4–2034/7/3	8.57	–	8.68	NA	87,500	–	–	–	–	87,500
		180,000	2028/7/4–2034/7/3	8.57	–	8.68	NA	87,500	–	–	–	–	87,500
Other employees	2024/10/24	231,375	2026/10/24–2034/10/23	11.26	–	10.82	NA	84,250	–	–	–	7,500	76,750
("Not Directors")		231,375	2027/10/24–2034/10/23	11.26	–	10.82	NA	84,250	–	–	–	7,500	76,750
		231,375	2028/10/24–2034/10/23	11.26	–	10.82	NA	84,250	–	–	–	7,500	76,750
		5,159,450	2026/10/24–2034/10/23	11.26	–	10.82	NA	4,730,925	–	–	–	186,500	4,544,425
		5,159,450	2027/10/24–2034/10/23	11.26	–	10.82	NA	4,730,925	–	–	–	186,500	4,544,425
		5,159,450	2028/10/24–2034/10/23	11.26	–	10.82	NA	4,730,925	–	–	–	186,500	4,544,425
		4,352,200	2026/04/30–2034/10/23	11.26	–	10.82	9.40	4,048,400	–	1,229,600	–	118,100	2,700,700
		8,704,400	2027/04/30–2034/10/23	11.26	–	10.82	NA	8,096,800	–	–	–	246,000	7,850,800
		13,056,600	2028/04/30–2034/10/23	11.26	–	10.82	NA	12,145,200	–	–	–	369,000	11,776,200
		17,408,800	2029/04/30–2034/10/23	11.26	–	10.82	NA	16,193,600	–	–	–	492,000	15,701,600
Other employees	2024/12/27	204,000	2026/12/27–2034/12/26	10.10	–	11.26	NA	134,000	–	–	–	10,000	124,000
("Not Directors")		204,000	2027/12/27–2034/12/26	10.10	–	11.26	NA	134,000	–	–	–	10,000	124,000
		204,000	2028/12/27–2034/12/26	10.10	–	11.26	NA	134,000	–	–	–	10,000	124,000
		60,000	2026/4/30–2034/12/26	10.10	–	11.26	9.40	60,000	–	5,500	–	–	54,500
		120,000	2027/4/30–2034/12/26	10.10	–	11.26	NA	120,000	–	–	–	–	120,000
		180,000	2028/4/30–2034/12/26	10.10	–	11.26	NA	180,000	–	–	–	–	180,000
		240,000	2029/4/30–2034/12/26	10.10	–	11.26	NA	240,000	–	–	–	–	240,000
Other employees	2025/5/7	125,500	2026/5/7–2035/5/6	13.86	–	13.52	10.3	118,000	–	118,000	–	–	–
("Not Directors")		125,500	2027/5/7–2035/5/6	13.86	–	13.52	NA	118,000	–	–	–	–	118,000
		125,500	2028/5/7–2035/5/6	13.86	–	13.52	NA	118,000	–	–	–	–	118,000
		125,500	2029/5/7–2035/5/6	13.86	–	13.52	NA	118,000	–	–	–	–	118,000
		100,000	2026/5/7–2035/5/6	13.86	–	13.52	NA	100,000	–	–	–	–	100,000
		200,000	2027/4/30–2035/5/6	13.86	–	13.52	9.40	200,000	–	9,100	–	–	190,900
		300,000	2028/4/30–2035/5/6	13.86	–	13.52	NA	300,000	–	–	–	–	300,000
		400,000	2029/4/30–2035/5/6	13.86	–	13.52	NA	400,000	–	–	–	–	400,000
		112,000	2026/5/7–2035/5/6	13.86	–	13.52	10.3	112,000	–	112,000	–	–	–
Other employees	2025/7/17	162,500	2026/7/17–2035/7/16	20.95	–	21.05	NA	152,500	–	–	–	2,500	150,000
("Not Directors")		162,500	2027/7/17–2035/7/16	20.95	–	21.05	NA	152,500	–	–	–	2,500	150,000
		162,500	2028/7/17–2035/7/16	20.95	–	21.05	NA	152,500	–	–	–	2,500	150,000
		162,500	2029/7/17–2035/7/16	20.95	–	21.05	NA	152,500	–	–	–	2,500	150,000
		55,000	2026/7/17–2035/7/16	20.95	–	21.05	NA	55,000	–	–	–	–	55,000
		110,000	2027/4/30–2035/7/16	20.95	–	21.05	NA	110,000	–	–	–	–	110,000
		165,000	2028/4/30–2035/7/16	20.95	–	21.05	NA	165,000	–	–	–	–	165,000
		220,000	2029/4/30–2035/7/16	20.95	–	21.05	NA	220,000	–	–	–	–	220,000
Other employees	2025/10/15	135,000	2026/10/15–2035/10/14	15.14	–	15.57	NA	135,000	–	–	–	–	135,000
("Not Directors")		135,000	2027/10/15–2035/10/14	15.14	–	15.57	NA	135,000	–	–	–	–	135,000
		135,000	2028/10/15–2035/10/14	15.14	–	15.57	NA	135,000	–	–	–	–	135,000
		135,000	2029/10/15–2035/10/14	15.14	–	15.57	NA	135,000	–	–	–	–	135,000
Other employees	2025/12/31	80,000	2026/12/31–2035/12/30	11.90	–	11.91	NA	80,000	–	–	–	10,000	70,000
("Not Directors")		80,000	2027/12/31–2035/12/30	11.90	–	11.91	NA	80,000	–	–	–	10,000	70,000
		80,000	2028/12/31–2035/12/30	11.90	–	11.91	NA	80,000	–	–	–	10,000	70,000
		80,000	2029/12/31–2035/12/30	11.90	–	11.91	NA	80,000	–	–	–	10,000	70,000
		45,000	2027/4/30–2035/12/30	11.90	–	11.91	NA	45,000	–	–	–	–	45,000
		67,500	2028/4/30–2035/12/30	11.90	–	11.91	NA	67,500	–	–	–	–	67,500
		90,000	2029/4/30–2035/12/30	11.90	–	11.91	NA	90,000	–	–	–	–	90,000
		22,500	2030/4/30–2035/12/30	11.90	–	11.91	NA	22,500	–	–	–	–	22,500

Grantee	Date of grant	Number of awards	Vesting period	Closing price immediately before the date of grant (HKD)	Purchase price (HKD)	Fair value as at the date of grant (HKD)	Weighted average closing price immediately before the vesting date (HKD)	Number of awards as at 1 January 2026	Granted during the period	Vested during the period	Cancelled during the period	Lapsed during the period	Number of awards as at 30 June 2026
Other employees (“Not Directors”)	2026/4/16	170,000	2027/4/16–2036/4/15	9.35	–	9.42	NA	–	170,000	–	–	12,500	157,500
		170,000	2028/4/16–2036/4/15	9.35	–	9.42	NA	–	170,000	–	–	12,500	157,500
		170,000	2029/4/16–2036/4/15	9.35	–	9.42	NA	–	170,000	–	–	12,500	157,500
		170,000	2030/4/16–2036/4/15	9.35	–	9.42	NA	–	170,000	–	–	12,500	157,500
		50,000	2027/4/30–2036/4/15	9.35	–	9.42	NA	–	50,000	–	–		50,000
		75,000	2028/4/30–2036/4/15	9.35	–	9.42	NA	–	75,000	–	–		75,000
		100,000	2029/4/30–2036/4/15	9.35	–	9.42	NA	–	100,000	–	–		100,000
		25,000	2030/4/30–2036/4/15	9.35	–	9.42	NA	–	25,000	–	–		25,000
Total								74,906,225	930,000	2,799,200	–	2,508,700	70,528,325

Notes:

(1) To be in line with the purpose of the Share Award Scheme and to maximize the incentive effect of the awarded shares, there is no purchase price for any of the awarded shares granted under the Share Award Scheme. All awarded shares granted during the period were based on the positions, job tenures and performance evaluation results of the grantees. The Group has in place a performance evaluation mechanism for its employees to comprehensively evaluate their performance and contribution to the Group. Based on the grantees' performance evaluation results, the grantees receive different levels of ratings which may affect the vesting period and the number of award shares to be vested of each individual grantee.

(2) Please refer to page 76 of this Interim Report for the accounting standard and policy adopted to calculate the fair value of the awarded shares.

Pledge of Controlling Shareholder’s Equity

During the Review Period and as at 30 June 2026, there is no pledge of Shares by controlling shareholders of the Company.

Exchangeable Bonds Issued by Controlling Shareholder

Reference is made to the announcements of the Company dated 12 November 2021, 30 June 2022, 4 November 2022, 3 July 2023, 12 October 2023, 5 August 2024 and 7 January 2025, and capitalized terms in this section shall have the same meaning as defined in such announcements. In relation to US$350,000,000 Secured Guaranteed Exchangeable Bonds (the “**Bonds**”) due 2026 of the controlling shareholders of the Company, the Company was informed by EVE Battery that, the Bonds had been delisted from the Stock Exchange on 23 December 2024, and as a result, EVE Battery’s pledge of 60,909,821 ordinary shares of the Company was fully released.

Adequacy of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company’s total issued shares (excluding treasury shares) was held by the public for the six months ended 30 June 2026.

Use of Proceeds from the Global Offering

The shares of the Company were successfully listed on the Main Board of the Stock Exchange on 10 July 2020 by offering a total of 660,504,000 shares (including the issuance of the over-allotment shares upon the full exercise of the over-allotment option) at offer price of HK$12.40 per share (the "**Listing**"). The gross and net proceeds raised by the Company from the Listing were approximately HK$8,190.3 million and approximately HK$7,909.9 million, respectively.

The net proceeds from the Listing have been and will be utilized in the same manner and proportion as set out in the prospectus of the Company dated 29 June 2020 under the section headed "**Future Plans and Use of Proceeds**". The table below sets out the planned applications of the net proceeds and actual usage as of 30 June 2026:

Use of proceeds	Approximate percentage of total amount	Amount of net proceeds allocated upon Listing (HK$ million)	Actual usage during the Review Period (HK$ million)	Actual usage up to 30 June 2026 (HK$ million)	Unutilized amount as at 30 June 2026 (HK$ million)	Expected timeline
(i) Expand our production capacity, including the establishment of industrial parks in Jiangmen and Shenzhen, Guangdong Province**	50%	3,954.9	56.7	1,421.6	2,533.3	By the end of 2030
(ii) Implement automated production and assembly lines at our new production bases, upgrade our group-level ERP system and upgrade our existing factories	25%	1,977.5	—	1,977.5	—	—
(iii) Invest in research and development, including building a group-level research center in Shenzhen, developing new heating technology and paying for product certification expenses	20%	1,582.0	—	1,582.0	—	—
(iv) Provide funding for our working capital and other general corporate purposes	5%	395.5	—	395.5	—	—
	100%	7,909.9	56.7	5,376.6	2,533.3	

* The figures above are rounded to the nearest one decimal place and may not add up due to rounding.

** According to the Measures for the Administration of Electronic Cigarettes ("**Administrative Measures**") published on 11 March 2022, e-cigarette manufacturers should obtain tobacco monopoly production enterprise license. The Group has obtained the relevant licenses, and any future expansion of production capacity must comply with the relevant regulations.

Placing

On 27 January 2021, the Company, Aletech Holding Limited ("**Top-up Vendor**"), and CLSA Limited ("**Placing Agent**") entered into the placing and subscription agreement. Pursuant to which, the Top-up Vendor agreed to sell, and the Placing Agent agreed to procure purchasers to purchase, the 60,000,000 shares of the Company held by Top-up Vendor at a price of HK$74.40 per share (the "**Placing**"). Subject to completion of the Placing, the Top-up Vendor agreed to subscribe for 60,000,000 new shares of the Company at a subscription price of HK$74.40 per share (the "**Subscription**"). The net share price for the Subscription after deduction of all expenses incurred by the Top-up Vendor, including legal fees and fees of other advisers, in connection with the Subscription is approximately HK$74.09 per subscription share. The market price of the shares on the date when the terms of the Placing and Subscription were determined (i.e. 27 January 2021) was HK$80.

The Placing and the Subscription were completed on 1 February 2021 and 4 February 2021, respectively. The Company's net proceeds for the Placing and Subscription (after deducting related costs and expenses) were approximately HK$4,445.5 million, equivalent to approximately RMB3,705.6 million.

For details of the Placing and Subscription, please refer to the Company's announcements dated 27 January 2021, 28 January 2021 and 4 February 2021. There is no change as to the intended use of proceeds as previously disclosed by the Company.

The intended and actual use of proceeds from the Placing and the Subscription up to 30 June 2026 are set out as follows:

Intended use of proceeds	Approximate percentage of total amount	Amount of net proceeds allocated (HK$ million)	Actual usage during the Review Period (HK$ million)	Actual usage up to 30 June 2026 (HK$ million)	Unutilized amount as at 30 June 2026 (HK$ million)	Expected timeline
(i) Expansion of production capacity*	55%	2,445.0	19.6	706.2	1,738.8	By the end of 2030
(ii) Allocating more resources and funds in the PMTA application for more products rollout in the market of the United States once approved	10%	444.5	—	—	444.5	By the end of 2030
(iii) Investing in the R&D on the atomization devices for healthcare and pharmaceutical industry	35%	1,556.0	—	1,556.0	—	—
	100%	4,445.5	19.6	2,262.2	2,183.3	

* According to the Measures for the Administration of Electronic Cigarettes ("**Administrative Measures**") published on 11 March 2022, e-cigarette manufacturers should obtain tobacco monopoly production enterprise license. The Group has obtained the relevant licenses, and any future expansion of production capacity must comply with the relevant regulations.

Appendix D2 to the Listing Rules

According to paragraph 40 of Appendix D2 to the Listing Rules headed "Disclosure of Financial Information", save as disclosed in this interim report, the Company confirms that the Company's current information in relation to those matters set out in paragraph 32 of Appendix D2 to the Listing Rules has not been changed materially from the information disclosed in the Company's 2025 annual report.

Review of Accounts

Deloitte Touche Tohmatsu, the independent auditor of the Company, has reviewed the unaudited condensed consolidated interim financial information for the six months ended 30 June 2026 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

Events after the Review Period

There are no material events that are required to be disclosed by the Company after 30 June 2026.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte. 德勤

TO THE SHAREHOLDERS OF
SMOORE INTERNATIONAL HOLDINGS LIMITED
思摩爾國際控股有限公司
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Smoore International Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 56 to 82, which comprise the condensed consolidated statement of financial position as of 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("**HKAS 34**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the HKICPA. A review of these condensed consolidated financial statements 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
19 August 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	NOTES	For the six months ended 30 June 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Revenue	4	**7,208,880**	6,013,290
Cost of revenue		**(4,887,069)**	(3,769,440)
Gross profit		**2,321,811**	2,243,850
Other income		**416,988**	368,747
Other expenses		**(56,416)**	(19,056)
Distribution and selling expenses		**(388,080)**	(491,229)
Administrative expenses		**(620,492)**	(609,548)
Research and development expenses		**(844,501)**	(722,564)
Finance costs		**(13,468)**	(13,619)
Other gains and losses	5	**58,332**	(55,177)
Impairment loss recognised on trade receivables, net		**(1,662)**	(2,669)
Profit before tax		**872,512**	698,735
Income tax expense	6	**(300,596)**	(206,581)
Profit for the period	7	**571,916**	492,154
Other comprehensive (expense) income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(301,904)**	9,012
Other comprehensive (expense) income for the period		**(301,904)**	9,012
Total comprehensive income for the period		**270,012**	501,166
Total comprehensive income for the period attributable to:			
Shareholders of the Company		**272,582**	501,166
Non-controlling interests		**(2,570)**	—
Earnings per share	9		
Basic (RMB cents)		**9.39**	8.08
Diluted (RMB cents)		**9.32**	7.96

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	NOTES	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	10	**5,111,049**	5,065,928
Intangible assets		**551,808**	478,510
Deposits paid for acquisition of property, plant and equipment		**95,227**	85,386
Deferred tax assets		**28,145**	29,479
Long-term bank deposits		**865**	2,118,310
Rental deposits		**28,009**	28,056
Other financial assets		**4,595,749**	4,954,171
		10,410,852	12,759,840
Current assets			
Inventories		**1,467,929**	1,666,864
Trade and bills receivables	11	**2,277,063**	2,298,355
Other receivables, deposits and prepayments		**727,799**	974,231
Contract costs		**7,197**	10,234
Financial assets at fair value through profit or loss ("**FVTPL**")		**2,227,287**	—
Restricted bank deposits		**333**	51,647
Short-term bank deposits over three months		**4,722,844**	3,453,681
Bank balances and cash		**3,956,029**	7,322,926
		15,386,481	15,777,938
Current liabilities			
Trade and bills payables	12	**1,584,851**	1,686,989
Other payables and accrued expenses		**1,569,809**	1,910,607
Tax payables		**277,754**	162,397
Contract liabilities		**386,850**	369,213
Lease liabilities		**121,435**	123,187
Deferred income		**1,409**	1,881
Advances drawn on bills receivables discounted with recourse		**335,000**	1,875,000
		4,277,108	6,129,274
Net current assets		**11,109,373**	9,648,664
Total assets less current liabilities		**21,520,225**	22,408,504

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2026

	NOTE	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Non-current liabilities			
Lease liabilities		**192,837**	227,748
Deferred income		**13,367**	13,881
Deferred tax liabilities		**227,324**	291,095
		433,528	532,724
Net assets		**21,086,697**	21,875,780
Capital and reserves			
Share capital	13	**432,427**	432,331
Reserves		**20,612,217**	21,415,198
Equity attributable to shareholders of the Company		**21,044,644**	21,847,529
Non-controlling interests		**42,053**	28,251
Total equity		**21,086,697**	21,875,780

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Share capital RMB'000	Share premium RMB'000	Capital redemption reserve RMB'000	Share option reserve RMB'000	Share award reserve RMB'000	Shares held under share award scheme RMB'000	Statutory reserve RMB'000 (Note i)	Other reserve RMB'000 (Note ii)	Translation reserve RMB'000	Retained profits RMB'000	Subtotal RMB'000	Non-controlling Subtotal RMB'000	Total RMB'000
At 1 January 2025 (audited)	431,299	7,681,080	1,313	405,821	94,882	(738,726)	75,714	(1,194,032)	19,680	15,120,057	21,897,088	7,623	21,904,711
Profit for the period	–	–	–	–	–	–	–	–	–	492,154	492,154	–	492,154
Other comprehensive income for the period	–	–	–	–	–	–	–	–	9,012	–	9,012	–	9,012
Total comprehensive income for the period	–	–	–	–	–	–	–	–	9,012	492,154	501,166	–	501,166
Recognition of share-based payment expenses	–	–	–	113,320	120,817	–	–	–	–	–	234,137	–	234,137
Recognition of share-based payment expenses of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	11,119	11,119
Exercise of share options	610	91,950	–	(18,831)	–	–	–	–	–	–	73,729	–	73,729
Lapsed of share options	–	–	–	(31,347)	–	–	–	–	–	31,347	–	–	–
Vesting of shares under share award scheme	–	12,500	–	–	(25,372)	12,872	–	–	–	–	–	–	–
Lapsed of shares under share award scheme	–	–	–	–	(16,887)	–	–	–	–	16,887	–	–	–
Dividends recognised as distribution (Note 8)	–	(283,456)	–	–	–	4,148	–	–	–	–	(279,308)	–	(279,308)
At 30 June 2025 (unaudited)	431,909	7,502,074	1,313	468,963	173,440	(721,706)	75,714	(1,194,032)	28,692	15,660,445	22,426,812	18,742	22,445,554
At 1 January 2026 (audited)	**432,331**	**6,451,255**	**1,313**	**590,682**	**255,095**	**(797,949)**	**92,589**	**(1,194,032)**	**(95,875)**	**16,112,120**	**21,847,529**	**28,251**	**21,875,780**
Profit (loss) for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**574,404**	**574,404**	**(2,488)**	**571,916**
Other comprehensive expense for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(301,822)**	**–**	**(301,822)**	**(82)**	**(301,904)**
Total comprehensive (expense) income for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(301,822)**	**574,404**	**272,582**	**(2,570)**	**270,012**
Recognition of share-based payment expenses	**–**	**–**	**–**	**78,461**	**96,797**	**–**	**–**	**–**	**–**	**–**	**175,258**	**–**	**175,258**
Recognition of share-based payment expenses of a subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**9,436**	**9,436**
Exercise of share options	**96**	**12,892**	**–**	**(3,173)**	**–**	**–**	**–**	**–**	**–**	**–**	**9,815**	**–**	**9,815**
Exercise of share options of a subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**6,936**	**6,936**
Lapsed of share options	**–**	**–**	**–**	**(10,574)**	**–**	**–**	**–**	**–**	**–**	**10,574**	**–**	**–**	**–**
Vesting of shares under share award scheme	**–**	**11,298**	**–**	**–**	**(35,539)**	**24,241**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Lapsed of shares under share award scheme	**–**	**–**	**–**	**–**	**(59)**	**–**	**–**	**–**	**–**	**59**	**–**	**–**	**–**
Purchase of shares under share award scheme	**–**	**–**	**–**	**–**	**–**	**(202,585)**	**–**	**–**	**–**	**–**	**(202,585)**	**–**	**(202,585)**
Dividends recognised as distribution (Note 8)	**–**	**(1,078,395)**	**–**	**–**	**–**	**20,440**	**–**	**–**	**–**	**–**	**(1,057,955)**	**–**	**(1,057,955)**
At 30 June 2026 (unaudited)	**432,427**	**5,397,050**	**1,313**	**655,396**	**316,294**	**(955,853)**	**92,589**	**(1,194,032)**	**(397,697)**	**16,697,157**	**21,044,644**	**42,053**	**21,086,697**

Notes:

(i) Pursuant to the relevant laws in the People's Republic of China (the "**PRC**"), each of the subsidiaries established in the PRC is required to transfer at least 10% of its profit after taxation to the statutory reserve until the reserve reaches 50% of their registered capital. Transfer to this reserve must be made before distributing dividends to equity holders. The statutory reserve can be used to make up for previous years' losses, expand the existing operations or convert into additional capital of the subsidiaries.

(ii) Other reserve represents i) the difference between the share capital and share premium of Smoore Shenzhen Technology Co., Ltd ("**Smoore Shenzhen**"), a subsidiary of the Company, and cash considerations for the acquisition of 95% and 5% interest in Smoore Shenzhen by Smoore (Hong Kong) Limited and Smile Baby Investment Limited, the wholly-owned subsidiaries of the Company, respectively; and ii) the difference between the par value and fair value of convertible preferred shares of the Company at the date of issuance as part of the group reorganisation in prior year.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
NET CASH FROM OPERATING ACTIVITIES	**742,563**	813,755
INVESTING ACTIVITIES		
Payment for acquisition of property, plant and equipment	**(341,858)**	(428,143)
Purchase of intangible assets	**(13,961)**	(7,483)
Development cost paid	**(95,639)**	(179,542)
Placement of restricted bank deposits	**—**	(138)
Withdrawal of restricted bank deposits	**51,314**	590,195
Placement of short-term bank deposits over three months	**(3,629,631)**	(4,286,764)
Withdrawal of short-term bank deposits over three months	**4,373,207**	8,450,137
Purchase of other financial assets at amortised cost	**(681,090)**	(2,505,510)
Withdrawal of other financial assets at amortised cost	**953,526**	—
Placement of other financial assets at FVTPL	**(5,159,521)**	(3,540,658)
Withdrawal of other financial assets at FVTPL	**3,144,083**	2,318,411
Payments for rental deposits	**(2,836)**	(20,891)
Refund of rental deposits upon termination of leases	**8,740**	2,814
Interest received	**277,693**	147,048
Government grants received	**—**	498
NET CASH (USED IN) FROM INVESTING ACTIVITIES	**(1,115,973)**	539,974
FINANCING ACTIVITIES		
Proceeds from issue of shares upon exercise of share options	**9,815**	73,729
Dividends paid	**(1,057,955)**	(279,317)
Repayment of lease liabilities	**(62,497)**	(68,254)
Interest paid	**(13,468)**	(13,619)
Advances drawn on bills receivables discounted with recourse	**335,000**	563,057
Repayment of bank borrowing relating to bills receivables discounted with recourse	**(1,875,000)**	(1,574,500)
Purchase of shares under share award scheme	**(202,585)**	—
NET CASH USED IN FINANCING ACTIVITIES	**(2,866,690)**	(1,298,904)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(3,240,100)**	54,825
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**7,322,926**	5,170,700
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(126,797)**	(13,772)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by bank balances and cash	**3,956,029**	5,211,753

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. General Information

Smoore International Holdings Limited ("**the Company**") was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law, Cap. 22 on 22 July 2019. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 10 July 2020. The addresses of the Company's registered office and principal place of business are Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands and Office B, 28/F, EGL Tower, No. 83 Hung To Road, Kowloon, Hong Kong, respectively.

The Company is an investment holding company. The principal activities of the Group are (1) Corporate Client Oriented Business focuses on the research, design, and manufacturing of vaping products, heat-not-burn products, special purpose atomization products and inhalation therapy products for leading global tobacco companies, independent vaping brands, and other corporate clients and the provision of technological services relating to these products; (2) Self-Branded Business focuses on the research, design, manufacturing, and sales of self-branded electronic vaping products and beauty atomization products.

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

2. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with HKAS 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

3. Principal Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2025.

3. Principal Accounting Policies (Continued)

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11

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

4. Revenue and Segment Information

(i) Disaggregation of revenue from contracts with customers

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Self-branded business	1,299,112	1,274,306
Corporate client oriented business	5,909,768	4,738,984
Total revenue	7,208,880	6,013,290

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Timing of revenue recognition for contracts with customers		
At a point in time	6,960,810	5,847,159
Over time	248,070	166,131
Total revenue	7,208,880	6,013,290

4. Revenue and Segment Information (Continued)

(ii) Revenue accounting policies and performance obligations for contracts with customers

Sales of goods

Revenue from sales of goods is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (the "**delivery**"). Following the delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 0 to 105 days upon the delivery.

Technology service income

The Group entered into research and development agreements with customers. The Group earns revenue by providing research services to the customers, and the revenue is recognised over time as these services met one of the following criteria: The customers simultaneously receive and consume the benefits provided by the Group's performance as the Group performs; or the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. The Group generally measures the progress using output method or input method. Under the output method, the progress of performance determined based on the goods or services delivered to customers. Under the input method, the progress of performance determined based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation.

(iii) The following is an analysis of the Group's revenue and results by reportable segment:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Segment revenue	**7,208,880**	6,013,290
Segment profit	**790,568**	706,408
Unallocated gains (losses)	**50,305**	(13,622)
Unallocated income	**34,572**	9,889
Unallocated expenses	**(2,933)**	(3,940)
Profit before tax	**872,512**	698,735

4. Revenue and Segment Information (Continued)

(iii) The following is an analysis of the Group's revenue and results by reportable segment: (Continued)

The Group has one operating segment based on information reported to the chief operating decision maker (the "**CODM**") of the Group, being the executive directors of the Company, for the purpose of resource allocation and performance assessment, which is the consolidated results of the Group. No analysis of segment assets or segment liabilities is presented as such information is not regularly provided to the CODM.

The accounting policies of the operating segment is the same as the Group's accounting policies. Segment profit represents profit earned from the segment without allocation of profit or loss generated by the holding company. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

(iv) Geographical information

The following table sets out information about the Group's revenue from external customers by the location of customers:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Hong Kong, China (Note)	**2,472,137**	2,128,271
United Kingdom	**2,028,165**	1,501,465
United States of America	**656,660**	648,850
Mainland China	**545,137**	417,262
The Republic of Croatia	**315,615**	222,905
Malaysia	**177,908**	124,464
Indonesia	**158,782**	41,526
Japan	**116,067**	118,811
France	**114,075**	161,195
Others	**624,334**	648,541
	7,208,880	6,013,290

Note: Revenue generated from Hong Kong, China are for resale to international customers or trading companies. None of the Group's products are distributed or sold in Hong Kong, China.

The Group's non-current assets are substantially located in the Mainland of China by location of assets and no geographical information is presented.

5. Other Gains and Losses

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Net foreign exchange loss	**(164,195)**	(37,238)
Gain (loss) arising on forward foreign exchange contracts/swap contracts	**200,161**	(482)
Gain arising on short-term bank deposits with variable interest rate	**10,632**	5,524
Gain arising on debt instrument	**18,374**	2,498
Gain on early termination of leases	**32**	258
Loss on disposal/write-off of property, plant and equipment	**(9,729)**	(25,737)
Others	**3,057**	—
	58,332	(55,177)

6. Income Tax Expense

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Mainland China Enterprise Income Tax ("**EIT**")	**105,173**	78,729
Hong Kong Profits Tax	**168,773**	34,729
Other countries and regions	**89,087**	94,963
	363,033	208,421
Deferred tax	**(62,437)**	(1,840)
	300,596	206,581

6. Income Tax Expense (Continued)

Hong Kong, China

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first Hong Kong dollars ("**HK$**") 2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

Mainland China

Under the Law of the Mainland China on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the Mainland China subsidiaries is 25% except for certain subsidiaries of the Company in the Mainland of China were approved as High and New Technology Enterprise, and they were subject to a preferential corporate income tax rate of 15% for the six months ended 30 June 2026 and 2025. The qualification as a High and New Technology Enterprise is subject to review by the relevant tax authority in the Mainland China for every three years.

United States

Pursuant to the relevant tax laws of the United States, tax at a maximum of 21% federal corporate income tax rate and other relevant applicable state tax rates has been provided on the taxable income arising in the United States for the six months ended 30 June 2026 and 2025.

The Company is tax exempt under the laws of the Cayman Islands.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective. The Group's estimated effective tax rates for the relevant jurisdictions in which the Group operates are higher than 15% or those group entities are eligible for safe harbours.

7. Profit for the Period

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging:		
Depreciation of right-of-use assets for buildings and land use rights	86,253	87,229
Depreciation of property, plant and equipment other than right-of-use assets	256,720	232,603
Amortisation of intangible assets	25,657	14,175
	368,630	334,007
Less: amounts capitalised as cost of inventories manufactured and property, plant and equipment and intangible assets	(213,857)	(198,833)
	154,773	135,174
Allowance for inventories included in cost of revenue	10,417	3,466
Government grants	18,617	19,192

8. Dividends

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Dividends recognised as distribution during the period	**1,057,955**	279,308

During the current interim period, a final dividend of HK20 cents per share in respect of the year ended 31 December 2025 (six months ended 30 June 2025: HK5 cents) was declared and paid to shareholders of the Company. The aggregate amount of the final dividend paid in the interim period amounted to HK$1,215,634,000 (equivalent to approximately RMB1,057,955,000) (six months ended 30 June 2025: HK$304,792,000 (equivalent to approximately RMB279,317,000)).

Subsequent to the end of the current interim period, the directors of the Company have determined that an interim dividend of HK20 cents per share amounting to approximately HK$1,239,131,000 in aggregate (six months ended 30 June 2025: HK$1,238,587,000) will be paid to shareholders of the Company whose names appear in the register of members of the Company on 10 September 2026.

9. Earnings Per Share

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings:		
Earnings for the purpose of basic and diluted earnings per share	**571,916**	492,154

	'000	'000
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating earnings per share	**6,091,064**	6,091,740
Effect of dilutive potential ordinary shares:		
Share options/award shares	**44,938**	93,359
	6,136,002	6,185,099

The computation of diluted earnings per share does not assume the exercise of certain of the Group's share options/award shares as the averaged adjusted exercise prices of the share options/award shares exceeded the average market prices or the assumed exercise would have an anti-dilutive effect on earnings per share for the six months ended 30 June 2026 and 2025.

10. Property, Plant and Equipment

During the current interim period, the Group acquired property, plant and equipment of RMB430,620,000 (six months ended 30 June 2025: RMB787,730,000). Furthermore, the Group renewed several lease agreements and entered into several new lease agreements with lease terms ranging from 1 to 10 years during the current interim period. On lease commencement, the Group recognised right-of-use assets of RMB44,593,000 (six months ended 30 June 2025: RMB190,174,000) and lease liabilities of RMB45,387,000 (six months ended 30 June 2025: RMB181,625,000).

11. Trade and Bills Receivables

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Trade receivables from contracts with customers	**2,342,192**	2,312,614
Less: Allowance for credit losses	**(65,129)**	(65,018)
	2,277,063	2,247,596
Bills receivables	**—**	50,759
	2,277,063	2,298,355

The Group allows a credit period of 0 to 105 days (31 December 2025: 0 to 105 days) to its trade customers.

The following is an analysis of trade receivables net of allowance for credit losses, presented based on the date of revenue recognised at the end of each reporting period:

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Trade receivables		
Within 30 days	**683,568**	683,311
31 to 60 days	**556,604**	649,713
61 to 90 days	**606,805**	516,042
Over 90 days	**430,086**	398,530
	2,277,063	2,247,596

The maturity dates of bills receivables are within three months as at 31 December 2025.

12. Trade and Bills Payables

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Trade payables	**1,456,211**	1,514,297
Bills payables	**128,640**	172,692
	1,584,851	1,686,989

The Group is normally granted credit terms of 30 to 90 days (31 December 2025: 30 to 90 days).

The following is an analysis of trade payables by age, presented based on the date of goods/services received or invoice date at the end of each reporting period:

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Within 30 days	**527,775**	961,203
31 to 60 days	**579,717**	336,002
61 to 90 days	**272,351**	140,889
Over 90 days	**76,368**	76,203
	1,456,211	1,514,297

The maturity dates of bills payables are within six months as at 30 June 2026 and 31 December 2025.

13. Share Capital

	Number of shares	Share Capital US$'000
Ordinary shares		
Ordinary shares of US$0.01 each		
Authorised:		
At 1 January 2025 (audited), 30 June 2025 (unaudited), 31 December 2025 (audited) and 30 June 2026 (unaudited)	10,000,000,000	100,000

	Number of shares	Share Capital	
		US$'000	RMB'000
Issued and fully paid			
At 1 January 2025 (audited)	6,179,827,296	61,798	431,299
Exercise of share options (note 14)	8,495,676	85	610
At 30 June 2025 (unaudited)	6,188,322,972	61,883	431,909
Exercise of share options (note 14)	5,930,449	59	422
At 31 December 2025 (audited)	6,194,253,421	61,942	432,331
Exercise of share options (note 14)	1,377,658	14	96
At 30 June 2026 (unaudited)	6,195,631,079	61,956	432,427

14. Share-Based Payment Transactions

Equity-settled share option scheme of the Company

(i) The Share Option Scheme

On 15 June 2020, a share option scheme (the "**Share Option Scheme**") was adopted by the shareholders of the Company for the purpose of incentivising and retaining directors, senior management and other employees for their contribution to the Group. Under the Share Option Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

On 27 December 2024 (the "**Date of Grant**"), the Company has conditionally granted a total of 61,000,000 share options under the Share Option Scheme to Mr. Chen Zhiping (the "**Grant**"). The Grant is subject to the following conditions: (1) the approval of the shareholders of the Company to amend the Share Option Scheme to bring it in line with the latest Listing Rules and to allow the use of treasury shares to satisfy options to be granted under the Share Option Scheme (the "**Proposed Amendment of the Share Option Scheme**"); (2) the approval of the shareholders of the Company to adopt a new scheme mandate limit pursuant to Listing Rules; and (3) the approval of the independent shareholders of the Company as required under the Listing Rules for the conditional Grant, which are further elaborated below. Under the Share Option Scheme, Mr. Chen is required to pay HK$1 as consideration for the acceptance of the Grant within such period (not exceeding 30 days inclusive of, and from, the Date of Grant) as the Board may determine.

As disclosed in the Company's separate announcement also dated 27 December 2024, the scheme mandate limit remaining for the Share Option Scheme is 7,995,340 shares, which is not sufficient to cover the Grant. As such, the Grant is conditional on, among others, the shareholders of the Company's approval of a new scheme mandate limit of 10% of the total number of Shares in issue (excluding treasury shares) pursuant to Chapter 17 of the Listing Rules. Assuming the shareholders of the Company approves the Proposed Amendment of the Share Option Scheme, the new scheme mandate limit and the Grant in the same extraordinary shareholder meeting (the "**EGM**"), and that there is no change to the number of issued Share of the Company from the date of this announcement to the EGM, a total of 556,982,729 Shares will be available for future grant under the scheme mandate limit.

On 18 February 2025, the Share Option Scheme was amended and approved by the shareholders of the Company in the EGM (the "**Proposed Amendment of the Share Option Scheme**"). The terms of Share Option Scheme are subject to Chapter 17 of the Listing Rules. The purpose of the amendment is to incentivize and reward eligible persons for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company. Participants of the Share Option Scheme included employees (whether full time or part time) or directors of the members of the Group, and the number of share subscription could be determined by the Board.

14. Share-Based Payment Transactions (Continued)

Equity-settled share option scheme of the Company (Continued)

(i) The Share Option Scheme (Continued)

The table below discloses movement of the Share Option Scheme:

	2026		2025	
	Exercise price HK$	Number of share options	Exercise price HK$	Number of share options
As at 1 January (audited)	**5.99–21.05**	**242,134,226**	5.99–20.80	265,714,956
Granted during the period	**9.42**	**1,930,000**	13.52	2,390,000
Forfeited during the period	**5.99–16.88**	**(5,654,647)**	5.99–16.88	(9,166,200)
Exercised during the period	**5.99–11.16**	**(1,377,658)**	5.99–16.88	(8,495,676)
As at 30 June (unaudited)	**5.99–21.05**	**237,031,921**	5.99–20.80	250,443,080
Exercisable at the end of the reporting period	**5.99–21.05**	**82,334,771**	5.99–20.80	35,403,655

During the current interim period, 1,930,000 share options were granted on 16 April 2026 under the Share Option Scheme. The fair value of the options determined at the date of grant using the Binomial Option Pricing model was HK$5,855,000 (equivalent to approximately RMB5,130,000). The key inputs into the model were as follows:

	Share options granted on 16 April 2026
Weighted average share price	HK$9.42
Exercise price	HK$9.42
Expected life	10 years
Risk-free rate	2.87%
Expected dividend yield	4.25%

14. Share-Based Payment Transactions (Continued)

Equity-settled share option scheme of the Company (Continued)

(i) The Share Option Scheme (Continued)

The directors of the Company estimated the risk-free rate based on the yield of the Hong Kong government bonds with a maturity life close to the option life of the share option. Expected volatility was estimated at grant date based on the average of historical volatilities of the comparable companies with length commensurable to the time of maturity of the share options. Expected dividend yield is based on management estimation at the grant date.

(ii) Share Award Scheme

On 2 September 2021 ("**Adoption date**"), the Company's Restricted Share Award Plan (the "**Restricted Share Award Scheme**") was adopted with a duration of 10 years commencing from the Adoption date. On 18 February 2025 ("**Amendment Date**"), the Restricted Share Award Scheme was amended and approved with a duration of 10 years commencing from the Amendment Date. The purposes of the Restricted Share Award Scheme are (i) to recognise and reward the contribution of certain eligible participants through the awarded shares to the growth and development of the Group and to provide incentives in order to retain them for continual operation and development to the Group; and (ii) to attract suitable personnel for further development of the Group.

The table below discloses movement of the Restricted Share Award Scheme:

	2026	2025
As at 1 January (audited)	**74,906,225**	91,125,350
Granted during the period	**930,000**	1,614,000
Lapsed during the period	**(2,508,700)**	(4,100,850)
Vested during the period	**(2,799,200)**	(1,583,250)
As at 30 June (unaudited)	**70,528,325**	87,055,250
Exercisable at the end of the reporting period	**81,950**	14,650

The fair value of the share awarded was determined based on the market value of the Company's shares at the grant dates. The vesting period under the Restricted Share Award Scheme ranges from three months to five years. During the current interim period, 930,000 awarded shares were granted on 16 April 2026 under the Restricted Share Award Scheme. The estimated fair value of the share awarded granted was HK$8,761,000 (equivalent to approximately RMB7,677,000).

14. Share-Based Payment Transactions (Continued)

Equity-settled share option scheme of Transpire Bio Holdings Limited ("Transpire Bio")

(iii) 2024 Equity Incentive Plan

On 31 May 2024, a share option scheme (the "**2024 equity incentive plan**") was adopted by the board of directors and approved by the shareholders of Transpire Bio, incorporated in the Cayman Islands, for the purpose of securing and retaining the services of the eligible award recipients, provide incentives for such persons to exert maximum efforts for the success of the Transpire Bio. Under the 2024 equity incentive plan, the board of directors of Transpire Bio may grant options to eligible award recipients, including employees, directors and consultants of Transpire Bio and its subsidiaries, to subscribe for shares in Transpire Bio.

The table below discloses movement of the 2024 equity incentive plan:

	2026		2025	
	Exercise price USD$	**Number of share options**	Exercise price USD$	Number of share options
As at 1 January (audited)	**0.0041–0.037**	**1,395,083,094**	0.0041	1,132,582,500
Granted during the period	**0.041**	**237,197,800**	0.024	196,056,625
Exercised during the period	**0.0041–0.024**	**(215,001,566)**	—	—
Lapsed during the period	**0.024**	**(14,856,406)**	—	—
As at 30 June (unaudited)	**0.0041–0.041**	**1,402,422,922**	0.0041–0.024	1,328,639,125

14. Share-Based Payment Transactions (Continued)

Equity-settled share option scheme of Transpire Bio Holdings Limited ("Transpire Bio") (Continued)

(iii) 2024 Equity Incentive Plan (Continued)

During the current interim period, 237,197,800 share options were granted on 31 May 2026 under the 2024 equity incentive plan. The fair value of the options determined at the date of grant using the Binomial Option Pricing model was USD4,530,000 (equivalent to approximately RMB30,884,000). The key inputs into the model were as follows:

	Share options granted on 31 May 2026
Weighted average share price	USD0.041
Exercise price	USD0.041
Expected life	10 years
Risk-free rate	4.46%
Expected dividend yield	0.00%

The directors of Transpire Bio estimated the risk-free rate based on the yield of the US government bonds with a maturity life close to the option life of the share option. Expected volatility was estimated at grant date based on the average of historical volatilities of the comparable companies with length commensurable to the time of maturity of the share options. Expected dividend yield is based on management estimation at the grant date.

15. Fair Value Measurements of Financial Instruments

Some of the Group's financial instruments are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial instruments are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (significant unobservable inputs).

Financial assets	Fair value as at 30 June 2026 RMB'000	Fair value as at 31 December 2025 RMB'000	Fair value hierarchy	Valuation techniques and key input	Signification unobservable input
Financial assets at FVTPL					
— short-term deposit with variable interest	**2,044,228**	–	Level 2	Discounted cash flow — Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.	–
— forward foreign exchange contracts	**183,059**	–	Level 2	Discounted cash flow — Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.	–

15. Fair Value Measurements of Financial Instruments (Continued)

There was no transfer between different level of the fair value hierarchy during the current interim period.

Except the above financial instruments that are measured at fair value on a recurring basis, the directors of the Company consider the carrying amounts of financial assets and liabilities recorded at amortised costs approximate their fair values.

16. Related Party Transactions

(i) The Group has following transactions and balances with a related party:

		For the six months ended 30 June	
Name of related party	**Nature of transactions**	**2026**	2025
		RMB'000	RMB'000
		(unaudited)	(unaudited)
EVE Energy Co., Ltd Shareholder of the Company	Purchase of raw material	**191,631**	167,520

Name of related party	**Nature of transactions**	**At 30 June 2026 RMB'000 (unaudited)**	At 31 December 2025 RMB'000 (audited)
EVE Energy Co., Ltd	Trade and bills payables	**93,166**	9,798
Shareholder of the Company	Other payables and accrued expenses	**125**	81
	Other receivables	**—**	10,569

16. Related Party Transactions (Continued)

(ii) Compensation of key management personnel

The remuneration of key management personnel, including the executive directors and other senior management, were as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Salaries and other allowances	**5,881**	5,620
Performance related bonuses	**—**	—
Retirement benefit schemes contributions	**164**	213
Share-based payment expense	**24,469**	25,354
	30,514	31,187

The remuneration of directors and key executives is determined with regard to the performance of individuals and market trends.

17. Contingent Liabilities

The Group is subject to laws and regulatory requirements in various jurisdictions worldwide. In some instances, certain entities and individuals may initiate litigation against the Group. As at 30 June 2026, the Group had the following material litigation:

Shenzhen Smoore Technology Co., Ltd. and the Company (collectively, "**Smoore**") are among the defendants in a pending consolidated antitrust litigation in the U.S. District Court for the Northern District of California. Several direct and indirect purchasers (the plaintiffs) allege that the defendants, including Smoore and several distributors, conspired to engage in anti-competitive conduct for some of its products in violation of the federal and state antitrust laws. Whilst Smoore was successful in dismissing, in part, the prior complaints, legal proceedings for the other complaints are ongoing. As of the date of this report, no trial date has been scheduled. The Group will continue to defend such claims vigorously.

The Board and management will continue to monitor and evaluate the financial and operational impact of material litigation and take actions deemed to be in the best interests of the Group. As at the date of this report, no provision has been recognized in respect of this matter.

In addition to the aforementioned litigation cases, the Company has assessed that there are no other pending legal proceedings which would have a material impact on the Company's operating position, financial position or cash flows.

18. Commitments

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	**812,981**	455,770

19. Comparative Financial Information

Certain comparative financial information set out in the condensed consolidated financial statements have been reclassified to conform with current period's presentation.