

MIKO INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1247

2026 INTERIM REPORT



redkids 红孩儿



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CORPORATE INFORMATION

BOARD AND COMMITTEES

Executive Directors

Ms. Liu Min (*Chairman*)
Mr. Ding Peiji
Mr. Yu Jianjun

Independent Non-Executive Directors

Mr. Ng Shing Kin
Mr. Chen Jun
Mr. Guo Zheng

Audit Committee

Mr. Ng Shing Kin (*Chairman*)
Mr. Guo Zheng
Mr. Chen Jun

Remuneration Committee

Mr. Guo Zheng (*Chairman*)
Mr. Chen Jun
Mr. Yu Jianjun

Nomination Committee

Mr. Chen Jun (*Chairman*)
Ms. Liu Min
Mr. Ng Shing Kin

AUTHORISED REPRESENTATIVES

Mr. Ding Peiji
Mr. Pang Wing Hong

COMPANY SECRETARY

Mr. Pang Wing Hong

REGISTERED OFFICE

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

HEADQUARTERS AND PLACE OF BUSINESS IN THE PRC

No. 168, Chong Rong Street
Economic Technology Development Zone
Quanzhou City
Fujian Province 362000
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1601, Ho King Commercial Centre
2-16 Fa Yuen Street
Mong Kok, Kowloon
Hong Kong

CORPORATE INFORMATION

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3,
Building D, P.O. Box 1586,
Gardenia Court, Camana Bay,
Grand Cayman, KY1-1100,
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor
Services Limited
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Hong Kong

AUDITORS

HLB Hodgson Impey Cheng Limited

INVESTOR RELATIONS CONTACT

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MANAGEMENT DISCUSSION AND ANALYSIS







MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

For the six months ended 30 June 2026 (“**1H 2026**”), revenue and net profit of our Group amounted to approximately RMB203.3 million and RMB23.8 million respectively, as compared to the revenue and net loss of approximately RMB289.9 million and RMB4.5 million respectively for the six months ended 30 June 2025 (“**1H 2025**”).

During the six months ended 30 June 2026, the economy of Mainland China continue to face challenging operating condition even the Chinese government continued to implement certain stimulated policies on domestic demand and consumption. Changes in consumption pattern, lower confidence and lower income of the consumers were observed as the consumers became more cautious in spending and the consumption of the goods especially for non-essential consumer goods. This in turns resulted in softer demand in the wholesale and retail market in Mainland China in the six months ended 30 June 2026.

This was a challenging period of time as overall sales performance decreased by 29.9% for the six months ended 30 June 2026 as compared with the same period in 2025 with the emergence of supply chain management business and the gross margin reflected an increase in margin owing to the impact from market condition and products mix sold in the six months ended 30 June 2026.

The Group expects the business scope of the supply chain management business to be expanded to the importing and exporting of bulk commodity including but not limited to industrial and food products. In addition, the Group aims to further diversify its business by exploring new opportunities in relation to the Group’s apparel related business in Mainland China.

To achieve the Group’s strategic objectives, the Group is committed to enhancing operational efficiency by actively improving internal systems, refining processes, enhancing quality and lowering costs. In addition, the Group is continuously strengthening budget management, reduced costs, enhanced efficiency and controlled expenses to manage spending, lower costs and reduce losses. The Group will be committed to deepening marketing and commercialization, actively responding to our challenges in the PRC market.

Ongoing Business Evaluation and Operational Optimisation

In light of ongoing macroeconomic headwinds, intensifying industry competition and operational cost pressures, the profitability of the Group’s wholesales business of children’s apparel and other apparel-related products has come under pressure. The Group is therefore conducting an ongoing review of its business portfolio, operating model and resource allocation with a view to improving operational efficiency, enhancing cost control and strengthening the competitiveness of its existing businesses.

The Group remains committed to maintaining and developing its existing wholesales business of children’s apparel and other apparel-related products. Any adjustment to the scale, operating arrangements or allocation of resources of this business, if considered necessary, will be implemented in a prudent and orderly manner having regard to market conditions, customer demand, operational performance and the interests of the Group as a whole. Such review and adjustment are intended to optimise the Group’s operations and do not represent an abandonment of the Group’s existing apparel business.

The Group will continue to proactively explore and pursue suitable business opportunities that are complementary to, or can support, its existing businesses. Each opportunity will be assessed prudently by reference to its commercial viability, strategic fit, expected return, funding requirements, regulatory requirements and associated risks, with a view to maintaining the continuity and sustainable development of the Group’s operations, enhancing its operational and financial resilience and creating sustainable long-term value for the Company and its shareholders.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's products were principally engaged in the wholesale business of design, manufacture and sales of children's apparel and other apparel related products in Mainland China. In addition, the supply chain management business of the Group has been emerged and the business scope included but not limited to the trading of bulk commodity products in Mainland China.

The Group's revenue was affected by the challenging business environment in 1H 2026 even with the emergence of the supply chain management business. The Group's revenue recorded a decrease of about 29.9%, from approximately RMB289.9 million for 1H 2025 to approximately RMB203.3 million for 1H 2026.

Wholesale business of children's apparel and other apparel related products amounted to approximately RMB94.9 million or approximately 46.7% for the Group's revenue during 1H 2026 as compared to that of approximately RMB50.8 million or 17.5% for 1H 2025.

Supply chain management business in trading of bulk commodity products amounted to approximately RMB108.4 million or 53.3% for the Group's revenue during 1H 2026 as compared to that of approximately RMB239.1 million or 82.5% for 1H 2025.

Cost of Sales

The cost of sales decreased by approximately RMB89.2 million or approximately 32.0%, from approximately RMB279.1 million for 1H 2025 to approximately RMB189.9 million for 1H 2026. The decrease was generally in line with the changes in products and sales mix with the emergence of supply chain management business in relation to the trading of bulk commodity products during the period.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased from approximately RMB10.8 million for 1H 2025 to approximately RMB13.4 million for 1H 2026. Gross profit margin was approximately 6.6% for 1H 2026, representing an increase of approximately 2.9 percentage points as compared to that of 3.7% for 1H 2025.

Other Revenue

Other revenue of our Group mainly included the interest income and rental income of approximately RMB0.7 million during 1H 2026 (1H 2025: RMB0.8 million).

Allowance for/(Reversal of Allowance) for Expected Credit Loss on Trade and Other Receivables, net

Allowance for expected credit loss of approximately RMB16.8 million in respect of trade and other receivables was made (1H 2025: Reversal of allowance for expected credit loss of approximately RMB0.1 million) owing to decisions made by the management of the Company taking into consideration the current credit worthiness, the past collection history, the aged status and the prevailing market conditions. We continue to conduct comprehensive review of our distributors' repayment histories, resources and financial capabilities to ensure that they are able to repay the debts within the credit period.



MANAGEMENT DISCUSSION AND ANALYSIS

Selling and Distribution Expenses

Selling and distribution expenses primarily consisted of marketing rebates, salaries and benefits for sales and marketing personnel, and advertising and exhibition expenses. Selling and distribution expenses was approximately RMB3.1 million for 1H 2026, representing a decrease of approximately RMB5.0 million or about 61.7%, as compared to that of approximately RMB8.1 million for 1H 2025. The decrease in selling and distribution expenses was mainly due to decrease in the advertisement and marketing related expenses in view of current business environment in 1H 2026. As a percentage of revenue, selling and distribution expenses was 1.5% for 1H 2026 (1H 2025: 2.8%).

Administrative and Other Operating Expenses

Administrative and other operating expenses primarily consisted of design and development expenses, salaries and benefits for administrative personnel, professional expenses in relation to legal and financial advisory services and taxes and levies. Administrative and other operating expenses was approximately RMB9.4 million for 1H 2026, representing an increase of approximately RMB1.7 million or about 21.5% as compared to that of approximately RMB7.7 million for 1H 2025. As for the percentage of revenue, it increased from 2.7% for 1H 2025 to 4.6% for 1H 2026.

Gain on Disposal of Subsidiaries

Quanzhou Hungyu Innovative Business Development Limited* (泉州紅隅科創產業發展有限公司)

Quanzhou Hungyu Innovative Business Development Limited* (“**Quanzhou Hungyu**”), a company incorporated in the PRC with limited liability, was a wholly-owned subsidiary of the Group prior to disposal. On 2 December 2025, the Group as vendor and Fujian Quanzhou Langyaoda Investment Company Limited* (福建泉州朗曜達投資有限公司) (the “**Purchaser**”) as purchaser entered into a sale and purchase agreement, pursuant to which the Group conditionally agreed to sell and the Purchaser agreed to acquire the entire equity interests in Quanzhou Hungyu at a cash consideration of RMB75.7 million (equivalent to approximately HK\$83.2 million). The disposal was completed in April 2026 and the Group recorded a gain on disposal of approximately RMB39.3 million. Details of the disposal were disclosed in the announcement of the Company dated 2 December 2025 and the circular of the Company dated 13 January 2026.

Proper Sharp Holdings Limited and its subsidiaries (collectively, “PSHL Group”)

On 20 April 2026, the Group entered into a sale and purchase agreement with an independent third party, pursuant to which the Group agreed to sell, and the purchaser agreed to acquire the entire equity interests in the PSHL Group, wholly owned subsidiaries of the Company, at cash consideration of RMB1.2 million. The disposal was completed in May 2026 and the Group recorded a gain on disposal of approximately RMB0.2 million.

Finance Costs

Finance costs comprised of interest on bank loans. Finance costs maintained at similar level of approximately RMB0.1 million and approximately RMB0.3 million in 1H 2026 and 1H 2025 respectively.

Taxation

Income tax expense of approximately RMB0.5 million was recorded for 1H 2026 (1H 2025: approximately RMB0.1 million). Currently, our principal subsidiaries in Mainland China are subject to an enterprise income tax rate of 25%.

Profit/(Loss) for the Period after Taxation

As a result of the foregoing, profit for the period after taxation approximately RMB23.8 million was recorded as compared to the loss for 1H 2025 approximately RMB4.5 million.

MANAGEMENT DISCUSSION AND ANALYSIS

WORKING CAPITAL MANAGEMENT

Our Group recorded net current assets of approximately RMB119.8 million with a current ratio of 3.4 times as of 30 June 2026, compared to that of approximately RMB60.6 million and 1.6 times as of 31 December 2025. The table below sets forth the turnover days of trade receivables, inventories and trade payables at the end of the period indicated.

	Turnover days	
	As of 30 June 2026	As of 30 June 2025
Trade receivables	46	65
Inventories	28	20
Trade payables	3	8

LIQUIDITY AND CAPITAL RESOURCES

Our Group mainly relies on cash flows from operations to finance working capital requirements and capital expenditures. Our Group's cash and cash equivalents totalled approximately RMB114.5 million as of 30 June 2026 (31 December 2025: approximately RMB55.2 million). Bank borrowings of our Group of RMB10.0 million was recorded as of 30 June 2026, as compared to that of approximately RMB10.0 million as of 31 December 2025. Gearing ratio was 7.14% as of 30 June 2026.

Our Group recorded a decrease in net cash generated from operating activities of approximately RMB43.8 million, from net cash generated from operating activities approximately RMB49.3 million for 1H 2025 to net cash generated from operating activities approximately RMB5.2 million for 1H 2026.

Net cash generated from investing activities of approximately RMB74.8 million was made for 1H 2026, which mainly represented the consideration received from disposal of subsidiaries. Net cash used from financing activities was approximately RMB19.1 million for 1H 2026, as compared to net cash generated from financing activities of approximately RMB30.9 million for 1H 2025 which mainly represented the proceeds from placing shares and exercise of share options.

As a result of the foregoing, there was a net increase in cash and cash equivalents of approximately RMB60.9 million for 1H 2026 (1H 2025: net increase approximately RMB80.3 million).

Notes to financial ratios:

- (1) Trade receivables turnover days equal the average of the opening and closing balances of trade receivables of the relevant period divided by revenue of the relevant period and multiplied by 182 days.
- (2) Inventory turnover days equal the average of the opening and closing balances of inventories of the relevant period divided by cost of sales of the relevant period and multiplied by 182 days.
- (3) Trade payables turnover days equal the average of the opening and closing balances of trade payables of the relevant period divided by cost of sales of the relevant period and multiplied by 182 days.
- (4) Current ratio equals current assets divided by current liabilities as of the end of the period.
- (5) Gearing ratio equals the total of bank and other borrowings divided by total equity as of the end of the period.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE AND FUND RAISING ACTIVITIES

Placing of Shares under General Mandate

On 26 May 2025 (after trading hours), the Company entered into the placing agreement with the placing agent pursuant to which the Company has conditionally agreed to place, through the placing agent on a best efforts basis, up to 31,635,200 placing shares at the placing price of HK\$1.35 per placing share to not less than six placees who are professional, institutional or other investors that are third parties independent of the Company and its connected persons. The placing shares were allotted and issued pursuant to the general mandate, which had been approved at the annual general meeting of the Company. Details of the placing of new shares were set out in the announcements of the Company dated 26 May 2025, 29 May 2025 and 13 June 2025.

Use of Proceeds from Placement of Shares

On 13 June 2025, the Company completed the placement of 31,632,000 Shares and raised net proceeds of approximately HK\$41.9 million. The Company intends to fully utilise the net proceeds for the purpose as disclosed in the announcement of the Company dated 26 May 2025, 29 May 2025 and 13 June 2025.

The table below sets out the planned applications of the net proceeds and actual usage up to 30 June 2026.

	Planned applications (HK\$ million)	Percentage of total net proceeds	Actual usage up to 30 June 2026 (HK\$ million)
(i) Setting up a cross-border business-to-business platform in multi-language support and intelligent customs declaration system	7.0	16.7%	7.0
(ii) Channel development and marketing	10.0	23.9%	2.3
(iii) Expansion of manpower of the Group for the Group's expanded scope of business	6.0	14.3%	3.8
(iv) General working capital including rental payments, professional fees and other general administrative and operating expenses in respect of the Group's expanded scope of business	18.9	45.1%	18.9
	41.9	100.0%	32.0



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RISK MANAGEMENT

We have a treasury policy that aims to better control our treasury operations and lower borrowing cost. Our treasury policy requires our Group to maintain an adequate level of cash and cash equivalents, and sufficient available banking facilities to finance our daily operations and to address short-term funding needs. We review and evaluate our treasury policy from time to time to ensure its adequacy and effectiveness.

Except for operations of our Company and other investment holding companies outside Mainland China, our Group's businesses are principally conducted in RMB and most of the Group's monetary assets and liabilities are denominated in RMB. Accordingly, the management considers our Group's exposure to currency risk insignificant.

Our interest rate risk arises primarily from bank borrowings. As our Group's operations are mainly conducted in Mainland China and the majority of our Group's assets and liabilities, and sales and purchases are transacted in RMB, the Directors are of the view that our Group are not subject to significant foreign exchange rate risks.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Our Group had no material capital commitments and contingent liabilities as of 30 June 2026.

PLEDGE OF ASSETS

Pledge of properties with net book value of approximately of RMB10.5 million is recorded as at 30 June 2026 (31 December 2025: certain properties and lease prepayment with net book value of approximately RMB9.1 million) for certain bank loans.

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

Our Group made no other significant investments, material acquisitions or disposal for the six months ended 30 June 2026.

INVESTMENTS HELD IN FOREIGN CURRENCY AND HEDGING

For the six months ended 30 June 2026, the Group did not hold any investments denominated in foreign currencies. Furthermore, the Group's working capital or liquidity did not encounter any material difficulties or material impacts as a result of the movement in exchange rate.

EMPLOYEES AND REMUNERATION POLICIES

The emolument policy of our Group aims at attracting, retaining and motivating talented individuals. The principle is to have performance-based remuneration which reflects market standards. Remuneration package for each employee is generally determined based on his or her job nature and position with reference to market standards. Our emolument policy will be adjusted depending on a number of factors, including changes to the market practice and stages of our business development, so as to achieve our operational targets. As at 30 June 2026, we employed around 120 full-time employees. The total staff costs for 1H 2026 was approximately RMB6.1 million (1H 2025: approximately RMB11.7 million).



CORPORATE GOVERNANCE AND OTHER INFORMATION

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

Neither our Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during 1H 2026.

CORPORATE GOVERNANCE CODE

The Company is committed to maintain a high standard of corporate governance and has steered its development and protected the interests of its shareholders in an enlightened and open manner. During 1H 2026, the Board comprised of four executive Directors and three independent non-executive Directors. The Board has adopted the code provisions of the Corporate Governance Code ("**CG Code**") set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**"). During 1H 2026, the Company has complied with the CG Code, except for the deviations as explained below.

Code provision D.1.2 provides that management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the issuer's performance, position and prospects in sufficient detail to enable the board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. Although the management of the Company did not provide a regular monthly update to the members of the Board, the management provides information and updates to the members of the Board as and when appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the code of conduct regarding Directors' securities transactions. Specific enquiries have been made to all Directors and all Directors have confirmed that they have fully complied with the required standard of dealings as set out in the Model Code during 1H 2026.

UPDATE ON DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of Listing Rules, changes in information of Directors or chief executives of the Company subsequent to the date of the 2025 annual report of the Company should be disclosed.

Save as disclosed above, during the reporting period and up to the date of this interim report, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE AND REVIEW OF UNAUDITED INTERIM RESULTS

The Company has an Audit Committee (the “**Audit Committee**”) which was established in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group’s financial reporting process, internal controls and risk management. The Audit Committee, comprising three independent non-executive Directors, namely Mr. Ng Shing Kin, the chairman of Audit Committee, Mr. Chen Jun and Mr. Guo Zheng, has reviewed the accounting principles and practices adopted by the Group and discussed with the management with respect to financial reporting matters, including review of the unaudited interim results of the Group for the six months ended 30 June 2026. The Audit Committee has no disagreement with the accounting treatment adopted by the Group and is satisfied that the unaudited interim results have been prepared in accordance with the applicable accounting standards and the Listing Rules, and that adequate disclosures have been made.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for 1H 2026 (1H 2025: Nil).

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company had maintained sufficient public float of more than 25% of the Company’s issued share capital as required under the Listing Rules as of the date of this report.

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS IN SECURITIES

As at 30 June 2026, the interests or short positions of the Directors and the chief executive in the Company’s shares (the “**Shares**”), underlying shares and debentures of the associated corporations of the Company, within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have taken under such provisions of the SFO) or which would be required, pursuant to section 352 of Part XV of the SFO, to be recorded in the register referred to therein or which would be required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests and short positions in the shares, underlying shares and debentures and associated corporations:

CORPORATE GOVERNANCE AND OTHER INFORMATION

Long positions in the Company

Name of Directors	Nature of interest	Capacity	Number of Shares	Approximate percentage of shareholding ⁽⁵⁾
Mr. Ding Peiji ⁽¹⁾	L ⁽³⁾	Interest in a controlled corporation	24,817,669	11.13%
		Beneficial owner	373,200	0.17%
		Beneficial owner	90,000 ⁽⁴⁾	0.04%

Notes:

- (1) Think Wise Holdings Investment Limited ("**Think Wise**") is wholly-owned and controlled by Mr. Ding Peiji. Accordingly, Mr. Ding is deemed to be interested in all the Shares in which Think Wise is interested pursuant to the SFO.
- (2) The letter "L" denotes long position.
- (3) Mr. Ding Peiji, an executive Director, has been granted an option to subscribe for 90,000 Shares under the Share Option Scheme granted on 2 November 2018.
- (4) The calculation is based on the total number of 222,976,000 ordinary Shares of the Company in issue as at 30 June 2026, without taking into account any Shares to be issued upon exercise of the options granted under the Share Option Scheme which may be granted under the Share Option Scheme.

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2026, the persons or corporations who had an interest or short position in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of Part XV of the SFO were as follows:

Name	Nature of interest	Capacity	Number of Shares	Approximate percentage of shareholding ⁽⁶⁾
Think Wise ⁽¹⁾	L ⁽³⁾	Beneficial owner	24,817,669	11.13%
Mr. Ding ⁽¹⁾	L ⁽³⁾	Interest in a controlled corporation	24,817,669	11.13%
		Beneficial owner	373,200	0.17%
		Beneficial owner	90,000 ⁽⁴⁾	0.04%
Goldrun Limited ⁽⁵⁾	L ⁽³⁾	Beneficial owner	20,704,000	9.29%
Chen Hsin Fu ⁽⁵⁾	L ⁽³⁾	Interest in a controlled corporation	20,704,000	9.29%

Notes:

- (1) Think Wise is wholly-owned and controlled by Mr. Ding. Accordingly, Mr. Ding is deemed to be interested in all the Shares in which Think Wise is interested pursuant to the SFO.
- (2) The letter "L" denotes long position.
- (3) Mr. Ding Peiji, an executive Director, has been granted an option to subscribe for 90,000 Shares under the Share Option Scheme granted on 2 November 2018.
- (4) Based on the notices of disclosures of interests of Goldrun Limited and Mr. Chen Hsin Fu each filed with the Stock Exchange dated 19 June 2023, these interests are held by Goldrun Limited, which is wholly owned by Mr. Chen Hsin Fu.
- (5) The calculation is based on the total number of 222,976,000 ordinary Shares in issue as at 30 June 2026 without taking into account of any Shares to be issued upon exercise of the options granted under the Share Option Scheme which may be granted under the Share Option Scheme.

Save as disclosed above, as at 30 June 2026, the Company is not aware of any other person or corporation having an interest or short position in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of Part XV of the SFO.



CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a Director had a material interest, subsisted at 30 June 2026 or at any time during the period.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

There had been no contract of significance between the Company or any of its subsidiaries and the controlling shareholders (as defined in the Listing Rules) of the Company or any of its subsidiaries during the period.

EQUITY-SETTLED SHARE BASED PAYMENTS

The Company adopted a share option scheme (the **"Share Option Scheme"**) on 27 December 2013 for the purpose of providing incentives and rewards to eligible participants who contribute to the Group.

Share Option Scheme

The Company adopted the Share Option Scheme on 27 December 2013 for the purpose of rewarding certain eligible persons for their past contributions and attracting and retaining, or otherwise maintaining on-going relationships with, such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group. Subject to the earlier termination of the Share Option Scheme in accordance with the rules thereof, the Share Option Scheme shall remain in force for a period of ten years commencing on the Listing Date. Therefore, the Share Option Scheme was expired in 2023. Following the expiry of the scheme on 27 December 2023, no further share option can be granted, but the provisions of the scheme will remain in full force and effect to the extent necessary to give effect to the exercise of any share options granted prior thereto or otherwise as may be required in accordance with the provisions of the scheme.

Eligible participants of the Scheme include any proposed, full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; any directors or proposed director (including non-executive director and independent non-executive directors) of the Company or any of its subsidiaries; any direct or indirect Shareholder of the Company or any of its subsidiaries; and any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries.

The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the shares in issue as at the Listing Date, i.e. 8,000,000 shares of the Company (adjusted after share consolidation in the year of 2021). Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (i) renew this limit at any time to 10% of the shares in issue as at the date of the approval by the Shareholders in general meeting; and/or
- (ii) grant options beyond the 10% limit to eligible participants specifically identified by the Board.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notwithstanding the foregoing, the maximum number of shares to be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the shares of the Company in issue from time to time.

The maximum number of shares issuable upon the exercise of options granted under the Share Option Scheme and any other share option scheme adopted by the Group (including both exercised or outstanding options) to each grantee within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of options in excess of this 1% limit shall be subject to: (i) the issue of a circular by the Company; and (ii) the approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time.

Share options granted to a Director, chief executive or substantial Shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors of the Company. In addition, where any grant of options or awards to an independent non-executive director or a substantial shareholder of the Company, or any of their respective associates, would result in the shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of shares in issue, such further grant of options or awards must be approved by shareholders of the Company in general meeting in the manner set out in Rule 17.04(4) of the Listing Rules.

The exercise period of the share options granted is determinable by the Directors, which period may commence on the date of the offer of the share options, and ends on a date which is not later than ten years from the date of grant of the share options subject to the provisions for early termination thereof. There is no minimum period for which an option must be held before it can be exercised. Participants of the Share Option Scheme are required to pay the Company HK\$1.0 upon acceptance of the grant on or before 28 days after the offer date.

The exercise price of the share options is determinable by the directors, but shall not be less than the highest of (i) the closing price of the Company's shares as quoted on the Stock Exchange's daily quotations sheet for trade in one or more board lots of the shares on the date of the offer for the grant, which must be a business day; (ii) the average closing price of the Company's shares as quoted on the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of offer; and (iii) the nominal value of a share.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Details of movement in the share options as at 30 June 2026 which have been granted under the Share Option Scheme are as follows:

Name	Outstanding as at 1 January 2026	Granted during the period ended 30 June 2026	Exercised during the period ended 30 June 2026	Cancelled during the period ended 30 June 2026	Outstanding during the period ended 30 June 2026	Exercise Price	Date of grant	Exercisable period
Directors								
Mr. Ding Peiji	90,000	-	-	-	90,000	1.07	2 November 2018	2 November 2019 – 1 November 2028
Mr. Ding Peiyuan (resigned on 30 September 2025)	960,000	-	-	-	960,000	1.07	2 November 2018	2 November 2019 – 1 November 2028
Mr. Hung Cho Sing (resigned on 16 June 2023)	90,000	-	-	-	90,000	1.07	2 November 2018	2 November 2019 – 1 November 2028
Mr. Chan Wai Wong (resigned on 31 October 2022)	90,000	-	-	-	90,000	1.07	2 November 2018	2 November 2019 – 1 November 2028
Mr. Wu Shiming (resigned on 28 June 2022)	90,000	-	-	-	90,000	1.07	2 November 2018	2 November 2019 – 1 November 2028
Employees	1,780,000	-	(730,000)	-	1,050,000	1.07	2 November 2018	2 November 2019 – 1 November 2028
Others ⁽¹⁾	1,600,000	-	(800,000)	-	800,000	1.07	2 November 2018	2 November 2019 – 1 November 2028
Total	4,700,000	-	(1,530,000)	-	3,170,000			

Notes:

- (1) Comprise of customers and consultants of the Company.
- (2) No share options or awards were granted under the Share Option Scheme during 1H 2026. As such, the number of shares that may be issued in respect of options and awards granted under all schemes of the Company during 1H 2026 divided by the weighted average number of ordinary shares in issue during the period was 0% (six months ended 30 June 2025: 0%).
- (3) The weighted average closing price of the Company's shares immediately before the date(s) on which the share options were exercised during 1H 2026 was HK\$2.20 per share.
- (4) As at the date of this report, no share options granted under the Share Option Scheme have lapsed during 1H 2026.

APPRECIATION

The Board would like to express our heartfelt gratitude towards the management team and staff for their commitment and diligence, and would like to thank our shareholders and business associates for their strong support to the Group.



CORPORATE GOVERNANCE AND OTHER INFORMATION

EVENTS AFTER THE REPORTING PERIOD

Subsequent to 30 June 2026, there was a change in the chairman and chief executive officer of the Company. Details are set out in the announcement of the Company dated 17 July 2026. The change has no material impact on the Group's financial position and results for 1H 2026. Save as disclosed above, there was no significant event after the reporting period up to the date of this report.

On behalf of the Board

Miko International Holdings Limited

Liu Min

Chairman

Hong Kong, 28 August 2026

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

For the six months ended 30 June 2026 (Expressed in Renminbi)

		Six months ended 30 June	
	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	4	203,308	289,908
Cost of sales		(189,891)	(279,128)
Gross profit		13,417	10,780
Other revenue	6	703	786
(Allowance)/reversal of expected credit loss on trade and other receivables, net		(16,833)	88
Selling and distribution expenses		(3,068)	(8,066)
Administrative and other operating expenses		(9,386)	(7,722)
Gain on disposal of subsidiaries	7	39,535	–
Profit/(loss) from operations		24,368	(4,134)
Finance costs	8(a)	(84)	(273)
Profit/(loss) before taxation	8	24,284	(4,407)
Income tax expenses	9	(468)	(115)
Profit/(loss) for the period attributable to shareholders of the Company		23,816	(4,522)
Other comprehensive income for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		(555)	(1,722)
Total comprehensive income/(loss) for the period attributable to shareholders of the Company		23,261	(6,244)
Profit/(loss) per share (RMB cents)			
– Basic and diluted	10	10.71	(2.37)

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As of 30 June 2026 (Expressed in Renminbi)

	Notes	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	11	21,609	44,647
Right-of-use assets	11	32	2,057
Deposits paid for property, plant and equipment		–	9,394
		21,641	56,098
Current assets			
Inventories		3,984	57,933
Trade receivables	12	50,212	43,297
Prepayments, deposits and other receivables	13	640	968
Cash and cash equivalents		114,522	55,241
		169,358	157,439
Current liabilities			
Trade and other payables	14	39,533	71,110
Contract liabilities		23	15,634
Lease liabilities		34	88
Bank loans	15	10,000	10,000
		49,590	96,832
Net current assets		119,768	60,607
Total assets less current liabilities		141,409	116,705
Non-current liabilities			
Deferred tax liabilities		1,300	1,300
		1,300	1,300
Net assets		140,109	115,405
Equity			
Share capital	16(a)	18,995	18,860
Reserves		121,114	96,545
Total equity		140,109	115,405

Approved and authorized for issue by the board of directors on 28 August 2026.

Director
Liu Min

Director
Ding Peiji

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026 (Expressed in Renminbi)

	Notes	Share capital RMB'000 16(a)	Share premium RMB'000 16(b)	Share-Based payment reserve RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	Statutory reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at 1 January 2025 (Audited)		15,654	319,573	4,571	145,549	12,371	58,134	(423,376)	132,476
Changes in equity for the six months ended 30 June 2025:									
Loss for the period		-	-	-	-	-	-	(4,522)	(4,522)
Other comprehensive loss		-	-	-	-	1,722	-	-	1,722
Total comprehensive loss		-	-	-	-	1,722	-	(4,522)	(2,800)
Issue of shares under share option scheme		157	2,501	(971)	-	-	-	-	1,687
Issue of placing shares, net of expenses		2,902	35,588	-	-	-	-	-	38,490
Balance at 30 June 2025 (Unaudited)		18,713	357,662	3,600	145,549	14,093	58,134	(427,898)	169,853
Balance at 1 January 2026 (Audited)		18,860	359,999	2,682	145,549	12,571	58,134	(482,390)	115,405
Changes in equity for the six months ended 30 June 2026:									
Loss for the period		-	-	-	-	-	-	23,816	23,816
Other comprehensive loss		-	-	-	-	(555)	-	-	(555)
Total comprehensive loss		-	-	-	-	(555)	-	23,816	23,261
Issue of shares under share option scheme		135	2,181	(873)	-	-	-	-	1,443
Balance at 30 June 2026 (Unaudited)		18,995	362,180	1,809	145,549	12,016	58,134	(458,574)	140,109

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

For the six months ended 30 June 2026 (Expressed in Renminbi)

	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Operating activities			
Cash generated from operations		5,645	49,422
Income tax paid		(468)	(137)
Net cash generated from operating activities		5,177	49,285
Investing activities			
Payment for the purchase of property, plant and equipment		(1,276)	(2)
Interest received	6	439	156
Net cash flow arising from disposal of subsidiaries	7	75,673	–
Net cash generated from investing activities		74,836	154
Financing activities			
Proceeds from bank loans		10,000	–
Repayment of bank loans		–	(17,000)
Repayment of lease liabilities		(52)	(54)
Net proceeds from amount due to a director		(30,418)	8,060
Net proceeds from Issue of shares under share option scheme		1,443	1,687
Net proceeds from issue of new placing share		–	38,490
Interest paid		(82)	(273)
Net cash (used in)/generated from financing activities		(19,109)	30,910
Net increase in cash and cash equivalents		60,904	80,349
Cash and cash equivalents at 1 January		55,241	39,655
Effect of foreign exchange rate changes		(1,623)	1,727
Cash and cash equivalents at 30 June		114,522	121,731

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's principal place of business in Hong Kong is located at Room 1601, Ho King Commercial Centre, 2-16 Fa Yuen Street, Mong Kok, Kowloon, Hong Kong.

As at 30 June 2026, the directors of the Company consider the immediate and ultimate controlling parties to be Think Wise Holdings Investment Limited and Mr. Ding Peiji respectively.

During the period, the Company and its subsidiaries (collectively the “**Group**”) were principally engaged in the wholesale business of design, manufacture and sales of children's apparel and other apparel related products. In addition, the supply chain management business of the Group has been emerged and the type of business scope included but not limited to the trading of bulk commodity products in Mainland China. Other than this, there were no significant changes in the nature of the Group's principal activities during the period.

The unaudited condensed consolidated interim financial information is presented in Renminbi (“**RMB**”) unless otherwise stated.

These condensed consolidated interim financial statements have not been audited.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements (the “**Unaudited Interim Results**”) have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“**IAS**”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“**IASB**”). The Board approved the Unaudited Interim Results for issue on 28 August 2026.

The Unaudited Interim Results have been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the adoption of new standards and amendments to existing standards as set out in note 3.

The preparation of the Unaudited Interim Results in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The Unaudited Interim Results contain unaudited condensed consolidated interim financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to the understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The unaudited condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with IFRS Accounting Standards as issued by the IASB.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The condensed consolidated interim results have not been audited by the Company's independent auditors, but have been reviewed by the audit committee of the Company (the "**Audit Committee**").

The financial information relating to the financial year ended 31 December 2025 that is included in the Unaudited Interim Results as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2025 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 30 March 2026.

3. CHANGES IN ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to the IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated interim financial statements for the six months ended 30 June 2026 are the same as those presented in the 2025 Annual Report.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2026 for the preparation of the Group's condensed consolidated interim financial statements:

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

The application of the amendments to IFRS Accounting Standards in the current 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 the condensed consolidated interim financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4. REVENUE AND SEGMENT INFORMATION

The Group determines its operating segments based on the reports that are used to make strategic decisions consistent with the way in which information is reported internally to the Group's most senior management for the purpose of resource allocation and performance assessment, the Group has presented the following two reportable segments.

The Group's operations and reportable segments are as follows:

- (i) Wholesales business – design, manufacture and sales of children's apparel and other apparel related products; and
- (ii) Supply chain management business – trading of bulk commodity products.

Segment revenue and results:

The following is an analysis of the Group's revenue and results by reportable segments.

	Wholesales business		Supply chain management business		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Reportable segment revenue						
– Revenue from external customers	94,934	50,824	108,374	239,084	203,308	289,908
Segment results	(12,628)	(4,538)	425	1,668	(12,203)	(2,870)
Other revenue					703	786
Central administration costs					(3,667)	(2,050)
Finance costs					(84)	(273)
Gain on disposal of subsidiaries					39,535	–
Profit/(loss) before taxation					24,284	(4,407)

All of the segment revenue reported above are generated from external customers. Revenue from contracts with customers are recognised at a point in time.

The accounting policies of the operating segments are the same as the Group's accounting policies to the consolidated financial statements. Segment results represent the loss recorded by each segment without allocation of other revenue, central administrative costs, finance costs and gain on disposal of subsidiaries. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities:

	Wholesales business		Supply chain management business		Total	
	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Segment assets	62,733	85,665	75,803	92,352	138,536	178,017
Unallocated assets					52,463	35,520
Total assets					190,999	213,537
Segment liabilities	11,121	21,716	9,867	21,217	20,988	42,933
Unallocated liabilities					29,902	55,199
Total liabilities					50,890	98,132

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than certain other prepayments and receivables and certain cash and cash equivalents; and
- all liabilities are allocated to reportable segments other than deferred tax liabilities and other payables.

Other segment information:

	Wholesales business		Supply chain management business		Total	
	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Capital expenditure*	–	2	10,670	–	10,670	2
Depreciation of property, plant and equipment	1,383	1,378	160	40	1,543	1,418
Amortisation of right-of-use assets	52	50	–	–	52	50
Allowance for/(reversal of allowance for) expected credit loss on trade and other receivables, net	16,844	(70)	(11)	(18)	16,833	(88)

* Capital expenditure consists of additions to property, plant and equipment and right-of-use assets.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information:

All the Group's revenue from external customers and majority of the Group's non-current assets are based in Mainland China.

Information about major customers:

Revenue from customers which individually contributed over 10% of the Group's revenue is as follows:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Customer A from wholesales business	44,660	N/A*
Customer B from supply chain management business	N/A*	58,972
Customer C from supply chain management business	25,731	19,661
Customer D from supply chain management business	N/A*	31,160
Customer E from supply chain management business	32,787	N/A*

* The corresponding revenue does not contribute over 10% of the Group's revenue for the respective year

Disaggregation of revenue from contracts with customers:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Sales of children's apparel and other apparel related products	94,934	50,824
Sales of bulk commodity products	108,374	239,084
	203,308	289,908

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Timing of revenue recognition		
At a point in time	203,308	289,908

Transaction allocated to the remaining performance obligation for contracts with customers

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its revenue such that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining obligations under the contracts as all contract works have an original expected duration of one year or less.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

5. SEASONALITY OF OPERATION

The Group usually sells spring and summer children apparel products in the first half of the year and sells autumn and winter children apparel products in the second half of the year. The selling price of autumn and winter children apparel products is usually higher than that of the spring and summer children apparel products. As a result, the Group typically reports lower revenues and results for the first half of the year.

6. OTHER REVENUE

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Interest income	439	156
Rental income	274	580
Others	(10)	50
	703	786

7. DISPOSAL OF SUBSIDIARIES

For the six months ended 30 June 2026

(a) Quanzhou Hungyu Innovative Business Development Limited* (泉州紅隅科創產業發展有限公司)

Quanzhou Hungyu Innovative Business Development Limited* ("Quanzhou Hungyu"), a company incorporated in the PRC with limited liability, was a wholly-owned subsidiary of the Group prior to disposal. On 2 December 2025, the Group as vendor and the Fujian Quanzhou Langyaoda Investment Company Limited* (福建泉州朗曜達投資有限公司) (the "Purchaser") as purchaser entered into sale and purchase agreement, pursuant to which the Group has conditionally agreed to sell and the purchaser agreed to acquire the entire equity interests in Quanzhou Hungyu at cash consideration of RMB75.7 million (equivalent to approximately HK\$83.2 million). The disposal was completed in April 2026 and the net assets of Quanzhou Hungyu at the date of disposal were as follows:

	RMB'000
Consideration	75,564
Analysis of assets and liabilities over which control was lost	
Property, plant and equipment	30,845
Right-of-use assets	1,979
Cash and cash equivalents	1,077
Prepayments, deposits and other receivables	13,065
Bank loans	(10,000)
Other payables	(730)
	36,236
	(36,236)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

7. DISPOSAL OF SUBSIDIARIES (Continued)

For the six months ended 30 June 2026 (Continued)

(a) **Quanzhou Hungyu Innovative Business Development Limited*** (泉州紅隅科創產業發展有限公司) (Continued)

Gain on disposal of subsidiaries

	RMB'000
Consideration received	75,564
Net assets disposed of	(36,236)
	39,328

Net cash inflow arising on disposal:

	RMB'000
Consideration received	75,564
Less: cash and bank deposits disposed of	(1,077)
	74,487

(b) **Disposal of Proper Sharp Holdings Limited and its subsidiaries (collectively, "PSHL Group")**

On 20 April 2026, the Group entered into a sale and purchase agreement with independent third party, pursuant to which the Group agreed to sell, and the purchaser agreed to acquire, entire equity interests in the PSHL Group, wholly owned subsidiaries of the Company, at cash consideration of RMB1.2 million. The disposal was completed in May 2026 and the net assets of PSHL Group at the date of disposal were as follows:

	RMB'000
Consideration	1,200
Analysis of assets and liabilities over which control was lost	
Property, plant and equipment	720
Cash and cash equivalents	14
Other receivables	259
	993
	(993)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

7. DISPOSAL OF SUBSIDIARIES (Continued)

For the six months ended 30 June 2026 (Continued)

(b) *Disposal of Proper Sharp Holdings Limited and its subsidiaries (collectively, “PSHL Group”) (Continued)*

Gain on disposal of subsidiaries

	RMB'000
Consideration received	1,200
Net assets disposed of	(993)
	207

Net cash inflow arising on disposal:

	RMB'000
Consideration received	1,200
Less: cash and bank deposits disposed of	(14)
	1,186

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

8. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging:

		Six months ended 30 June	
		2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
(a) Finance costs:			
Interest on bank loans		82	264
Interest on lease liabilities		2	9
		84	273
(b) Staff costs (including directors' remuneration):			
Contributions to defined contribution retirement plans		562	1,885
Salaries, wages and other benefits		5,556	9,777
		6,118	11,662
(c) Other items:			
Depreciation of property, plant and equipment		1,543	1,418
Amortisation of right-of-use assets		52	50
Allowance for/(reversal of allowance for) expected credit loss on trade receivables, net		16,833	(88)
Gain on disposal of subsidiaries		(39,535)	–
Design and development expenses		130	393
Cost of inventories sold [#]		189,891	279,128

[#] Cost of inventories for the six months ended 30 June 2026 includes approximately RMB1,240,000 (six months ended 30 June 2025: RMB5,937,000) relating to staff costs, which amount is also included in note 6(b) above.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

9. TAXATION

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Current tax		
– PRC corporate income tax	468	115
Deferred tax		
– Origination of temporary differences	–	–
	468	115

- (i) Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands or BVI;
- (ii) No provision was made for Hong Kong Profits Tax as the Group did not earn any assessable profit subject to Hong Kong Profits Tax for the six months ended 30 June 2025 and 2026; and
- (iii) The applicable income tax rate for all of the Group's subsidiaries in Mainland China is 25%.

10. PROFIT/(LOSS) PER SHARE

(a) Basic profit/(loss) per share

The calculation of basic profit/(loss) per share is based on the profit/(loss) for the period attributable to shareholders of the Company of approximately RMB23,816,000 (six months ended 30 June 2025: loss of RMB4,522,000) and the weighted average of approximately 222,451,000 ordinary shares (six months ended 30 June 2025: 190,460,000 ordinary shares).

(b) Diluted profit/(loss) per share

The effect of the Company's share options was anti-dilutive for six months ended 30 June 2025 and 2026, and therefore, diluted profit/(loss) per share is the same as the basic profit/(loss) per share.

11. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

- (a) During the six months ended 30 June 2026, the Group acquired items of plant and machinery with cost of RMB10,700,000 was acquired by the Group (six months ended 30 June 2025: RMB2,000). No impairment loss was recognised during the six months ended 30 June 2026 and 2025.
- (b) Buildings with net book value of approximately RMB10,536,000 as at 30 June 2026 (31 December 2025: with net book value RMB7,108,000) were pledged as collateral for the Group's bank loans.
- (c) No right-of-use assets as at 30 June 2026 (31 December 2025: with carrying amount of RMB1,973,000) were pledged as collateral for the Group's bank loans.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

12. TRADE RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade receivables of the Group based on invoice date and net of allowance for expected credit loss, is as follows:

	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Within 90 days	36,602	26,990
91-120 days	2,551	3,272
121-180 days	8,767	7,537
181-365 days	2,292	5,498
	50,212	43,297

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Other receivables	130	847
Deposits paid	534	9,467
Less: Allowance for expected credit loss	(24)	(11)
	640	10,303
Prepayment to suppliers	–	59
	640	10,362
Less: Deposits paid classified as non-current assets	–	(9,394)
	640	968

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

14. TRADE AND OTHER PAYABLES

Set out below is an ageing analysis of the trade payables at the end of the reporting period based on relevant invoice dates:

	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Within 3 months	929	361

Other payables include carrying amount of an amount due to a director of approximately RMB13,138,000 (31 December 2025: RMB44,615,000), which was unsecured, non-interest bearing and repayable on demand as at 30 June 2026.

15. BANK LOANS

As of the end of the reporting period, the bank loans of the Group were repayable within one year or on demand as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Bank loans – secured	10,000	10,000

Assets of the Group pledged to secure the bank loans comprise of:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Buildings (note 11(b))	10,536	7,108
Right-of-use assets (note 11(c))	–	1,973
	10,536	9,081

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

15. BANK LOANS (Continued)

As at 30 June 2026, bank loans of approximately RMB10,000,000 are secured by building of net book value of approximately RMB10,536,000.

As at 31 December 2025, bank loans of approximately RMB10,000,000 are secured by right-of-use assets and buildings of net book value of approximately RMB1,973,000 and RMB7,108,000 respectively.

The bank loans comprise of:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Fixed-rate bank loans	10,000	10,000

The effective interest rates per annum at the respective reporting dates, are as follows:

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Fixed-rate bank loans	3.10%	2.75%

At the end of the reporting period, bank loans were denominated in the following currencies:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
RMB	10,000	10,000

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

16. CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

Authorised and issued share capital

	No. of share	2026 HK\$'000	RMB'000	No. of share	2025 HK\$'000	RMB'000
Authorised:						
At 1 January/30 June/31 December (ordinary share of HK\$0.1 each)	1,000,000,000	100,000	79,380	1,000,000,000	100,000	79,380
Issued and fully paid:						
At 1 January	221,446,000	22,145	18,860	186,514,000	18,652	15,654
Issue of shares under share option scheme (note ii)	1,530,000	153	135	3,300,000	330	304
Issue of shares upon placing (note i)	–	–	–	31,632,000	3,163	2,902
At 30 June/31 December	222,976,000	22,298	18,995	221,446,000	22,145	18,860

notes:

- (i) On 13 June 2025, the Company placed 31,632,000 placing shares at the placing price of HK\$1.35 per placing share. The net proceeds of approximately RMB38,490,000 after deducting the transaction costs of approximately RMB683,000, are intended to be used for further development the expanded scope of business of supply chain management business of the Group. Details of the placing of share were set out in the Company's announcements dated 26 May 2025, 29 May 2025 and 13 June 2025.
- (ii) During the current period ended of 30 June 2026, the subscription rights attaching to 1,530,000 share options were exercised at the subscription price of HK\$1.07 per share, resulting in the issue of 1,530,000 shares for a total cash consideration of HK\$1,637,000 (equivalent to approximately RMB1,443,000). An amount of HK\$993,000 (equivalent to approximately RMB873,000) was transferred from the share option reserve to share premium upon the exercise of the share options.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(b) Share premium

Under the Companies Law of the Cayman Islands, the funds in the Company's share premium account are distributable to the shareholders provided that immediately following the date on which the dividend is proposed to be distributed. The Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(c) Dividends

No dividend was paid or proposed during the six months ended 30 June 2026 and 2025, nor has any dividend been proposed since the end of the reporting period. The rates of dividend and the number of shares ranking for dividend are not presented, as such information is not considered meaningful for the purpose of the Unaudited Interim Results.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

17. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES CARRIED AT A VALUE OTHER THAN FAIR VALUE

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2026 and 31 December 2025.

18. CAPITAL COMMITMENTS CONTRACTED FOR BUT NOT PROVIDED FOR IN THE UNAUDITED INTERIM FINANCIAL REPORT

No capital commitments was contracted or provided for as at 30 June 2026 (31 December 2025: Nil).

19. MAJOR NON-CASH TRANSACTIONS

During the period, deposits paid for property, plant and equipment of RMB9,394,000 has been capitalised to property, plant and equipment.

20. MATERIAL RELATED PARTY TRANSACTIONS

Quanzhou Hungyu Innovative Business Development Limited* ("**Quanzhou Hungyu**"), a company incorporated in the PRC with limited liability, was a wholly-owned subsidiary of the Group prior to disposal. On 2 December 2025, the Group as vendor and Fujian Quanzhou Langyaoda Investment Company Limited* (福建泉州朗曜達投資有限公司) (the "**Purchaser**") a company directly wholly-owned by Mr. Ding Peiji as purchaser entered into a sale and purchase agreement, pursuant to which the Group conditionally agreed to sell and the Purchaser agreed to acquire the entire equity interests in Quanzhou Hungyu. Details of the disposal were disclosed in the announcement of the Company dated 2 December 2025 and the circular of the Company dated 13 January 2026.

* The English translation of the companies' names is for reference only. The official names of these companies are in Chinese.