Goodbaby International

2026
Interim Report

Goodbaby International Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
www.gbinternational.com.hk
Stock Code: 1086

cybex 好孩子 gb evenflo

Corporate Information

Corporate Information

Directors

Executive Directors

Mr. Song Zhenghuan (Chairman)
Mr. Liu Tongyou (Chief Executive Officer)
Mr. Martin Pos
Mr. Xia Xinyue (appointed on 27 March 2026)

Non-Executive Directors

Ms. Fu Jingqiu
Mr. Ho Kwok Yin, Eric

Independent Non-Executive Directors

Ms. Chiang Yun (Lead Independent Non-executive Director)
Mr. Wong Shun Tak
Mr. Jin Peng

Audit Committee

Mr. Wong Shun Tak (Chairman)
Ms. Chiang Yun
Mr. Ho Kwok Yin, Eric

Nomination Committee

Ms. Chiang Yun (Chairlady)
Mr. Wong Shun Tak
Mr. Ho Kwok Yin, Eric

Remuneration Committee

Ms. Chiang Yun (Chairlady)
Mr. Wong Shun Tak
Mr. Ho Kwok Yin, Eric

Environmental, Social and Governance Committee

Ms. Chiang Yun (Chairlady)
Mr. Wong Shun Tak
Mr. Ho Kwok Yin, Eric

Registered Office

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Auditors

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Certified Public Accountants
Registered Public Interest Entity Auditor
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Principal Share Registrar

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Hong Kong Branch Share Registrar

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Authorized Representatives

Mr. Song Zhenghuan
Ms. Ho Wing Tsz, Wendy

Website

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Stock Code

1086

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Company Secretary

Ms. Ho Wing Tsz, Wendy

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Management Discussion and Analysis

Management Discussion and Analysis

Overview

Recorded Revenue and Profitability Growth in a Dynamic Downside-Tilted Macro Environment

During the six months ended 30 June 2026 (hereinafter as the "**Period**"), the global environment deteriorated following the outbreak of war in the Middle East in February 2026, which caused supply chain and logistics disruptions, input cost hikes, discontinuity of regional business, elevated inflation and reduced purchasing power. These adverse developments imposed direct impacts on the Group's global business performance, such as hindering further potential for revenue growth, adding extra costs and affecting operational efficiency.

Amidst the dynamic macro environment, the Group (Goodbaby International Holdings Limited (the "**Company**"), together with its subsidiaries, hereinafter as the "**Group**") recorded growth in both revenue and profitability. Overall, our revenue for the Period increased by 5.8% to approximately HK$4,551.0 million from approximately HK$4,300.9 million for the corresponding period in 2025. Foreign exchange rates fluctuated between the Period and the corresponding period in 2025, particularly Renminbi ("**RMB**") and Euro ("**EUR**") against Hong Kong dollar ("**HK$**" or "**HKD**") and U.S. dollar ("**USD**"), and EUR against RMB. Such fluctuations led to the difference between the Group's revenue change in the original currencies and the change in the Group's reporting currency in HKD after currency translation. On a constant currency basis, our revenue for the Period recorded a 0.2% increase as compared to the corresponding period in 2025. The Group's profitability significantly improved during the Period: reported gross profit significantly increased by approximately HK$421.2 million, or 19.7%, to approximately HK$2,556.0 million for the Period from approximately HK$2,134.8 million for the corresponding period in 2025, of which, approximately HK$198.0 million was tariff refunds from the government of the United States of America (hereinafter as the "**US**"); in addition, revenue increase, favorable revenue mix and the Group's production cost improvement also contributed to the gross profit increase. During the Period, due to unfavorable foreign exchange rate movements, the Group recorded foreign exchange losses of approximately HK$91.3 million during the Period compared to approximately HK$62.8 million foreign exchange gains recorded in the corresponding period of 2025. Such change partially offset the increase in the Group's gross profit. The Group's underlying operating expenses (namely selling and distribution expenses, and administrative expenses) remained under control with a slight year-over-year increase of 2.5%. As a result, reported operating profit increased by 113.4% to approximately HK$431.1 million for the Period from approximately HK$202.0 million for the corresponding period in 2025 and on a non-GAAP basis, our operating profit increased by 12.4% to approximately HK$253.9 million for the Period from approximately HK$225.9 million for the corresponding period in 2025. During the Period, the Group continued to pay down its debts and thus improved its finance cost. The Group's income tax increased during the Period, mainly attributable to the increase in profit before tax. As a result, reported net profit increased by 162.3% to approximately HK$276.7 million for the Period from approximately HK$105.5 million for the corresponding period in 2025. On a non-GAAP basis, our net profit increased by 16.8% to approximately HK$145.5 million for the Period from approximately HK$124.6 million for the corresponding period in 2025. During the Period, the Group continued to generate robust operating cash flow; net cash position increased by approximately HK$453.7 million. The Group's financial resources and liquidity situation had further strengthened.

The Group's global competitive edge as described below continued to support its navigation through macro turbulence and uncertainties:

1. The one-dragon vertically integrated platform of own diversified brands, globally balanced omni-channel distribution platforms, own manufacturing and operational services, which enabled the Group to minimize risks in any single territory and supported its agile and flexible reactions to market volatilities;

2. Continuing dedicated and strategic investments in brand building, product innovation, global omni-channel infrastructure and AI-driven digital.

Summary of the Group's revenue:

(HK$ million)	For the six months ended 30 June 2026		2025		Change (%)	Change on a constant currency basis (%)
Group Revenue	**4,551.0**		**4,300.9**		**5.8%**	**0.2%**
By Brand	**Amount**	**% of Revenue**	**Amount**	**% of Revenue**	**Change (%)**	**Change on a constant currency basis (%)**
Strategic brands	**4,176.9**	**91.8%**	**3,922.5**	**91.2%**	**6.5%**	**0.8%**
CYBEX	2,709.5	59.6%	2,452.4	57.0%	10.5%	3.3%
Evenflo	1,074.8	23.6%	1,075.3	25.0%	0.0%	–2.0%
gb	392.6	8.6%	394.8	9.2%	–0.6%	–7.4%
Blue Chip and other business	**374.1**	**8.2%**	**378.4**	**8.8%**	**–1.1%**	**–6.1%**

Executive Summary

During the Period, the Group's strategic brands performed as follows:

- **CYBEX** achieved another record revenue in a challenging market environment from a high base of the corresponding period of 2025. The brand recorded growth of 10.5% (a 3.3% increase on a constant currency basis) in the Period to approximately HK$2,709.5 million from approximately HK$2,452.4 million for the corresponding period of 2025. With the positive business performance, CYBEX continued to gain market share and further grow its global footprints. The positive performance was a result of CYBEX's strong brand position recognized globally, innovative and improved product portfolio supported by strong operational infrastructure and self-owned supply chain. In addition, the brand's continued expansion and fortification of its global omni-channel distribution network with industry leading self-owned wholesale, e-commerce platform and own offline flagship stores in global strategic big cities further strengthened CYBEX's competitive strength. During the Period, CYBEX delivered strong business momentum in the North America market after successful breakthroughs achieved in last year, further exploring market potential supported by strong market demand. During the Period, CYBEX business in the Middle East and some other regions was negatively affected following the outbreak of war; nevertheless, CYBEX business potential in these regions remained high. During the Period, CYBEX proudly received multiple awards from prominent international organizations for its product fashion design, safety and functionality, such as reddot design awards, ADAC test winners and German Design awards. CYBEX continued to reinforce its global leading position as the premium "technical-lifestyle" brand.

Management Discussion and Analysis

- **Evenflo** recorded revenue of approximately HK$1,074.8 million in the Period, basically flat from approximately HK$1,075.3 million for the corresponding period of 2025 (a 2.0% decrease on a constant currency basis). During the Period, supported by positive performance of new launches, Evenflo recorded very strong growth in its wheeled goods and home goods categories, and declines in the car seats category had narrowed quarter over quarter. During the Period, Evenflo recorded strong growth basically in all major channels, in particular, Evenflo continued to record strong growth in its own DTC channel through implementing its digital strategy. Overall, Evenflo gained market share during the Period, consolidating its leading position on the US market. The brand's efforts in product development continued to be recognized: prominent industry awards received covered all categories of Evenflo – car seats, wheeled goods and home goods. Evenflo further strengthened its brand identity as a "Technology and Safety Innovator" in the US market.
- **gb** brand recorded a slight revenue decline of 0.6% (a 7.4% decrease on a constant currency basis) in the Period to approximately HK$392.6 million from approximately HK$394.8 million for the corresponding period of 2025. Revenue decline continued to narrow, showing a trend of stabilization as a result of DTC business transformation. gb achieved very positive performance in its durables business, especially the car seats category, partially offsetting decline in the non-durables business. This highlighted the brand's competitive strength in child safety and the successful implementation of the strategy of "focusing on core categories". gb's efforts to optimize channel mix towards DTC made progress: the brand continued to close non-performing offline retail stores and upgrade new generation stores; in terms of online channels, the brand achieved positive momentum especially in content-driven channels through improved content marketing, and claimed a leading position in the durables segment.

During the Period, our Blue Chip and other business recorded slight revenue decrease of 1.1% (a 6.1% decrease on a constant currency basis) to approximately HK$374.1 million in the Period as compared to approximately HK$378.4 million for the corresponding period of 2025. This was mainly attributable to revenue decline of other business. During the Period, our Blue Chip business performance remained stable. The Group's relationship with its Blue Chip customers remained healthy and stable as it continued to provide efficient product and service delivery for its customers.

Outlook

Looking ahead to the remainder of 2026, on the one hand, global markets are expected to continue to navigate the tension between the ongoing energy supply shock and geopolitical fragmentation, which will persist as a structural source of uncertainties and headwinds across markets, such as rise in energy prices, negative consumption sentiments, uneven regional development and potential new tariffs. On the other hand, new opportunities may emerge amidst strong AI-related technology investments. As a global enterprise, the Group stands ready to leverage its competitive strengths to adapt to a global economy in crosscurrents of geopolitical conflicts and technology.

Overall, we remain very confident of and will continue to implement our vertically integrated one-dragon, brand-driven strategy through sustained strategic investments to maintain and consolidate our global competitiveness, which will continue to inject momentum into the Group's business and enhance its resilience in the face of uncertainties and headwinds. Under the strategy, focus will continue to be given to our strategic brands of CYBEX, Evenflo and gb and the ongoing development of our Blue Chip business:

- We expect markets to continue being challenging. That said, against the dynamic macro backdrop, **CYBEX** will leverage its strong brand momentum, diversified and innovative product portfolio, omni-channel infrastructure and the Group's vertically integrated one-dragon supply chain platform to navigate global headwinds as it seeks to continue to gain market share, further its global footprint among fierce competitions and thus increase revenue and profitability;

- **Evenflo** will recover revenue growth and improve operating profitability as business further stabilizes. Overall, the business is under recovery. The brand will further refine and strengthen channel relationships and continue strategic investment in brand, product and digital based on strict cost disciplines. It will continue to consolidate its leading position on the US market;

- **gb** is expected to further stabilize its business through continued implementation of DTC strategy. It will deepen its content marketing to better connect with consumers, continue to focus on the durables category to fully leverage the brand's competitiveness and optimize channel mix; and

- **Blue Chip business** will maintain moderate development. We continue to receive orders of new products from our major customers and develop new customers. The Group continues to deliver services that meet demands of both our existing and new customers.

On a global basis, we will continue brand building through the expansion and deepening of our omni-channel distribution network and infrastructure in existing and new markets to ensure that we maintain a direct relationship with our fans and consumers and provide them with a world-class omni-channel experience. We will continue to optimize and consolidate our global supply chain strategies as we embrace supplier partnerships and broaden our global footprint to ensure we are quicker to market and leverage regional capabilities through mother market operations.

Brand-driven strategy supported by world-class technology, manufacturing, supply chain excellence and agility, innovation, mother market operations, AI-driven digital and cost optimization will remain the core of our vision of becoming an outstanding enterprise with global and future-ready competitiveness and achieving sustained profitable growth.

Management Discussion and Analysis

Financial Review

Revenue

For the Period, the total revenue of the Group increased by 5.8% to approximately HK$4,551.0 million from approximately HK$4,300.9 million for the corresponding period in 2025. Foreign exchange rate fluctuated between the Period and the corresponding period in 2025, particularly RMB and EUR against HKD and USD, and EUR against RMB. Such fluctuations led to the difference between the Group's overall revenue growth in the original currencies and the growth in the Group's reporting currency in HKD after currency translation. On a constant currency basis, our revenue for the Period recorded a 0.2% increase compared to the corresponding period in 2025.

For the revenue breakdown analysis, please refer to the section headed "Management Discussion and Analysis – Overview" in this report.

Cost of Sales, Gross Profit and Gross Profit Margin

Cost of sales decreased by 7.9% to approximately HK$1,995.0 million for the Period from approximately HK$2,166.1 million for the corresponding period in 2025. Gross profit of the Group increased to approximately HK$2,556.0 million for the Period from approximately HK$2,134.8 million for the corresponding period in 2025, and the gross profit margin increased by 6.6 percentage points to 56.2% for the Period from approximately 49.6% for the corresponding period in 2025. The increase in gross profit was primarily a result of tariff refunds by the government of US. As of 30 June 2026, the Group's US subsidiaries have been refunded with an amount of approximately US$25.3 million (equivalent to approximately HK$198.0 million) of tariffs paid, which were recognized as a benefit in cost of sales within the Group's Consolidated Statements of Profit or Loss. Besides the effect of tariff refunds, the Group also recorded an increase in gross profit in the Period compared with that in the corresponding period in 2025. Such increase was driven by improved gross margin, and the improvement in gross margin was mainly attributable to a favorable revenue mix and the Group's production cost improvements.

Other Income and Gains

Other income and gains of the Group decreased by approximately HK$49.0 million to approximately HK$28.8 million for the Period as compared to approximately HK$77.8 million for the corresponding period in 2025. The decrease is mainly attributable to change in foreign exchange gain. In the first half of 2025, the Group recorded a foreign exchange gain of approximately HK$62.8 million while the Group recorded a foreign exchange loss of approximately HK$91.3 million for the Period. The gain or loss was mainly caused by fluctuations of relevant foreign exchange rates in each period.

Selling and Distribution Expenses

The Group's selling and distribution expenses primarily consist of marketing expenses, personnel costs, rental and commission fee and logistics costs. The selling and distribution expenses slightly increased by approximately HK$6.5 million to approximately HK$1,259.5 million for the Period from approximately HK$1,253.0 million for the corresponding period in 2025. The increase was mainly attributable to the increase in personnel costs, partially offset by the decrease in marketing expenses.

Administrative Expenses

The Group's administrative expenses primarily consist of personnel costs, R&D costs, professional service expenses, depreciation and amortization cost and other office expenses. The administrative expenses increased by approximately HK$43.1 million to approximately HK$799.9 million for the Period from approximately HK$756.8 million for the corresponding period in 2025. The increase was mainly resulting from the increase in R&D costs.

Other Expenses

Other expenses of the Group increased by approximately HK$93.5 million to approximately HK$94.3 million for the Period from approximately HK$0.8 million for the corresponding period in 2025, because the Group recorded foreign exchange losses of approximately HK$91.3 million for the Period, while foreign exchange gains of approximately HK$62.8 million was recognized in the corresponding period of 2025. The gain or loss was mainly caused by fluctuations of relevant foreign exchange rates in each period.

Operating Profit

As a result of the foregoing, the Group's operating profit increased by approximately 113.4%, or HK$229.1 million, to approximately HK$431.1 million for the Period from approximately HK$202.0 million for the corresponding period in 2025.

Finance Income

For the Period, the Group's finance income decreased to approximately HK$4.7 million from approximately HK$8.0 million for the corresponding period in 2025. The Group's finance income mainly represents interest income from bank deposits.

Finance Costs

For the Period, the Group's finance costs decreased to approximately HK$37.9 million from approximately HK$56.7 million for the corresponding period in 2025. The net finance costs decrease aligned with the decrease in the balance of interest-bearing bank loans and other borrowings.

Profit Before Tax

As a result of the foregoing, the profit before tax of the Group increased by 159.4% to approximately HK$398.4 million for the Period from a profit before tax of approximately HK$153.6 million for the corresponding period in 2025.

Income Tax Expense

The Group's income tax expense was approximately HK$121.7 million for the Period (corresponding period in 2025: approximately HK$48.1 million). The increase of income tax expense aligned with the increase in the profit before tax of the Group.

Profit for the Period

Profit of the Group for the Period increased by approximately HK$171.2 million to approximately HK$276.7 million from approximately HK$105.5 million for the corresponding period in 2025.

The non-GAAP profit of the Group increased by approximately 16.8% to approximately HK$145.5 million for the Period from approximately HK$124.6 million for the corresponding period in 2025.

Non-GAAP Financial Measures

To supplement the consolidated results of the Group prepared in accordance with IFRS, certain non-GAAP financial measures, including non-GAAP operating profit, non-GAAP operating margin, non-GAAP profit before tax, non-GAAP profit for the Period and non-GAAP net margin, are presented. The Company's management believes that the non-GAAP financial measures provide investors with a more meaningful view on the Group's financial results, and with useful supplementary information to assess the performance of the Group's strategic operations by excluding certain non-cash items, certain impact of merger and acquisition transactions and certain one-off bad debt provision and operating gain or loss. Nevertheless, the use of these non-GAAP financial measures has limitations as an analytical tool. These unaudited non-GAAP financial measures should be considered in addition to, not as a substitute for, analysis of the Company's financial performance prepared in accordance with IFRS. In addition, these non-GAAP financial measures may be defined differently from similar terms used by other companies.

Management Discussion and Analysis

The following tables set forth the reconciliations of the Company's non-GAAP financial measures for the six months ended 30 June 2026 and 2025 to the nearest measures prepared in accordance with IFRS:

	Six months ended 30 June 2026				
		Adjustments			
	As reported	Equity-settled share option expenses	Amortization of intangible assets (Note a)	IEEPA (Note b) tariff refunds	Non-GAAP
	(HK$ million, except for percentages)	(HK$ million)	(HK$ million)	(HK$ million)	(HK$ million, except for percentages)
Operating profit	431.1	1.2	19.6	–198.0	253.9
Profit before tax	398.4	1.2	19.6	–198.0	221.2
Profit for the period	276.7	1.2	14.6	–147.0	145.5
Operating margin	9.5%				5.6%
Net margin	6.1%				3.2%

	Six months ended 30 June 2025			
		Adjustments		
	As reported	Equity-settled share option expenses	Amortization of intangible assets (Note a)	Non-GAAP
	(HK$ million, except for percentages)	(HK$ million)	(HK$ million)	(HK$ million, except for percentages)
Operating profit	202.0	5.0	18.9	225.9
Profit before tax	153.6	5.0	18.9	177.5
Profit for the period	105.5	5.0	14.1	124.6
Operating margin	4.7%			5.3%
Net margin	2.5%			2.9%

Notes:

(a) Amortization of intangible assets arising from acquisitions, net of related deferred tax;

(b) International Emergency Economic Powers Act ("**IEEPA**").

Working Capital and Financial Resources

	As at 30 June 2026	As at 31 December 2025
	(HK$ million)	**(HK$ million)**
Trade and notes receivables (including trade receivables due from related parties)	**998.3**	884.4
Trade and notes payables (including trade payables due to related parties)	**1,500.0**	1,381.7
Inventories	**1,455.7**	1,508.6

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Trade and notes receivables turnover days(1)	**37**	45
Trade and notes payables turnover days(2)	**130**	114
Inventories turnover days(3)	**134**	139

Notes:

(1) Trade and notes receivables turnover days = Number of days in the reporting period x (average balance of trade and notes receivables at the beginning and at the end of the period)/revenue in the reporting period.

(2) Trade and notes payables turnover days = Number of days in the reporting period x (average balance of the trade and notes payables at the beginning and at the end of the period)/cost of sales in the reporting period.

(3) Inventories turnover days = Number of days in the reporting period x (average balance of inventories at the beginning and at the end of the period)/cost of sales in the reporting period.

The increase in trade and notes receivables was mainly attributable to the relatively lower balance of trade and notes receivables at the previous year-end of 31 December 2025 caused by the lower year-end monthly revenue than the month-end revenue of the current Period. Trade and notes receivables turnover days continued to maintain healthy and stable, which was in line with the overall business operation status of the Group.

The increase in trade and notes payables was primarily attributable to the increase in procurement amount by the end of the Period compared with the procurement amount by the end of last year. The turnover days of trade and notes payables continued to maintain at a stable and healthy level, which was in line with the overall business operation status of the Group.

Inventories remained stable and the inventory turnover days continued to remain stable, which was in line with the overall business operation status of the Group.

Management Discussion and Analysis

Liquidity and Financial Resources

As at 30 June 2026, the Group's monetary assets, including cash and cash equivalents, time deposits, pledged deposits and structured deposits recorded as financial assets designated at fair value through profit or loss, were approximately HK$1,145.0 million (31 December 2025: approximately HK$1,434.8 million).

As at 30 June 2026, the Group's interest-bearing bank loans and other borrowings were approximately HK$413.9 million (31 December 2025: approximately HK$1,157.4 million), including short-term bank loans and other borrowings of approximately HK$413.9 million (31 December 2025: approximately HK$336.9 million) and nil long-term bank loans and other borrowings (31 December 2025: approximately HK$820.5 million with repayment terms ranging from one to two years). Among the Group's interest-bearing bank loans and other borrowings, approximately HK$406.7 million were at fixed interest rates (31 December 2025: approximately HK$111.3 million) and approximately HK$7.2 million were at variable interest rates (31 December 2025: approximately HK$1,046.1 million) as at 30 June 2026.

As a result, as at 30 June 2026, the Group's net cash position was approximately HK$731.1 million (31 December 2025: approximately HK$277.4 million).

Contingent Liabilities

In the ordinary course of business, the Group may from time to time be involved in legal proceedings and litigations. The Group records a liability when the Group believes that it is both probable that a loss has been incurred by the Group and the amount can be reasonably estimated. With respect to the Group's outstanding legal matters, notwithstanding that the outcome of such legal matters is inherently unpredictable and subject to uncertainties, the Group believes that, based on its current knowledge, the amount or range of reasonably possible loss will not, either individually or in the aggregate, have a material adverse effect on the Group's business, financial position, results of operations, or cash flows.

As at 30 June 2026, the Group had no material contingent liabilities (as at 31 December 2025: nil).

Exchange Rate Fluctuations

The Group is a multinational enterprise with operations in different countries and the money that it used to conduct its business and transaction is denominated in various currencies, and the Group uses HK$ as its reporting currency, which is pegged to US$. The Group's revenue is mainly denominated in US$, RMB and EUR. The Group's procurement and operating expenses ("**OPEX**") are mainly denominated in RMB, US$ and EUR. The net exposures to foreign currency risks of the Group's operating results are mainly the US$ and EUR revenue against RMB procurement and OPEX. The Group would benefit from the appreciation of US$ and EUR against RMB but would suffer losses if US$ or EUR depreciates against RMB. The Group uses forward contracts to mitigate the foreign currency exposures.

Pledge of Assets

As at 30 June 2026, the Group had no pledged assets. And as at 31 December 2025, bank deposits of approximately HK$24.6 million were pledged for interest reserve.

Gearing Ratio

As at 30 June 2026, the Group's gearing ratio (calculated by net liabilities divided by the sum of adjusted capital and net liabilities, whereas (i) net liabilities is calculated by the sum of trade and bills payables, other payables and accruals, payables due to related parties and interest-bearing bank loan and other borrowings (current and non-current), less monetary assets, including cash and cash equivalents, time deposits and pledge deposits, and structured deposits recorded as financial assets designated at fair value through profit or loss; (ii) the amount of adjusted capital is calculated by equity attributable to owners of the parent minus hedging reserve) was approximately 22.7% (31 December 2025: approximately 26.6%) or 25.2% after taking into consideration the lease liabilities (current and non-current) impact of IFRS Accounting Standards 16 (as at 31 December 2025: approximately 29.2%).

Employees and Remuneration Policy

As at 30 June 2026, the Group had a total of 5,742 full-time employees (as at 31 December 2025: 5,817). For the Period, costs of employees, excluding directors' emoluments, amounted to a total of approximately HK$1,091.0 million (for the corresponding period in 2025: approximately HK$935.8 million). The Group determined the remuneration packages of all employees with reference to their position, competency, performance, value and market salary trend. The Group provides its employees in the PRC and other countries and regions with welfare schemes as required by applicable local laws and regulations.

The Company has adopted share option schemes to incentivize or reward eligible participants for their contribution to the Group for the purpose of motivating the eligible participants to optimize their performance efficiency for the benefit of the Group, and attracting and retaining or otherwise maintaining on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.

The Company adopted a share option scheme on 5 November 2010 (the "**2010 Share Option Scheme**"), which was terminated and replaced by another share option scheme (the "**2020 Share Option Scheme**") approved and adopted at the annual general meeting of the Company held on 25 May 2020. In view of the amendments to Chapter 17 of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") which have taken effect from 1 January 2023 and the intention of the Company to provide more flexibility in its long term planning of granting of share options to incentivize suitable eligible participants, the Company has terminated the 2020 Share Option Scheme and adopted a new share option scheme (the "**2025 Share Option Scheme**") at the extraordinary general meeting of the Company held on 27 May 2025. A summary of the principal terms of the 2025 Share Option Scheme is set out in the Appendix to the Company's circular dated 12 May 2025.

For further information on the Company's share option schemes, please refer to the section headed "Share Option Schemes" below.

Management Discussion and Analysis

Share Option Schemes

Purpose of the Goodbaby Share Option Schemes

The purpose of the share option schemes is to motivate the eligible participants to optimise their performance efficiency for the benefit of the Group; and attract and retain or otherwise maintain ongoing business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.

The 2010 Share Option Scheme

On 5 November 2010, the Company adopted the 2010 Share Option Scheme to incentivize or reward eligible participants, including:

(i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; and

(ii) any directors (including non-executive directors and independent non-executive directors) or any directors of its subsidiaries and any suppliers, customers, consultants, agents and advisers who, in the sole opinion of the board (the “**Board**”) of directors (the “**Directors**”, each a “**Director**”), will contribute or have contributed to our Company and/or any of its subsidiaries (as described in the share option scheme) for their contribution to the Group for the purpose of motivating the eligible participants to optimise their performance efficiency for the benefit of the Group, and attracting and retaining or otherwise maintaining on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.

With the approval of the shareholders of the Company (the “**Shareholders**”) in general meetings, the Directors may “refresh” the scheme limit under the share option schemes.

Pursuant to the Shareholders’ approval obtained by the Company at its annual general meeting held on 25 May 2017, the original scheme limit of the 2010 Share Option Scheme was refreshed to 111,630,600 shares, representing 10% of the then total number of shares in issue.

At the Company’s extraordinary general meeting held on 28 May 2018, the scheme limit was refreshed and approved by the then Shareholders such that the total number of shares which may fall to be issued upon exercise of all share options to be granted under the 2010 Share Option Scheme and any other share option scheme(s) as may from time to time be adopted by the Company must not exceed 166,802,317, i.e. 10% of the shares in issue as at the date of approval of the refreshed limit by the Shareholders.

The 2010 Share Option Scheme was terminated on the date of the adoption of the 2020 Share Option Scheme. Upon termination of the 2010 Share Option Scheme, no further options may be granted thereunder but the provisions of the 2010 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted prior to the termination.

As at the date of this interim report, no shares are available for issue under the 2010 Share Option Scheme.

The 2020 Share Option Scheme

As the 2010 Share Option Scheme would expire on the tenth anniversary of its adoption, and to enable the Company to continue to grant share options to eligible participants as incentives or rewards for their contributions to the success of the Group, the Company terminated the 2010 Share Option Scheme and approved and adopted the 2020 Share Option Scheme at its annual general meeting held on 25 May 2020.

The eligible participants under the 2020 Share Option Scheme included any full-time or part-time employees, executives or officers or directors (including executive, non-executive and independent non-executive directors) of the Company or any of the subsidiaries and any suppliers, customers, consultants, agents and advisers who, in the sole opinion of the Board, will contribute or have contributed to the Group.

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 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.

The scheme mandate limit granted by the Shareholders in the Company's annual general meeting held on 25 May 2020, the maximum number of share options that may be granted under the 2020 Share Option Scheme was 166,802,317, representing 10% of the issued shares of the Company in issue on the same date.

On 19 June 2020, in order to effectively incentivize the existing grantees of the share options, the Company allowed grantees of share options granted on 28 August 2017, 27 March 2018, 28 May 2018 and 23 May 2019 to exchange their existing share options for new share options to be granted under the 2020 Share Option Scheme. For further details, please refer to the announcement of the Company dated 19 June 2020.

The 2020 Share Option Scheme was terminated on the date of the adoption of the 2025 Share Option Scheme. Upon termination of the 2020 Share Option Scheme, no further options may be granted thereunder but the provisions of the 2020 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted prior to the termination.

As at the date of this interim report, no shares are available for issue under the 2020 Share Option Scheme.

The 2025 Share Option Scheme

In view of the amendments to Chapter 17 of Listing Rules, which had taken effect from 1 January 2023, and also the intention of the Company to provide more flexibility in its long-term planning of granting of Share Options to incentivize suitable eligible participants, the Company has terminated the 2020 Share Option Scheme and adopted the 2025 Share Option Scheme in the extraordinary general meeting of the Company held on 27 May 2025. A summary of the principal terms of the 2025 Share Option Scheme has been set out in the Appendix to the Company's circular dated 12 May 2025 (the "**2025 EGM Circular**").

The purpose of the 2025 Share Option Scheme is to enable the Company to grant Options to Eligible Participants as incentives or rewards (i) to recognize their contribution or potential contribution to the Group, and to enable the Company to recruit and retain key employees of the Group; (ii) to align their interests with those of the Company by providing them with the opportunity to acquire a proprietary interest in the Company; and (iii) to motivate them to contribute to the long-term growth and development of the Company with a view to enhance the value of the Company for the benefit of the Company and the Shareholders as a whole.

Under the 2025 Share Option Scheme, the Board may, at its discretion, offer to grant an option to Eligible Participants, including Employee Participants and Related Entity Participants. Please refer to the Appendix to the 2025 EGM Circular for further details of the meanings of the above terms.

Pursuant to the Shareholders' approval obtained by the Company in the extraordinary general meeting of the Company held on 27 May 2025, the maximum number of share options permitted to be granted under the 2025 Share Option Scheme as at the date of this interim report is 166,813,966, representing approximately 10% of the shares of the Company in issue as at 27 May 2025.

Management Discussion and Analysis

As at the date of this interim report, the total number of shares available for issue under scheme limit of the 2025 Share Option Scheme was 166,813,966 shares, representing approximately 9.97% of the shares of the Company in issue (excluding treasury shares).

The remaining life of the 2025 Share Option Scheme is approximately 8 years and 9 months as at the date of this interim report.

Further Information on the Goodbaby Share Option Schemes

Option Periods

The options granted pursuant to the 2010 Share Option Scheme, the 2020 Share Option Scheme and the 2025 Share Option Scheme (together the "**Goodbaby Share Option Schemes**") will expire no later than 10 years from the date of grant of the relevant option.

The period during which an option may be exercised will be determined by the Board in its absolute discretion, subject to the provisions of the relevant scheme document. Subject to the foregoing,

(i) the 2020 Share Option Scheme does not contain any minimum period for which an option must be held before it can be exercised. However, at the time of granting of the options, the Board may specify any such minimum period; and

(ii) the vesting period of any options granted under the 2025 Share Option Scheme shall not be less than 12 months from (and including) the date of grant except for Employee Participants. The vesting period in respect of any options granted to Employee Participants may be less than 12 months from (and including) the date of grant under conditions as specified in the 2025 EGM Circular.

Acceptance of grant and payment

The offer of a grant of options may be accepted within 30 days from the date of offer, upon payment of a nominal consideration of HK$1.00 in total by the grantee.

Exercise Price

In respect of the 2020 Share Option Scheme, the exercise price is determined by the Directors, and will not be less than the highest of:

(i) the closing price of the Company's shares on the date of grant;

(ii) the average closing price of the Company's shares for the five trading days immediately preceding the date of offer; and

(iii) the nominal value of the Company's shares.

In respect of the 2025 Share Option Scheme, the exercise price is determined by the Directors, and will not be less than the higher of:

(i) the closing price of the Company's shares on the offer date, which must be a business day; and

(ii) the average closing price of the Company's shares for the five business days immediately preceding the date of offer.

Please refer to paragraph (S) "Effects of alterations to share capital" in the Appendix to the 2025 EGM Circular for further details on the adjustments to the exercise price of options that may be granted under the 2025 Share Option Scheme.

Individual limits under the Goodbaby Share Option Schemes

In respect of the 2020 Share Option Scheme

For any options granted to Directors, chief executives or substantial shareholders of the Company, or any of their respective associates, options to be granted to any of these persons shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of options).

Where any option granted to a substantial Shareholder or an independent non-executive Director, or any of their respective associates, would result in the shares issued or to be issued upon exercise of all options already granted and to be granted to such person in the 12-month period,

(i) representing in aggregate over 0.1% of the shares in issue on the date of such grant; and

(ii) having an aggregate value, based on the closing price of the shares, in excess of HK$5 million, such grant of options shall be subject to prior approval by resolutions of the Shareholders (voting by way of poll).

The maximum number of shares issued and to be issued in respect of options granted and may be granted to any individual in any 12-month period is not permitted to exceed 1% of the total shares of the Company in issue, without prior approval from the Shareholders and with such individual and his associates abstaining from voting.

In respect of the 2025 Share Option Scheme

For any options granted to Directors, chief executives or substantial Shareholders, or any of their respective associates, options to be granted to any of these persons shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of options).

Where any option granted to a substantial Shareholder or an independent non-executive Director, or any of their respective associates, under the 2025 Share Option Scheme would result in the shares issued or to be issued upon exercise of all options already granted and to be granted to such person in the 12-month period, representing in aggregate over 0.1%, or such other percentage as may be from time to time provided under the Listing Rules, of the Shares in issue (excluding treasury shares, if any) on the date of offer, such further grant shall be subject to prior approval by resolutions of the Shareholders at which the grantee, his/her associates and all core connected persons of the Company shall abstain from voting in favour of the resolution concerning such grant.

Where any grant of Options to a grantee under the 2025 Share Option Scheme would result in the shares of the Company issued and to be issued in respect of all options granted to him under the 2025 Share Option Scheme and any options and awards granted to such person under any other scheme(s) of the Company (excluding any options and awards lapsed in accordance with the rules of the relevant scheme(s) of the Company) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of issued Shares (excluding treasury shares, if any) on the date of offer, such grant of options shall be approved by the Shareholders with the grantee and his close associates (or associates if such grantee is a connected person) abstaining from voting.

Number of Options That May Be Granted and Number of Shares That May Be Issued Under the Goodbaby Share Option Schemes

During the six-month period ended 30 June 2026, no share options were granted under the Goodbaby Share Option Schemes. Therefore the disclosure requirement on the fair value of options at the date of grant is not applicable.

Management Discussion and Analysis

As at 30 June 2026, an aggregate of 152,258,500 share options were outstanding under the 2010 Share Option Scheme and the 2020 Share Option Scheme (31 December 2025: 158,934,000 share options were outstanding under the 2010 Share Option Scheme and the 2020 Share Option Scheme).

The 2010 Share Option Scheme

During the six-month period ended 30 June 2026, no share options under the scheme lapsed and no option was exercised or cancelled. The 2010 Share Option Scheme was terminated on the date of the adoption of the 2020 Share Option Scheme.

As at 1 January 2026 and 30 June 2026, no option was available for grant under the scheme.

As at 30 June 2026, 46,200,000 share options were outstanding under the scheme, and the total number of shares that may be issued in respect of the options granted under the scheme divided by the weighted average number of ordinary shares of the Company in issue (excluding treasury shares) for the six-month period ended 30 June 2026 is not applicable as no option was granted during the Period.

The 2020 Share Option Scheme

During the six-month period ended 30 June 2026, 5,950,000 share options under the scheme lapsed, 725,000 options were exercised and no option was cancelled.

As at 1 January 2026 and 30 June 2026, no option was available for grant under the scheme.

The 2020 Share Option Scheme was terminated on the date of the adoption of the 2025 Share Option Scheme.

As at 30 June 2026, 106,058,500 share options were outstanding under the scheme, and the total number of shares that may be issued in respect of the options granted under the scheme divided by the weighted average number of ordinary shares of the Company in issue (excluding treasury shares) for the six-month period ended 30 June 2026 is not applicable as no option was granted during the Period.

The 2025 Share Option Scheme

As at 1 January 2026 and 30 June 2026, the total number of options available for grant under the scheme was 166,813,966 and 166,813,966, respectively.

Since the adoption of the scheme and up to 30 June 2026, no option was granted under the scheme, and therefore no shares may be issued in respect of the scheme. Therefore, as at 1 January 2026 and 30 June 2026, the total number of shares that may be issued in respect of the options granted under the scheme divided by the weighted average number of ordinary shares of the Company in issue (excluding treasury shares) for the six-month period ended 30 June 2026 is not applicable.

Details of the Share Options granted under the Goodbaby Share Option Schemes during the Period were as follows:

Name of Director/former Director/Associate	Date of grant	Exercise Price (HK$)	Number of share options: Outstanding as at 1 January 2026	Granted during this Period	Exercised during this Period	Weighted average closing price immediately before the date of exercise (HK$)	Cancelled/ Lapsed during this Period[11]	Outstanding as at 30 June 2026	Percentage of total issued share capital[1]	Exercise period	Closing price of securities immediately before the date of grant (HK$)
Mr. Song Zhenghuan	2 July 2024	0.485	1,668,000	–	–	N/A	–	1,668,000	0.100%	Refer to note[9]	0.485
Mr. Liu Tongyou	23 May 2019	3.75	6,300,000	–	–	N/A	–	6,300,000	0.376%	23 May 2019 to 22 May 2029[5]	1.94
	19 June 2020	0.96	390,600	–	–	N/A	–	390,600	0.023%	23 May 2022 to 22 May 2029[6]	0.92
			585,900	–	–	N/A	–	585,900	0.035%	23 May 2023 to 22 May 2029[6]	
			976,500	–	–	N/A	–	976,500	0.058%	23 May 2024 to 22 May 2029[6]	
	2 July 2024	0.485	10,000,000	–	–	N/A	–	10,000,000	0.598%	Refer to note[9]	0.485
Mr. Martin Pos	27 March 2018	4.54	17,500,000	–	–	N/A	–	17,500,000	1.046%	27 March 2018 to 27 March 2028[3]	4.12
	19 June 2020	0.96	840,000	–	–	N/A	–	840,000	0.050%	27 September 2020 to 27 March 2028[6]	0.92
			1,260,000	–	–	N/A	–	1,260,000	0.075%	27 September 2021 to 27 March 2028[6]	
			2,100,000	–	–	N/A	–	2,100,000	0.125%	27 September 2022 to 27 March 2028[6]	
	2 July 2024	0.485	16,680,000	–	–	N/A	–	16,680,000	0.997%	Refer to note[9]	0.485
Ms. Fu Jingqiu	23 May 2019	3.75	600,000	–	–	N/A	–	600,000	0.036%	23 May 2019 to 22 May 2029[5]	1.94
	19 June 2020	0.96	43,400	–	–	N/A	–	43,400	0.003%	23 May 2022 to 22 May 2029[6]	0.92
			65,100	–	–	N/A	–	65,100	0.004%	23 May 2023 to 22 May 2029[6]	
			108,500	–	–	N/A	–	108,500	0.006%	23 May 2024 to 22 May 2029[6]	
	2 July 2024	0.485	1,668,000	–	–	N/A	–	1,668,000	0.100%	Refer to note[9]	0.485
Mr. Ho Kwok Yin, Eric	19 June 2020	0.96	19,200	–	–	N/A	–	19,200	0.001%	27 September 2020 to 27 March 2028[6]	0.92
			28,800	–	–	N/A	–	28,800	0.002%	27 September 2021 to 27 March 2028[6]	
			48,000	–	–	N/A	–	48,000	0.003%	27 September 2022 to 27 March 2028[6]	
Ms. Chiang Yun	19 June 2020	0.96	19,200	–	–	N/A	–	19,200	0.001%	27 September 2020 to 27 March 2028[6]	0.92
			28,800	–	–	N/A	–	28,800	0.002%	27 September 2021 to 27 March 2028[6]	
			48,000	–	–	N/A	–	48,000	0.003%	27 September 2022 to 27 March 2028[6]	
Mr. Jin Peng	19 June 2020	0.96	19,200	–	–	N/A	–	19,200	0.001%	27 September 2020 to 27 March 2028[6]	0.92
			28,800	–	–	N/A	–	28,800	0.002%	27 September 2021 to 27 March 2028[6]	
			48,000	–	–	N/A	–	48,000	0.003%	27 September 2022 to 27 March 2028[6]	

Management Discussion and Analysis

Name of Director/former Director/Associate	Date of grant	Exercise Price	Number of share options: Outstanding as at 1 January 2026	Granted during this Period	Exercised during this Period	Weighted average closing price immediately before the date of exercise	Cancelled/ Lapsed during this Period[11]	Outstanding as at 30 June 2026	Percentage of total issued share capital[1]	Exercise period	Closing price of securities immediately before the date of grant
		(HK$)				(HK$)					(HK$)
Ms. Sharon Nan Kobler (associate of Mr. Song Zhenghuan and Ms. Fu Jingqiu)	19 June 2020	0.96	124,000	–	–	N/A	–	124,000	0.007%	23 May 2022 to 22 May 2029[6]	0.92
			186,000	–	–	N/A	–	186,000	0.011%	23 May 2023 to 22 May 2029[6]	
			310,000	–	–	N/A	–	310,000	0.019%	23 May 2024 to 22 May 2029[6]	
	2 July 2024	0.485	1,668,000	–	–	N/A	–	1,668,000	0.100%	Refer to note[9]	0.485
Mr. Martin Patrick Pos (associate of Mr. Martin Pos)	11 December 2020	1.01	62,000	–	–	N/A	–	62,000	0.004%	11 December 2020 to 10 December 2030[7]	1.00
			93,000	–	–	N/A	–	93,000	0.006%	11 December 2020 to 10 December 2030[7]	
			155,000	–	–	N/A	–	155,000	0.009%	11 December 2020 to 10 December 2030[7]	
	2 July 2024	0.485	1,750,000	–	–	N/A	–	1,750,000	0.105%	Refer to note[9]	0.485
Total number held by Directors and former Director(s)	27 March 2018	4.54	17,500,000	–	–	N/A	–	17,500,000	1.046%	27 March 2018 to 27 March 2028[3]	4.12
	23 May 2019	3.75	6,900,000	–	–	N/A	–	6,900,000	0.412%	23 May 2019 to 22 May 2029[5]	1.94
	19 June 2020	0.96	6,658,000	–	–	N/A	–	6,658,000	0.398%	Refer to note[6]	0.92
	2 July 2024	0.485	30,016,000	–	–	N/A	–	30,016,000	1.794%	Refer to note[9]	0.485
Total number held by Associates	19 June 2020	0.96	620,000	–	–	N/A	–	620,000	0.037%	Refer to note[6]	0.92
	11 December 2020	1.01	310,000	–	–	N/A	–	310,000	0.019%	Refer to note[7]	1.00
	2 July 2024	0.485	3,418,000	–	–	N/A	–	3,418,000	0.204%	Refer to note[9]	0.485
Total number held by Employees of the Group	7 October 2015	3.75	–	–	–	N/A	–	–	0.000%	7 October 2015 to 6 October 2025[2]	3.66
	27 March 2018	4.54	3,000,000	–	–	N/A	–	3,000,000	0.179%	27 March 2018 to 27 March 2028[3]	4.12
	28 May 2018	5.122	3,100,000	–	–	N/A	–	3,100,000	0.185%	28 May 2018 to 27 May 2028[4]	4.92
	23 May 2019	3.75	15,700,000	–	–	N/A	–	15,700,000	0.938%	23 May 2019 to 22 May 2029[5]	1.94
	19 June 2020	0.96	10,139,000	–	–	N/A	–	10,139,000	0.606%	Refer to note[6]	0.92
	11 December 2020	1.01	2,042,500	–	–	N/A	–	2,042,500	0.122%	Refer to note[7]	1.00
	16 June 2022	1.042	500,000	–	–	N/A	–	500,000	0.030%	Refer to note[8]	1.03
	2 July 2024	0.485	59,030,000	–	725,000	1.10	5,950,000	52,355,000	3.129%	Refer to note[9]	0.485

Notes:

(1) The percentage is calculated based on the total number of 1,673,332,166 shares in issue as at 30 June 2026.

(2) The share options are exercisable within a period of 10 years from 7 October 2015 and subject to the following vesting schedule and performance review:

(i) one third of the share options vested on 7 October 2018;

(ii) one third of the share options vested on 7 October 2019; and

(iii) the remaining one third of the share options vested on 7 October 2020.

(3) The share options are exercisable within a period of 10 years from 27 March 2018 and subject to the following vesting schedule and performance review:

(i) 20% of the share options vested on 27 September 2020;

(ii) another 30% of the share options vested on 27 September 2021; and

(iii) the remaining share options vested on 27 September 2022.

(4) The share options are exercisable within a period of 10 years from 28 May 2018 and subject to the following vesting schedule and performance review:

(i) 20% of the share options vested on 28 May 2021;

(ii) another 30% of the share options vested on 28 May 2022; and

(iii) the remaining share options vested on 28 May 2023.

(5) The share options are exercisable within a period of 10 years from 23 May 2019 and subject to the following vesting schedule and performance review:

(i) 20% of the share options vested on 23 May 2022;

(ii) another 30% of the share options vested on 23 May 2023; and

(iii) the remaining share options vested on 23 May 2024.

(6) Among the 17,417,000 share options, the vesting schedule and exercise period are as follows:

(i) 46,666 share options vested on 28 August 2020 and exercisable until 27 August 2027;

(ii) 46,666 share options vested on 28 August 2021 and exercisable until 27 August 2027;

(iii) 46,668 share options vested on 28 August 2022 and exercisable until 27 August 2027;

(iv) 1,296,000 share options vested on 27 September 2020 and exercisable until 27 March 2028;

(v) 1,944,000 share options vested on 27 September 2021 and exercisable until 27 March 2028;

(vi) 3,240,000 share options vested on 27 September 2022 and exercisable until 27 March 2028;

(vii) 132,000 share options vested on 28 May 2021 and exercisable until 27 May 2028;

(viii) 198,000 share options vested on 28 May 2022 and exercisable until 27 May 2028;

(ix) 330,000 share options vested on 28 May 2023 and exercisable until 27 May 2028;

(x) 2,027,400 share options vested on 23 May 2022 and exercisable until 22 May 2029;

(xi) 3,041,100 share options vested on 23 May 2023 and exercisable until 22 May 2029; and

(xii) 5,068,500 share options vested on 23 May 2024 and exercisable until 22 May 2029.

Management Discussion and Analysis

(7) The share options are exercisable within a period of 10 years from 11 December 2020 and subject to the following vesting schedule and performance review:

(i) 20% of the share options vested on 11 December 2023;

(ii) another 30% of the share options vested on 11 December 2024; and

(iii) the remaining share options vested on 11 December 2025.

(8) The share options are exercisable within a period of 10 years from 16 June 2022 and subject to the following vesting schedule and performance review:

(i) 20% of the share options vested on 16 June 2025;

(ii) another 30% of the share options vested on 16 June 2026; and

(iii) the remaining share options will be vested on 16 June 2027.

(9) Among the 85,789,000 share options, the vesting schedule and exercise period are as follows:

(i) 55,103,000 share options vested on 2 July 2025 and exercisable until 1 July 2034;

(ii) 6,972,200 share options vested on 2 July 2026 and exercisable until 1 July 2034;

(iii) 12,634,800 share options will be vested on 2 July 2027 and exercisable until 1 July 2034;

(iv) 7,619,000 share options will be vested on 2 July 2028 and exercisable until 1 July 2034; and

(v) 3,460,000 share options will be vested on 2 July 2029 and exercisable until 1 July 2034.

(10) The fair value of the share options is determined in accordance with IFRS 2 by reference to the cost of purchase of the share options, or the fair value at grant date, taking into account all non-vesting conditions associated with the grant on grant date. No adjustment is required for expected dividends since the employees are entitled to receive dividends paid during the vesting period. During the financial period ended 30 June 2026, no share option had been granted to any Director or employee of the Group.

(11) All share options in this column represent lapsed share options. No share options were cancelled during the financial period ended 30 June 2026.

Significant Acquisition, Disposal or Investment

During the Period, the Group did not have any material acquisition or disposals of subsidiaries and associated companies and investment.

Future Plans for Material Investments or Capital Assets

The Group did not have any plan for material investments or capital assets as at 30 June 2026.

Other Information

Other Information

Purchase, Sale or Redemption of Shares

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 30 June 2026, the Company did not hold any treasury shares.

Corporate Governance

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders and formulate its business strategies and policies as well as to enhance corporate value and accountability.

Compliance with the Corporate Governance Code

The Company has applied the principles set out in 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 "**Listing Rules**") and has also put in place certain recommended best practices as set out in the CG Code. The Board is of the opinion that the Company has complied with all the applicable code provisions set out in the CG Code throughout the Period.

Specific Performance Obligations of Controlling Shareholders Under Rule 13.18 of the Listing Rules

April 2024 Facility Agreement

To refinance certain existing bank loans, on 8 April 2024, Goodbaby (Hong Kong) Limited, a wholly-owned subsidiary of the Company (as borrower), the Company (as guarantor), one financial institution (as global coordinator, mandated lead arranger and bookrunner, facility agent and security agent) and certain financial institutions (as original lenders) entered into a facility agreement (the "**April 2024 Facility Agreement**") in respect of a total amount of US$160,000,000 term loan facility with a term of 36 months from the first utilisation date. The total commitment under the April 2024 Facility Agreement may be increased by not more than US$50,000,000 or its equivalent in Euro with prior written consent of Goodbaby (Hong Kong) Limited, by way of accession(s) of additional lender(s). With this refinancing, the debt structure of the Company had been optimized and relevant finance cost had been improved.

Under the April 2024 Facility Agreement, if (a) Mr. Song (together with his family, including his or his spouse's family trust), collectively, no longer is the single largest beneficial shareholder of the Company; or (b) Mr. Song (together with his family, including his or his spouse's family trust) collectively, no longer beneficially owns more than 20% of the issued share capital of the Company, then the borrower shall, among others,

(1) immediately notify the facility agent thereof; and

(2) at the request of any lender, prepay that lender's participation in the loans together with accrued interests thereon and break costs (if any).

For further details of the April 2024 Facility Agreement, please also refer to the announcement of the Company dated 8 April 2024. As at 30 June 2026, the total amount of the loan under the April 2024 Facility Agreement had been fully repaid.

Save as disclosed above, as at 30 June 2026, the Company did not have any other disclosure obligations under Rule 13.18 of the Listing Rules.

Director's Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. Specific enquiry has been made of all the Directors who have confirmed to the Company that they have complied with the Model Code throughout the Period. The Company has also established a code of conduct no less exacting than the Model Code (the "**Employees Code of Conduct**") for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Code of Conduct by any employees of the Company was noted during the Period.

Audit Committee

As at the date of this report, the audit committee of the Company (the "**Audit Committee**") consists of the following independent non-executive Directors and non-executive Director, namely Mr. Wong Shun Tak, Ms. Chiang Yun, and Mr. Ho Kwok Yin, Eric. Mr. Wong Shun Tak is the chairperson of the Audit Committee. The unaudited interim condensed consolidated financial information of the Group for the Period has been reviewed by the Audit Committee.

The unaudited interim results for the Period have been reviewed by the Company's auditors, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

Arrangements to Purchase Shares or Debentures

Other than the Share Option Schemes as set out in note 21 to the interim condensed consolidated financial statements, at no time during the Period was the Company, its holding companies or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Company or any other body corporate within the Group.

Other Information

Interest and Short Positions of Directors in the Shares, Underlying Shares or Debentures

As at 30 June 2026, the interests or short positions of the Directors or chief executives of the Company then in office 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**")) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which would be required, pursuant to the Model Code, are as follows:

Directors' Interest in the Shares and/or Underlying Shares

Name of Director	Nature of Interest	Number of Shares and/ or Underlying Shares	Approximate percentage of Shareholding (Note 7)
Mr. Song Zhenghuan ("**Mr. Song**") (Notes 2&5)	Beneficiary of a trust/ Beneficial owner/Interest of controlled corporation/ Interest of spouse	770,195,427 (L)	46.03%
Mr. Liu Tongyou ("**Mr. Liu**") (Note 3)	Beneficial owner/Interest of controlled corporation	47,310,573 (L)	2.83%
Mr. Martin Pos	Beneficial owner	126,580,915 (L)	7.56%
Ms. Fu Jingqiu ("**Ms. Fu**") (Notes 2&5)	Beneficiary of a trust/ Beneficial owner/Interest of spouse	770,195,427 (L)	46.03%
Mr. Ho Kwok Yin, Eric	Beneficial owner	96,000 (L)	0.01%
Ms. Chiang Yun	Beneficial owner	96,000 (L)	0.01%
Mr. Jin Peng ("**Mr. Jin**") (Note 6)	Beneficial owner	3,010,000 (L)	0.18%

Notes:

(1) The letter "L" denotes the person's long position in such share and/or underlying shares.

(2) Mr. Song is a beneficiary of Grappa Trust, of which Trident Trust Company (HK) Limited is the trustee. Ms. Fu is a beneficiary of Gramma Trust, of which Trident Trust Company (HK) Limited is the trustee. See note (2) of the section headed "Substantial Shareholders' Interests and Short Positions" for further details of such interest.

(3) Mr. Liu is interested in 29,057,573 shares of the Company held through Silvermount Limited, a company wholly owned by him. He also holds 18,253,000 Share Options as at 30 June 2026.

(4) Each of the Directors is deemed to have an interest in the underlying shares of the Company within the meaning of Part XV of the SFO in respect of the Share Options granted to him/her, details are as follows:

Name of Director	Number of Share Options held as at 30 June 2026
Mr. Song Zhenghuan	1,668,000
Mr. Liu Tongyou	18,253,000
Mr. Martin Pos	38,380,000
Ms. Fu Jingqiu	2,485,000
Mr. Ho Kwok Yin, Eric	96,000
Ms. Chiang Yun	96,000
Mr. Jin Peng	96,000

(5) Since Ms. Fu is Mr. Song's spouse, each of Mr. Song and Ms. Fu is deemed to have an interest in the underlying Shares of the Company within the meaning of Part XV of the SFO in respect of the Share Options of the Company granted to each of them.

(6) Mr. Jin holds 2,914,000 shares of the Company and 96,000 Share Options.

(7) Based on a total of 1,673,332,166 ordinary shares of the Company in issue as at 30 June 2026.

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

Substantial Shareholders' Interests and Short Positions

As at 30 June 2026, the following persons (other than the Directors and chief executives of the Company) had or deemed or taken to have an interest and/or short position in the shares or the underlying shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under section 336 of SFO, or who was, directly or indirectly, interested in 5% or more of the issued share capital of the Company:

Name	Capacity	Number of Shares and/ or Underlying Shares	Approximate Percentage of Shareholding (Note 3)
Trident Trust Company (HK) Limited ("**TTC**") (Note 2)	Trustee	766,042,427 (L)	45.78%
Gramma Enterprises Limited	Interest of Controlled Corporation/Beneficial Owner	696,304,251 (L)	41.61%
Rosy Phoenix Limited (Note 2)	Interest of Controlled Corporation/Beneficial Owner	696,304,251 (L)	41.61%
Cayey Enterprises Limited (Note 2)	Interest of Controlled Corporation/Beneficial Owner	608,550,380 (L)	36.37%
Grappa Enterprises Limited (Note 2)	Interest of Controlled Corporation	608,550,380 (L)	36.37%
Pacific United Developments Limited ("**PUD**") (Note 2)	Beneficial Owner	409,518,229 (L)	24.47%
Sure Growth Investments Limited (Note 2)	Beneficial Owner	129,293,975 (L)	7.73%

Notes:

(1) The letter "L" denotes the person's long position in such shares.

(2) Grappa Enterprises Limited and Gramma Enterprises Limited are indirectly wholly-owned by TTC. Grappa Enterprises Limited holds 99.99% of Cayey Enterprises Limited directly. Cayey Enterprises Limited is interested in 26.72% of PUD and 53.33% of Sure Growth Investments Limited. Gramma Enterprises Limited holds 99% of Rosy Phoenix Limited directly, which in turn holds 26.72% of PUD and 26.67% of Sure Growth Investments Limited. TTC is the trustee of Gramma Trust and Grappa Trust holding interest on trust for the beneficiaries of the Gramma Trust and Grappa Trust, respectively. The beneficiaries of Grappa Trust include Mr. Song and his family members and the beneficiaries of Gramma Trust include Ms. Fu and her family members.

(3) Based on a total of 1,673,332,166 ordinary shares of the Company in issue as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

Important Events after the Period

Save as disclosed in this report, there were no other important events that required additional disclosure or adjustments occurred after the end of the Period and up to the date of this report.

Other Information

Disclosure of Information of Directors under Rules 13.51(2) and 13.51B(1) of the Listing Rules

There is no change of information of the Directors that is required to be disclosed under Rules 13.51(2) and 13.51B(1) of the Listing Rules since the publication of the 2025 annual report of the Company.

Interim Dividend

At the meeting of the Board held on 31 August 2026, the Board resolved to declare the payment of an interim dividend of HK$0.20 per share for the Period (six months ended 30 June 2025: nil). The interim dividend will be paid on or about Monday, 28 September 2026 to the Shareholders whose names appear on the register of members of the Company on Thursday, 17 September 2026. The record date for determining the entitlement to the interim dividend is Thursday, 17 September 2026.

Closure of Register of Members

For the purpose of ascertaining the Shareholders' entitlement to the interim dividend of the Period, the Company's register of members will be closed in the manner set out below:

–	Ex-dividend date	Friday, 11 September 2026
–	Latest time to lodge transfer documents for registration	4:30 p.m. on Monday, 14 September 2026
–	Closure of register of members	Tuesday, 15 September 2026 to Thursday, 17 September 2026
–	Record Date	Thursday, 17 September 2026

During the above closure period, no transfer of shares will be registered in the Company's register of members. To qualify for the interim dividend for the Period, all duly stamped instruments of transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's share registrar in Hong Kong, namely Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than the latest time(s) as stated above.

For and on behalf of the Board of Directors
Song Zhenghuan
Chairman

31 August 2026

Independent Review Report

Ernst & Young
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Quarry Bay, Hong Kong

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To the board of directors of Goodbaby International Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 32 to 72, which comprises the condensed consolidated statement of financial position of Goodbaby International Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**") as at 30 June 2026 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("**IAS 34**") as issued by the International Accounting Standards Board (the "**IASB**").

The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

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

Ernst & Young
Certified Public Accountants
Hong Kong
31 August 2026

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2026

	Notes	Six months ended 30 June	
		2026	2025
		(Unaudited) (HK$'000)	
Revenue	4	4,551,027	4,300,936
Cost of sales		(1,995,055)	(2,166,090)
Gross profit		2,555,972	2,134,846
Other income and gains	4	28,782	77,810
Selling and distribution expenses		(1,259,486)	(1,253,013)
Administrative expenses		(799,945)	(756,784)
Other expenses		(94,268)	(814)
Operating profit		431,055	202,045
Finance income	5	4,751	8,046
Finance costs	6	(37,895)	(56,701)
Share of profits of:			
A joint venture		505	229
PROFIT BEFORE TAX	7	398,416	153,619
Income tax expense	8	(121,747)	(48,082)
PROFIT FOR THE PERIOD		**276,669**	**105,537**
Attributable to:			
Owners of the parent		275,202	105,388
Non-controlling interests		1,467	149
		276,669	**105,537**
Earnings per share attributable to			
ordinary equity holders of the parent:	10		
Basic and diluted			
For profit for the period (HK$)		**0.16**	**0.06**

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	(Unaudited) (HK$'000)	
PROFIT FOR THE PERIOD	**276,669**	**105,537**
Other comprehensive income		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges		
Effective portion of changes in fair value of hedging instruments arising during the period	12,010	(29,806)
Reclassification adjustments for gain included in the consolidated statement of profit or loss	(6,587)	(11,413)
Income tax effect	(1,465)	6,167
	3,958	(35,052)
Exchange differences:		
Exchange differences on translation of foreign operations	175,282	249,006
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	179,240	213,954
Other comprehensive income for the period, net of tax	179,240	213,954
Total comprehensive income for the period	**455,909**	**319,491**
Attributable to:		
Owners of the parent	454,442	319,328
Non-controlling interests	1,467	163
	455,909	**319,491**

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	30 June 2026	31 December 2025
		(Unaudited)	(Audited)
		(HK$'000)	
NON-CURRENT ASSETS			
Property, plant and equipment	11	792,685	824,981
Right-of-use assets	12	309,434	333,356
Goodwill	13	2,708,609	2,638,490
Other intangible assets	14	2,070,283	2,054,183
Investment in the joint venture		7,639	6,847
Deferred tax assets		82,028	107,443
Other long-term assets		5,309	4,132
Total non-current assets		5,975,987	5,969,432
CURRENT ASSETS			
Inventories	15	1,455,683	1,508,605
Trade and bills receivables	16	996,396	883,012
Prepayments and other receivables		729,195	709,164
Due from related parties	28	1,879	1,339
Financial assets at fair value through profit or loss	22	34,674	–
Cash and cash equivalents	23	994,675	1,296,365
Pledged deposits	23	–	27,057
Time deposits	23	115,580	111,289
Derivative financial instruments	19	46,652	30,533
Total current assets		4,374,734	4,567,364
CURRENT LIABILITIES			
Trade and bills payables	17	1,495,259	1,378,778
Other payables and accruals		1,152,770	1,131,942
Income tax payable		176,211	50,952
Provision		43,368	43,622
Interest-bearing bank loans and other borrowings	18	413,949	336,906
Lease liabilities	12	136,310	119,403
Derivative financial instruments	19	7,014	22,260
Due to related parties	28	4,709	2,908
Defined benefit plan liabilities		–	230
Total current liabilities		3,429,590	3,087,001
NET CURRENT ASSETS		945,144	1,480,363
TOTAL ASSETS LESS CURRENT LIABILITIES		6,921,131	7,449,795

Interim Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2026

	Notes	30 June 2026	31 December 2025
		(Unaudited)	(Audited)
		(HK$'000)	
NON-CURRENT LIABILITIES			
Interest-bearing bank loans and other borrowings	18	–	820,467
Provision		25,369	21,504
Defined benefit plan liabilities		1,866	1,891
Other liabilities		1,639	981
Lease liabilities	12	153,864	196,038
Deferred tax liabilities		170,938	215,148
Total non-current liabilities		353,676	1,256,029
Net assets		**6,567,455**	**6,193,766**
EQUITY			
Equity attributable to owners of the parent			
Share capital	20	16,733	16,726
Reserves		6,543,751	6,171,582
		6,560,484	6,188,308
Non-controlling interests		6,971	5,458
Total equity		6,567,455	6,193,766

SONG Zhenghuan
Director

LIU Tongyou
Director

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Attributable to owners of the parent												
	Share capital	Share premium	Share option reserve	Statutory reserve funds	Cumulative translation adjustments	Defined benefit plans	Merger reserve	Capital reserve	Hedging reserve	Retained earnings	Total	Non-controlling interests	Total equity
	(HK$'000) (Unaudited)												
At 31 December 2025 and 1 January 2026	16,726	3,324,537	214,457	275,934	(287,738)	6,656	153,975	(32,826)	11,653	2,504,934	6,188,308	5,458	6,193,766
Profit for the period	–	–	–	–	–	–	–	–	–	275,202	275,202	1,467	276,669
Other comprehensive income for the period:													
Cash flow hedges, net of tax	–	–	–	–	–	–	–	–	3,958	–	3,958	–	3,958
Exchange differences on translation	–	–	–	–	175,282	–	–	–	–	–	175,282	–	175,282
Total comprehensive income for the period	–	–	–	–	175,282	–	–	–	3,958	275,202	454,442	1,467	455,909
Contribution from a non-controlling interest	–	–	–	–	–	–	–	–	–	–	–	46	46
Final 2025 dividend declared (note 9)	–	–	–	–	–	–	–	–	–	(83,667)	(83,667)	–	(83,667)
Share options exercised	7	345	(127)	–	–	–	–	–	–	–	225	–	225
Equity-settled share option arrangements	–	–	1,176	–	–	–	–	–	–	–	1,176	–	1,176
At 30 June 2026 (unaudited)	**16,733**	**3,324,882**	**215,506**	**275,934**	**(112,456)**	**6,656**	**153,975**	**(32,826)**	**15,611**	**2,696,469**	**6,560,484**	**6,971**	**6,567,455**

	Attributable to owners of the parent												
	Share capital	Share premium	Share option reserve	Statutory reserve funds	Cumulative translation adjustments	Defined benefit plans	Merger reserve	Capital reserve	Hedging reserve	Retained earnings	Total	Non-controlling interests	Total equity
	(HK$'000) (Unaudited)												
At 31 December 2024 and 1 January 2025	16,680	3,320,411	209,915	275,934	(581,211)	6,595	153,975	(22,613)	7,056	2,403,113	5,789,855	25,762	5,815,617
Profit for the period	–	–	–	–	–	–	–	–	–	105,388	105,388	149	105,537
Other comprehensive (loss)/income for the period:													
Cash flow hedges, net of tax	–	–	–	–	–	–	–	–	(35,052)	–	(35,052)	–	(35,052)
Exchange differences on translation	–	–	–	–	248,992	–	–	–	–	–	248,992	14	249,006
Total comprehensive income for the period	–	–	–	–	248,992	–	–	–	(35,052)	105,388	319,328	163	319,491
Acquisition of a non-controlling interest	–	–	–	–	–	–	–	12,666	–	–	12,666	(20,055)	(7,389)
Final 2024 dividend declared (note 9)	–	–	–	–	–	–	–	–	–	(116,776)	(116,776)	–	(116,776)
Share options exercised	2	273	(77)	–	–	–	–	–	–	–	198	–	198
Equity-settled share option arrangements	–	–	5,033	–	–	–	–	–	–	–	5,033	–	5,033
At 30 June 2025 (unaudited)	**16,682**	**3,320,684**	**214,871**	**275,934**	**(332,219)**	**6,595**	**153,975**	**(9,947)**	**(27,996)**	**2,391,725**	**6,010,304**	**5,870**	**6,016,174**

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Notes	Six months ended 30 June	
		2026	2025
		(Unaudited) (HK$'000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		398,416	153,619
Adjustments for:			
Finance costs	6	37,895	56,701
Share of profit of a joint venture		(505)	(229)
Interest income	5	(4,751)	(8,046)
Loss on disposal of items of property, plant and equipment	7	2,526	251
Loss on disposal of intangible assets		14	–
Revision of a lease term arising from a change in the non-cancellable period of a lease		(1,349)	–
Gain on structured deposits		–	(66)
Depreciation and amortization	7	226,953	226,910
Provision of inventories	7	15,319	1,783
Provision for impairment of trade receivables	7	230	896
Equity-settled share option expenses	7	1,176	5,033
		675,924	436,852
Decrease in inventories		37,603	87,317
Increase in trade receivables		(113,614)	(1,870)
Decrease in prepayments and other receivables		44,467	10,094
(Increase)/decrease in amounts due from related parties		(540)	86
(Increase)/decrease in derivative financial instruments		(31,365)	66,717
(Increase)/decrease in other long-term assets		(1,177)	17
Increase/(decrease) in trade and bills payables		116,481	(177,318)
Increase/(decrease) in other payables and accruals		20,828	(64,184)
Increase in provision		3,611	8,299
Increase/(decrease) in amounts due to related parties		1,801	(148)
Decrease in defined benefit plan liabilities		(255)	(37)
Increase in other liabilities		658	120
Cash generated from operations		754,422	365,945
Income tax paid		(31,136)	(69,015)
Net cash flows from operating activities		723,286	296,930

Interim Condensed Consolidated Statement of Cash Flows (Continued)

For the six months ended 30 June 2026

	Note	Six months ended 30 June	
		2026	2025
		(Unaudited) (HK$'000)	
CASH FLOWS USED IN INVESTING ACTIVITIES			
Interest received		4,751	8,046
Redemption of structured deposits received		–	53,863
Purchase of items of property, plant and equipment		(83,524)	(106,456)
Addition to other intangible assets		(7,718)	(9,960)
Proceeds from disposal of property, plant and equipment		3,528	2,422
Purchase of structured deposits		(34,674)	(96,835)
Net cash flows used in investing activities		(117,637)	(148,920)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Dividends paid		(83,667)	(116,776)
Contribution from a non-controlling interest		46	–
Proceeds from issues of shares		225	198
Acquisition of non-controlling interests		–	(6,032)
Proceeds from borrowings		638,330	735,397
Repayment of borrowings		(1,383,002)	(804,078)
Interest paid		(50,165)	(43,822)
Principal portion of lease payments		(68,073)	(53,190)
Decrease in pledged deposits		27,303	2,231
Net cash flows used in financing activities		(919,003)	(286,072)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(313,354)	(138,062)
Cash and cash equivalents at beginning of period		1,296,365	1,099,358
Effect of foreign exchange rate changes, net		11,664	37,176
CASH AND CASH EQUIVALENTS AT END OF PERIOD	23	**994,675**	**998,472**

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

1 Corporate Information

The interim condensed consolidated financial information of the Group for the six months ended 30 June 2026 has been authorized to be issued in accordance with a resolution of directors on 31 August 2026.

The Company was incorporated in the Cayman Islands on 14 July 2000 as an exempted company with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 24 November 2010.

The Group is principally engaged in design, research and development ("**R&D**"), manufacturing, marketing and distribution of products for children.

2.1 Basis of Preparation

The interim condensed consolidated financial information for the six months ended 30 June 2026 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The financial information is presented in HK$ and all values are rounded to the nearest thousand except when otherwise indicated.

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

2.2 Changes in Accounting Policies and Disclosures

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

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

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

2.2 Changes in Accounting Policies and Disclosures (Continued)

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

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

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

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

3. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) Wheeled goods segment, which engages in the research, design, manufacture and sale of wheeled goods, and accessories, including strollers, jogging strollers and other child conveyances that move on wheels, and accessories under the Group's own brands and third parties' brands. Products in this segment require a same set of technology and manufacturing knowhow and infrastructure;

(b) Car seats segment, which engages in the research, design, manufacture and sale of car safety seats and accessories for child under the Group's own brands and third parties' brands; and

(c) Other categories segment, which engages in the research, design, manufacture, outsource and sale of other children's products, including apparels, personal care and sanitary products, home textiles, toys, activities, kids ride-on products, home furniture for child and other similar products under the Group's own brands and third parties' brands.

In addition, the Group redefined the geographical areas, namely Europe, Middle East, India and Africa ("**EMEIA**"), "Americas" and Asia Pacific ("**APAC**"), to reflect global market strategies. Comparative figures have been represented to conform with current period's presentation.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment revenue.

Six months ended 30 June 2026

	Wheeled goods	Car seats	Other categories	Consolidated
	(HK$'000) (Unaudited)			
Segment revenue (note 4)				
Sales to external customers	2,036,019	1,979,658	535,350	4,551,027
Segment results	1,171,263	1,172,706	212,003	2,555,972
Reconciliation:				
Other income and gains				28,782
Corporate and other unallocated expenses				(2,063,895)
Other expenses				(94,268)
Finance income				4,751
Finance costs (other than interest on lease liabilities)				(33,431)
Share of profit from the joint venture				505
Profit before tax				**398,416**
Other segment information:				
Impairment losses recognised in the statement of profit or loss, net	7,306	6,531	1,712	15,549
Depreciation and amortisation	95,948	93,478	37,527	226,953

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

3. Operating Segment Information (Continued)

Six months ended 30 June 2025

	Wheeled goods	Car seats	Other categories	Consolidated
	(HK$'000)			
	(Unaudited)			
Segment revenue (note 4)				
Sales to external customers	1,791,331	1,985,259	524,346	4,300,936
Segment results	900,892	1,042,200	191,754	2,134,846
Reconciliation:				
Other income and gains				77,810
Corporate and other unallocated expenses				(2,014,530)
Other expenses				(814)
Finance income				8,046
Finance costs (other than interest on lease liabilities)				(51,968)
Share of profit from the joint venture				229
Profit before tax				**153,619**
Other segment information:				
Impairment losses recognised/(reversed) in the statement of profit or loss, net	1,264	2,336	(921)	2,679
Depreciation and amortisation	93,059	96,409	37,442	226,910

Geographical information

(a) Revenue from external customers

	EMEIA market	Americas market	APAC market	Total
	(HK$'000)			
	(Unaudited)			
Six months ended 30 June 2026				
Segment revenue:				
Sales to external customers	**2,152,721**	**1,474,215**	**924,091**	**4,551,027**
Six months ended 30 June 2025				
Segment revenue:				
Sales to external customers	**2,004,177**	**1,394,679**	**902,080**	**4,300,936**

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

3. Operating Segment Information (Continued)

Geographical information (Continued)

(b) Non-current assets

	30 June 2026	31 December 2025
	(HK$'000)	
	(Unaudited)	(Audited)
APAC	3,715,598	3,668,518
Americas	1,120,839	1,155,174
EMEIA	1,044,574	1,027,318
Total	**5,881,011**	**5,851,010**

The non-current asset information above is based on the locations of the assets excluding financial instruments, deferred tax assets and investment in the joint venture.

Information about major customers

During the six months ended 30 June 2026, revenue from sales to two major third-party customers were HK$539,178,000 and HK$448,119,000 (six months ended 30 June 2025: two major third-party customers were HK$550,948,000 and HK$423,440,000). The revenue from sales to the customers was derived from sales of wheeled goods, car seats and other categories segments, including sales to a group of entities which are known to be under common control with the customers.

4. Revenue, Other Income and Gains

An analysis of revenue is as follows:

	Six months ended 30 June	
	2026	2025
	(HK$'000)	
	(Unaudited)	
Revenue from contracts with customers		
Sale of goods	4,536,561	4,289,475
Rendering of testing services	14,466	11,461
Total	**4,551,027**	**4,300,936**

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

4. Revenue, Other Income and Gains (Continued)

Revenue from contracts with customers

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2026

Segments	Wheeled goods	Car seats	Other categories	Total
	(HK$'000) (Unaudited)			
Type of goods or services				
Sale of goods	2,036,019	1,979,658	520,884	4,536,561
Rendering of testing services	–	–	14,466	14,466
Total revenue from contracts with customers	**2,036,019**	**1,979,658**	**535,350**	**4,551,027**
Timing of revenue recognition				
Goods transferred at a point in time	2,036,019	1,979,658	520,884	4,536,561
Services transferred at a point in time	–	–	14,466	14,466
Total revenue from contracts with customers	**2,036,019**	**1,979,658**	**535,350**	**4,551,027**
Revenue from contracts with customers				
External customers	**2,036,019**	**1,979,658**	**535,350**	**4,551,027**

For the six months ended 30 June 2025

Segments	Wheeled goods	Car seats	Other categories	Total
	(HK$'000) (Unaudited)			
Type of goods or services				
Sale of goods	1,791,331	1,985,259	512,885	4,289,475
Rendering of testing services	–	–	11,461	11,461
Total revenue from contracts with customers	**1,791,331**	**1,985,259**	**524,346**	**4,300,936**
Timing of revenue recognition				
Goods transferred at a point in time	1,791,331	1,985,259	512,885	4,289,475
Services transferred at a point in time	–	–	11,461	11,461
Total revenue from contracts with customers	**1,791,331**	**1,985,259**	**524,346**	**4,300,936**
Revenue from contracts with customers				
External customers	**1,791,331**	**1,985,259**	**524,346**	**4,300,936**

4. Revenue, Other Income and Gains (Continued)

Other income and gains

	Six months ended 30 June	
	2026	2025
	(HK$'000) (Unaudited)	
Other income and gains:		
Government grants (note (a))	11,717	8,579
Gain on sales of scrap materials (note (b))	4,275	3,023
Net foreign exchange gain	–	62,825
Compensation income (note (c))	1,378	1,015
Others	11,412	2,368
Total	28,782	77,810

Note (a): The amount represents subsidies received from local government authorities in connection with certain financial support to local business enterprises. These government subsidies mainly comprised subsidies for export activities, subsidies for development and other miscellaneous subsidies and incentives for various purposes.

Note (b): The amount represents the gain on sales of aluminium, plastics, cloth and other scrap materials.

Note (c): The amount represents the compensation received from: i) customers as a result of cancellation of orders, ii) suppliers due to defective products or shipment delay and iii) other infringement compensation.

5. Finance Income

	Six months ended 30 June	
	2026	2025
	(HK$'000) (Unaudited)	
Interest income on bank deposits	**4,751**	**8,046**

6. Finance Costs

	Six months ended 30 June	
	2026	2025
	(HK$'000) (Unaudited)	
Interest on bank loans, overdrafts and other loans	33,431	51,968
Interest on lease liabilities	4,464	4,733
Total	**37,895**	**56,701**

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

7. Profit Before Tax

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

	Six months ended 30 June	
	2026	2025
	(HK$'000) (Unaudited)	
Cost of inventories sold*	1,987,092	2,158,450
Cost of services provided	7,963	7,640
Depreciation of property, plant and equipment	117,950	130,325
Depreciation of right-of-use assets	67,223	56,632
Amortisation of intangible assets	41,780	39,953
R&D costs**	246,027	219,705
Short-term rental expenses***	9,483	4,965
Auditors' remuneration	3,985	3,766
Employee benefit expense (including directors' remuneration):		
Wages, salaries and other benefits	1,070,275	917,445
Share option expense	1,176	5,033
Pension scheme costs (defined benefit plans) (including administrative expense)	640	592
Pension scheme contributions	33,535	27,392
	1,105,626	950,462
Net foreign exchange loss/(gain)	91,268	(62,825)
Provision for impairment of trade receivables	230	896
Provision of inventories	15,319	1,783
Product warranties and liabilities	7,666	13,308
Loss on disposal of items of property, plant and equipment	2,526	251
Gain on disposal of right-of use assets	(1,349)	–
Bank interest income	(4,751)	(8,046)

* Cost of inventories sold includes expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and staff remuneration, which are also included in the respective total amounts disclosed separately above for each of these types of expenses. Additionally, during the period ended 30 June 2026, cost of sales included a reduction of approximately HK$198,000,000 representing refunds of tariffs previously paid pursuant to the IEEPA.

** R&D costs include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

*** Short-term rental expenses consist of payments of leases with lease term within 12 months of the date of initial application and property management fee on retail stores, storages and office premises.

8. Income Tax

The Company and its subsidiaries incorporated in the Cayman Islands and the British Virgin Islands ("**BVI**"), respectively, are exempted from taxation.

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the Period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2025: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

State income tax and federal income tax of the Group's subsidiaries in the US have been provided for at the rates of state income tax and federal income tax on the estimated assessable profits of the subsidiaries during the Period. The state income tax rates are 1% to 12% in the respective states in which the subsidiaries operate, and the federal income tax rate was lowered to 21% effective from 1 January 2018, as a result of U.S. tax reform enacted in December 2017.

The Group's subsidiary registered in Japan is subject to income tax based on the taxable income at rates ranging from 15% to 23.2% on a progressive basis.

The Group's subsidiaries registered in Germany are subject to corporation tax based on the taxable income at the rate of 15.825% and trade income tax on the taxable income at rates ranging from 13.65% to 17.15%.

The Group's subsidiary registered in the Czech Republic is subject to income tax based on the taxable income at the rate of 21%.

The Group's subsidiary registered in Canada is subject to Federal income tax based on the taxable income at the rate of 15% and provincial income tax at the rate of 11.5% in Ontario for a total of 26.5%.

The Group's subsidiary registered in the United Arab Emirates is subject to income tax at the rate of 9% for taxable income above AED375,000.

All of the Group's subsidiaries registered in the People's Republic of China (the "**PRC**"), which only have operations in the Chinese mainland, are subject to PRC enterprise income tax ("**EIT**") on the taxable income as reported in their PRC statutory accounts adjusted in accordance with relevant PRC income tax laws, at the rate of 25%.

Pursuant to relevant tax rules under the EIT Law and with the approval from the relevant tax authorities in the PRC, two of the Group's subsidiaries, Goodbaby Child Products Co., Ltd. ("**GCPC**") and EQO Testing and Certification Services Co., Ltd. ("**EQTC**"), are qualified as "High and New Technology Enterprises" and are entitled to a preferential tax rate of 15% from 2023 to 2026.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

8. Income Tax (Continued)

Pursuant to the EIT Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the Chinese mainland. The requirement is effective from 1 January 2008 and applies to earnings generated after 31 December 2007. If a foreign investor incorporated-in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the Chinese mainland and Hong Kong, the relevant withholding tax rate will be 5%. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in the Chinese mainland in respect of earnings generated from 1 January 2008. The applicable tax rate of the Group is 5%.

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

	Six months ended 30 June	
	2026	2025
	(HK$'000) (Unaudited)	
Current income tax	118,650	75,805
Deferred income tax	3,097	(27,723)
Income tax expense	**121,747**	**48,082**

9. Dividends

	Six months ended 30 June	
	2026	2025
	(HK$'000) (Unaudited)	
Final declared and paid – 2025 final dividend: HK$0.05 (2024 final dividend: HK$0.07) per Share	**83,667**	**116,776**

On 29 May 2026, the Company's shareholders approved 2025 final dividend of HK$0.05 for every ordinary share, in an aggregate amount of approximately HK$83,667,000. The dividend was paid in June 2026.

On 27 May 2025, the Company's shareholders approved 2024 final dividend of HK$0.07 for every ordinary share, in an aggregate amount of approximately HK$116,776,000. The dividend was paid in June 2025.

On 31 August 2026, the Board declared an interim dividend of HK$0.20 (six months ended 30 June 2025: Nil) per ordinary share, amounting to a total of approximately HK$334,666,000 (six months ended 30 June 2025: Nil).

10. Earnings Per Share

The calculation of the basic earnings per share is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,672,925,111 in issue during the six months ended 30 June 2026 (six months ended 30 June 2025: 1,668,235,666).

The calculation of diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of earnings per share is based on:

	Six months ended 30 June	
	2026	2025
	(HK$'000) (Unaudited)	
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	**275,202**	**105,388**

	Number of shares Six months ended 30 June	
	2026	2025
	(Unaudited)	
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	1,672,925,111	1,668,235,666
Effect of dilution – weighted average number of ordinary shares:		
Share options	39,355,485	53,698,475
Total	**1,712,280,596***	**1,721,934,141**

* The diluted earnings per share amounts are based on the profit attributable to ordinary equity holders of the parent of HK$275,202,000, and the weighted average number of ordinary shares of 1,712,280,596 in issue outstanding during the period.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

11. Property, Plant and Equipment

30 June 2026

	Buildings and lands	Plant and machinery	Motor vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
	(HK$'000) (Unaudited)						
At 31 December 2025 and at 1 January 2026:							
Cost	578,573	1,619,455	20,526	512,979	303,400	61,400	3,096,333
Accumulated depreciation and impairment	(446,675)	(1,176,620)	(17,533)	(400,343)	(230,181)	–	(2,271,352)
Net carrying amount	**131,898**	**442,835**	**2,993**	**112,636**	**73,219**	**61,400**	**824,981**
At 1 January 2026, net of accumulated depreciation	131,898	442,835	2,993	112,636	73,219	61,400	824,981
Additions	909	5,470	–	10,619	16,782	49,744	83,524
Disposals	(7)	(704)	(122)	(282)	(4,939)	–	(6,054)
Depreciation provided during the period	(9,909)	(63,518)	(403)	(25,827)	(18,293)	–	(117,950)
Transfers	381	32,191	118	4,945	–	(37,635)	–
Exchange realignment	3,648	4,347	96	(427)	931	(411)	8,184
At 30 June 2026, net of accumulated depreciation and impairment	**126,920**	**420,621**	**2,682**	**101,664**	**67,700**	**73,098**	**792,685**
At 30 June 2026:							
Cost	599,218	1,659,137	20,041	524,573	312,853	73,098	3,188,920
Accumulated depreciation and impairment	(472,298)	(1,238,516)	(17,359)	(422,909)	(245,153)	–	(2,396,235)
Net carrying amount	**126,920**	**420,621**	**2,682**	**101,664**	**67,700**	**73,098**	**792,685**

11. Property, Plant and Equipment (Continued)

31 December 2025

	Buildings and lands	Plant and machinery	Motor vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
				(HK$'000)			
				(Audited)			
At 31 December 2024 and at 1 January 2025:							
Cost	555,294	1,458,356	19,733	428,568	311,245	66,468	2,839,664
Accumulated depreciation and impairment	(420,018)	(1,020,730)	(16,716)	(337,380)	(225,641)	–	(2,020,485)
Net carrying amount	**135,276**	**437,626**	**3,017**	**91,188**	**85,604**	**66,468**	**819,179**
At 1 January 2025, net of accumulated depreciation	135,276	437,626	3,017	91,188	85,604	66,468	819,179
Additions	4,571	28,443	486	41,740	38,280	125,084	238,604
Disposals	(1,251)	(2,327)	(88)	(4,705)	(2,222)	–	(10,593)
Depreciation provided during the year	(21,226)	(134,906)	(770)	(49,573)	(60,261)	–	(266,736)
Transfers	8,831	92,705	235	25,688	7,011	(134,470)	–
Exchange realignment	5,697	21,294	113	8,298	4,807	4,318	44,527
At 31 December 2025, net of accumulated depreciation and impairment	**131,898**	**442,835**	**2,993**	**112,636**	**73,219**	**61,400**	**824,981**
At 31 December 2025:							
Cost	578,573	1,619,455	20,526	512,979	303,400	61,400	3,096,333
Accumulated depreciation and impairment	(446,675)	(1,176,620)	(17,533)	(400,343)	(230,181)	–	(2,271,352)
Net carrying amount	**131,898**	**442,835**	**2,993**	**112,636**	**73,219**	**61,400**	**824,981**

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

12. Leases

The Group has lease contracts for various items of plant and machinery, motor vehicles and other equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 10 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of plant and machinery generally have lease terms between 3 and 6 years. Buildings generally have lease term between 1 and 10 years. Furniture and fixtures generally have lease terms between 2 and 5 years, while motor vehicles generally have lease terms between 1 and 5 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the period/year are as follows:

30 June 2026

	Leasehold land	Buildings	Plant and machinery	Motor vehicles	Furniture and fixtures	Total
	(HK$'000)					
	(Unaudited)					
As at 1 January 2026	31,648	271,649	5,559	24,193	307	333,356
Revision of a lease term arising from a change in the non-cancellable period of a lease	–	(5,681)	(7)	–	–	(5,688)
Additions	–	40,607	–	6,772	–	47,379
Depreciation charge	(665)	(58,707)	(184)	(7,546)	(121)	(67,223)
Exchange realignment	1,211	821	41	(459)	(4)	1,610
As at 30 June 2026	**32,194**	**248,689**	**5,409**	**22,960**	**182**	**309,434**

12. Leases (Continued)

(a) Right-of-use assets (Continued)

31 December 2025

	Leasehold land	Buildings	Plant and machinery	Motor vehicles	Furniture and fixtures	Total
	(HK$'000) (Audited)					
As at 1 January 2025	32,095	218,868	8,850	21,048	625	281,486
Revision of a lease term arising from a change in the non-cancellable period of a lease	–	(12)	7	–	–	(5)
Additions	–	143,035	–	12,480	116	155,631
Disposals	(343)	–	–	–	–	(343)
Depreciation charge	(1,541)	(105,304)	(3,324)	(11,909)	(482)	(122,560)
Exchange realignment	1,437	15,062	26	2,574	48	19,147
As at 31 December 2025	**31,648**	**271,649**	**5,559**	**24,193**	**307**	**333,356**

(b) Lease liabilities

	As at 30 June 2026	As at 31 December 2025
	(HK$'000)	
	(Unaudited)	(Audited)
Current	136,310	119,403
Non-current	153,864	196,038
Carrying amount at period/year end	**290,174**	**315,441**

13. Goodwill

	(HK$'000)
Cost and net carrying amount at 1 January 2025 (Audited)	2,532,832
Exchange realignment	105,658
Cost and net carrying amount at 31 December 2025 and 1 January 2026 (Audited)	2,638,490
Exchange realignment	70,119
Cost and net carrying amount at 30 June 2026 (Unaudited)	**2,708,609**

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For the six months ended 30 June 2026

14. Other Intangible Assets

30 June 2026

	Trademarks	Computer software	Customer relationship	Patents	Total
			(HK$'000) (Unaudited)		
At 31 December 2025 and at 1 January 2026:					
Cost	1,711,653	339,059	548,459	105,348	2,704,519
Accumulated amortisation	(38,692)	(203,120)	(339,989)	(68,535)	(650,336)
Net carrying amount	**1,672,961**	**135,939**	**208,470**	**36,813**	**2,054,183**
At 1 January 2026, net of accumulated amortisation	1,672,961	135,939	208,470	36,813	2,054,183
Additions	–	6,228	–	1,490	7,718
Disposal	–	(14)	–	–	(14)
Amortisation provided during the period	(390)	(20,117)	(17,719)	(3,554)	(41,780)
Exchange realignment	38,264	4,051	6,506	1,355	50,176
At 30 June 2026, net of accumulated amortization	**1,710,835**	**126,087**	**197,257**	**36,104**	**2,070,283**
At 30 June 2026:					
Cost	1,751,856	345,247	561,865	108,010	2,766,978
Accumulated amortisation	(41,021)	(219,160)	(364,608)	(71,906)	(696,695)
Net carrying amount	**1,710,835**	**126,087**	**197,257**	**36,104**	**2,070,283**

31 December 2025

	Trademarks	Computer software	Customer relationship	Patents	Total
			(HK$'000) (Audited)		
At 31 December 2024 and at 1 January 2025:					
Cost	1,615,340	293,379	521,266	95,616	2,525,601
Accumulated amortisation	(34,700)	(150,982)	(282,646)	(56,804)	(525,132)
Net carrying amount	**1,580,640**	**142,397**	**238,620**	**38,812**	**2,000,469**
At 1 January 2025, net of accumulated amortisation	1,580,640	142,397	238,620	38,812	2,000,469
Additions	762	22,119	–	2,395	25,276
Disposals	–	(46)	–	–	(46)
Amortisation provided during the year	(1,779)	(35,320)	(37,394)	(6,675)	(81,168)
Exchange realignment	93,338	6,789	7,244	2,281	109,652
At 31 December 2025, net of accumulated amortisation	**1,672,961**	**135,939**	**208,470**	**36,813**	**2,054,183**
At 31 December 2025:					
Cost	1,711,653	339,059	548,459	105,348	2,704,519
Accumulated amortisation	(38,692)	(203,120)	(339,989)	(68,535)	(650,336)
Net carrying amount	**1,672,961**	**135,939**	**208,470**	**36,813**	**2,054,183**

15. Inventories

	As at 30 June 2026	As at 31 December 2025
	(HK$'000)	
	(Unaudited)	(Audited)
Raw materials	192,249	232,448
Work in progress	29,913	19,779
Finished goods	1,233,521	1,256,378
Total	**1,455,683**	**1,508,605**

16. Trade and Bills Receivables

	As at 30 June 2026	As at 31 December 2025
	(HK$'000)	
	(Unaudited)	(Audited)
Trade receivables	1,026,186	915,887
Bank acceptance notes	1,571	1,997
Impairment of trade receivables	(31,361)	(34,872)
Total	**996,396**	**883,012**

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is up to three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

An aging analysis of the trade and notes receivables of the Group, based on the invoice date and net of provisions, is as follows:

	As at 30 June 2026	As at 31 December 2025
	(HK$'000)	
	(Unaudited)	(Audited)
Within 3 months	971,143	843,957
3 to 6 months	14,981	19,443
6 months to 1 year	9,666	18,467
Over 1 year	606	1,145
Total	**996,396**	**883,012**

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

17. Trade and Bills Payables

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

	As at 30 June 2026	As at 31 December 2025
	(HK$'000)	
	(Unaudited)	(Audited)
Within 3 months	1,165,276	1,016,665
3 to 12 months	322,166	353,143
1 to 2 years	3,347	5,228
2 to 3 years	1,034	680
Over 3 years	3,436	3,062
Total	**1,495,259**	**1,378,778**

The trade and bills payables are non-interest-bearing and normally settled on terms of 60 to 90 days. The carrying amounts of the trade and bills payables approximate to their fair values due to their short-term maturity.

18. Interest-Bearing Bank Loans and Other Borrowings

		As at 30 June 2026		As at 31 December 2025	
			(HK$'000)		(HK$'000)
		Maturity	(Unaudited)	Maturity	(Audited)
Current					
Bank credits – secured	Note (a)	–	–	On demand	38,297
Bank credits – unsecured	Note (a) and note (b)	–	–	On demand	4,752
Current portion of long-term bank loans – secured	Note (c)	–	–	2026	173,197
Bank borrowings – unsecured		2026-2027	413,949	2026	120,660
			413,949		336,906
Non-current					
Bank borrowings – secured	Note (c)	–	–	2027	820,467
Total			**413,949**		**1,157,373**

The carrying amounts of borrowings are denominated in the following currencies:

	As at 30 June 2026	As at 31 December 2025
	(HK$'000)	
	(Unaudited)	(Audited)
RMB	406,699	111,289
USD	–	993,665
EUR	–	44,964
JPY	7,250	7,455
Total	**413,949**	**1,157,373**

18. Interest-Bearing Bank Loans and Other Borrowings (Continued)

An analysis of the carrying amounts of borrowings by type of interest rate is as follows:

	As at 30 June 2026	As at 31 December 2025
	(HK$'000)	
	(Unaudited)	(Audited)
Fixed interest rate	406,699	111,289
Variable interest rate	7,250	1,046,084
Total	**413,949**	**1,157,373**

At the end of the respective reporting periods, bank borrowings and overdrafts were repayable as follows:

	As at 30 June 2026	As at 31 December 2025
	(HK$'000)	
	(Unaudited)	(Audited)
Within one year	413,949	336,906
In the second year	–	820,467
Total	**413,949**	**1,157,373**

Note (a): The bank credit facilities amounted to HK$479,947,000, none of which was utilised as at the end of the reporting period. The bank overdraft facilities are revolving facilities with no termination date.

Note (b): As at 30 June 2026, the Group's bank loans were all unsecured loans.

As at 31 December 2025, certain of the Group's bank loans were secured by:

(i) standby letters of credit and letters of guarantee from certain banks issued by a subsidiary of the Group; and

(ii) the guarantee from the Company.

Note (c): As at 30 June 2026, the secured syndicated loan had been fully repaid.

Note (d): The effective interest rates of the bank loans and other borrowing ranged from 1.87% to 6.20% for the six months ended 30 June 2026 (for the year ended 31 December 2025: 1.15% to 6.21%).

19. Derivative Financial Instruments

	As at 30 June 2026	
	Assets	Liabilities
	(HK$'000)	
	(Unaudited)	
Forward currency contracts	**46,652**	**7,014**

	As at 31 December 2025	
	Assets	Liabilities
	(HK$'000)	
	(Audited)	
Forward currency contracts	**30,533**	**22,260**

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20. Share Capital

	As at 30 June 2026	As at 31 December 2025
	(HK$'000)	
	(Unaudited)	(Audited)
Issued and fully paid:		
1,673,332,166 (2025: 1,672,607,166) ordinary shares	16,733	16,726

Details of the Group's share option scheme and the share options issued under the scheme are included in note 21 to the financial statements.

21. Share Option Scheme

The share option scheme adopted by the Company on 5 November 2010 (the "**2010 Share Option Scheme**") was terminated and a new one was adopted by the Company following the termination of the 2010 Share Option Scheme on the annual general meeting of the Company held on 25 May 2020 (the "**2020 Share Option Scheme**").

In view of the amendments to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited which have taken effect from 1 January 2023 and the intention of the Company to provide more flexibility in its long-term planning of granting of share options to incentivize suitable eligible participants, the Company has terminated the 2020 Share Option Scheme and adopted a new share option scheme (the "**2025 Share Option Scheme**") at the extraordinary general meeting of the Company held on 27 May 2025. No further share options could be granted under the 2010 Share Option Scheme or the 2020 Share Option Scheme following their respective termination, but the provisions of the 2010 Share Option Scheme and the 2020 Share Option Scheme would remain in force to the extent necessary to give effect to the exercise of any share option granted prior to their respective termination.

The purpose of the share option schemes is to motivate the eligible participants to optimise their performance efficiency for the benefit of the Group; and attract and retain or otherwise maintain on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group. Eligible participants of the share option schemes include full-time or part-time employees, executives or officers of the Company or any of its subsidiaries, any Directors (including non-executive and independent non-executive Directors) of the Company or any of its subsidiaries and advisers, consultants, suppliers, customers, agents and such other persons who in the sole opinion of the Board will contribute or have contributed to the Company or any of its subsidiaries as described in the share option schemes. The 2010 Share Option Scheme, the 2020 Share Option Scheme and the 2025 Share Option Scheme all have a term of 10 years. Upon termination of the 2010 Share Option Scheme and the 2020 Share Option Scheme mentioned above, no further options may be granted thereunder but the provisions of the 2010 Share Option Scheme and 2020 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted prior to their respective termination.

21. Share Option Scheme (Continued)

The maximum number of share options originally permitted to be granted under the 2010 Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue as at 28 May 2018. The maximum number of share options originally permitted to be granted under the 2020 Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue as at 25 May 2020. The maximum number of share options currently permitted to be granted under the 2025 Share Option Scheme, is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue as at 27 May 2025 (excluding treasury shares, if any). The maximum number of shares issuable under share options to each eligible participant under the 2010 Share Option Scheme, 2020 Share Option Scheme and 2025 Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue (excluding treasury shares, if any) as at the date on which the share options are granted to the relevant eligible participants. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

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.

Under the 2020 Share Option Scheme, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue on the date of such grant or with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

Under the 2025 Share Option Scheme, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue (excluding treasury shares, if any) on the date of such grant or such other percentage as may be from time to time, provided under the Listing Rules, on the offer date, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 30 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors, and commences after a vesting period determined by the Directors, which shall not be less than 12 months from (and including) the date of offer except for employee participants under specified conditions under the 2025 Share Option Scheme, and ends on a date which shall not be later than ten years from the date upon which the share options are deemed to be granted and accepted.

Under the 2020 Share Option Scheme, the exercise price of share options is determinable by the directors, but may not be less than the higher of (i) the closing price of the Company's shares as quoted on the Stock Exchange on the date of offer of the share options; (ii) the average closing price of the Company's shares as quoted on the Stock Exchange for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the Company's shares.

Under the 2025 Share Option Scheme, the exercise price of share options is determinable by the directors, but may not be less than the higher of (i) the closing price of the Company's shares as quoted on the Stock Exchange on the date of offer of the share options; and (ii) the average closing price of the Company's shares as quoted on the Stock Exchange for the five trading days immediately preceding the date of offer.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the Scheme as an equity-settled plan.

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21. Share Option Scheme (Continued)

Share options that have not been exercised do not confer rights on the holders to dividends or to vote at shareholders' meetings.

On 19 June 2020, the Board announced that the Company shall allow holders of the existing share options (the "**Existing Share Options**") granted on 28 August 2017, 27 March 2018, 28 May 2018 and 23 May 2019 under the 2010 Share Option Scheme to exchange their Existing Share Options for new share options to be granted under the 2020 Share Option Scheme. As at 19 June 2020, none of the above share options was vested.

A total of 96,650,000 Existing Share Options were cancelled under the 2010 Share Option Scheme and replaced by a total of 26,084,500 new share options with an exercise price of HK$0.96 per share under the 2020 Share Option Scheme (the "**Replacement Options**").

The exchange ratio of the Replacement Options to Existing Share Options were based on their fair values on the modification date, i.e. 19 June 2020.

(a) 2010 Share Option Scheme

The following share options were outstanding under the 2010 Share Option Scheme during the six months ended 30 June 2026:

	Weighted average exercise price	Number of options
	HK$ per share	'000
At 1 January 2025	4.083	64,500
Lapsed during the year	3.793	(18,300)
At 31 December 2025 and 1 January 2026	4.198	46,200
At 30 June 2026	**4.198**	**46,200**

No share options were exercised or cancelled during the period ended 30 June 2026.

The exercise prices and exercise periods of the above share options outstanding at the end of the reporting period are as follows:

30 June 2026 (unaudited)

Number of options	Exercise price	Exercise period
'000	HK$ per share	
4,100	4.54	27 September 2020 to 27 March 2028
6,150	4.54	27 September 2021 to 27 March 2028
10,250	4.54	27 September 2022 to 27 March 2028
620	5.122	28 May 2021 to 27 May 2028
930	5.122	28 May 2022 to 27 May 2028
1,550	5.122	28 May 2023 to 27 May 2028
4,520	3.75	23 May 2022 to 22 May 2029
6,780	3.75	23 May 2023 to 22 May 2029
11,300	3.75	23 May 2024 to 22 May 2029
46,200		

21. Share Option Scheme (Continued)

(a) 2010 Share Option Scheme (Continued)

The exercise prices and exercise periods of the above share options outstanding at the end of the reporting period are as follows: (Continued)

31 December 2025 (audited)

Number of options	Exercise price	Exercise period
’000	HK$ per share	
4,100	4.54	27 September 2020 to 27 March 2028
6,150	4.54	27 September 2021 to 27 March 2028
10,250	4.54	27 September 2022 to 27 March 2028
620	5.122	28 May 2021 to 27 May 2028
930	5.122	28 May 2022 to 27 May 2028
1,550	5.122	28 May 2023 to 27 May 2028
4,520	3.75	23 May 2022 to 22 May 2029
6,780	3.75	23 May 2023 to 22 May 2029
11,300	3.75	23 May 2024 to 22 May 2029
46,200		

(b) 2020 Share Option Scheme

The following share options were outstanding under the 2020 Share Option Scheme during the six months ended 30 June 2026:

	Weighted average exercise price	Number of options
	HK$per share	’000
At 1 January 2025	0.564	131,935
Exercised during the year	0.640	(4,576)
Lapsed during the year	0.531	(14,625)
At 31 December 2025 and 1 January 2026	0.566	112,734
Exercised during the period	0.485	(725)
Lapsed during the period	0.485	(5,950)
At 30 June 2026	**0.571**	**106,059**

The weighted average share price at the date of exercise for share options exercised during the period was HK$0.485 per share (2025: HK$0.640 per share).

The weighted average closing price immediately before the dates while the options were exercised during the period was HK$1.104 per share (2025: HK$1.214 per share).

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21. Share Option Scheme (Continued)

(b) 2020 Share Option Scheme (Continued)

The exercise prices and exercise periods of the above share options outstanding at the end of the reporting period are as follows:

30 June 2026 (unaudited)

Number of options	Exercise price	Exercise period
'000	HK$ per share	
46	0.96	28 August 2020 to 27 August 2027
47	0.96	28 August 2021 to 27 August 2027
47	0.96	28 August 2022 to 27 August 2027
1,296	0.96	27 September 2020 to 27 March 2028
1,944	0.96	27 September 2021 to 27 March 2028
3,240	0.96	27 September 2022 to 27 March 2028
132	0.96	28 May 2021 to 27 May 2028
198	0.96	28 May 2022 to 27 May 2028
330	0.96	28 May 2023 to 27 May 2028
2,027	0.96	23 May 2022 to 22 May 2029
3,041	0.96	23 May 2023 to 22 May 2029
5,069	0.96	23 May 2024 to 22 May 2029
461	1.01	11 December 2023 to 10 December 2030
692	1.01	11 December 2024 to 10 December 2030
1,200	1.01	11 December 2025 to 10 December 2030
100	1.042	16 June 2025 to 15 June 2032
150	1.042	16 June 2026 to 15 June 2032
250	1.042	16 June 2027 to 15 June 2032
55,103	0.485	2 July 2025 to 1 July 2034
6,972	0.485	2 July 2026 to 1 July 2034
12,635	0.485	2 July 2027 to 1 July 2034
7,619	0.485	2 July 2028 to 1 July 2034
3,460	0.485	2 July 2029 to 1 July 2034
106,059		

21. Share Option Scheme (Continued)

(b) 2020 Share Option Scheme (Continued)

The exercise prices and exercise periods of the above share options outstanding at the end of the reporting period are as follows: (Continued)

31 December 2025 (audited)

Number of options	Exercise price	Exercise period
'000	HK$ per share	
46	0.96	28 August 2020 to 27 August 2027
47	0.96	28 August 2021 to 27 August 2027
47	0.96	28 August 2022 to 27 August 2027
1,296	0.96	27 September 2020 to 27 March 2028
1,944	0.96	27 September 2021 to 27 March 2028
3,240	0.96	27 September 2022 to 27 March 2028
132	0.96	28 May 2021 to 27 May 2028
198	0.96	28 May 2022 to 27 May 2028
330	0.96	28 May 2023 to 27 May 2028
2,027	0.96	23 May 2022 to 22 May 2029
3,041	0.96	23 May 2023 to 22 May 2029
5,069	0.96	23 May 2024 to 22 May 2029
461	1.01	11 December 2023 to 10 December 2030
692	1.01	11 December 2024 to 10 December 2030
1,200	1.01	11 December 2025 to 10 December 2030
100	1.042	16 June 2025 to 15 June 2032
150	1.042	16 June 2026 to 15 June 2032
250	1.042	16 June 2027 to 15 June 2032
55,628	0.485	2 July 2025 to 1 July 2034
8,792	0.485	2 July 2026 to 1 July 2034
15,915	0.485	2 July 2027 to 1 July 2034
8,044	0.485	2 July 2028 to 1 July 2034
4,085	0.485	2 July 2029 to 1 July 2034
112,734		

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21. Share Option Scheme (Continued)

(c) 2025 Share Option Scheme

Since the adoption of the 2025 Share Option Scheme and up to the end of the reporting period, no option had been granted.

The Group overall recognised a share option expense of HK$1,176,404 during the six months ended 30 June 2026 (six months ended 30 June 2025: HK$5,033,319).

At the end of the reporting period, the Company had 46,200,000 and 106,058,500 share options outstanding under the 2010 Share Option Scheme and 2020 Share Option Scheme, respectively. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 152,258,500 additional ordinary shares of the Company and additional share capital of HK$1,522,585 and share premium of HK$252,984,704 (before issue expenses).

At the date of approval of these financial statements, the Company had 46,200,000 and 106,058,500 share options outstanding under the 2010 Share Option Scheme and 2020 Share Option Scheme respectively, which represented approximately 2.76% and 6.34% of the Company's shares in issue as at that date.

22. Financial Assets at Fair Value through Profit or Loss

	As at 30 June 2026	As at 31 December 2025
	(HK$'000)	
	(Unaudited)	(Audited)
Structured deposits	**34,674**	**–**

23. Cash and Cash Equivalents

		As at 30 June 2026	As at 31 December 2025
		(HK$'000)	
		(Unaudited)	(Audited)
Cash and bank balances	(i)	994,675	1,323,422
Time deposits	(ii)	115,580	111,289
		1,110,255	**1,434,711**
Less: Pledged deposits for:			
Certain standby letter of credit and guarantee		–	(24,570)
Non-pledged time deposits with original maturity of more than three months when acquired		(115,580)	(111,289)
Other restricted bank balances		–	(2,487)
Cash and cash equivalents		**994,675**	**1,296,365**

Note (i): Cash at banks earns interest at floating rates based on daily bank deposit rates, including which short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Note (ii): The time deposits held by the Group as of 30 June 2026 bear interest at 1.20% per annum with a duration of 6 months. These deposits are measured at amortised cost and interest income from these time deposits is measured using the effective interest rate method.

23. Cash and Cash Equivalents (Continued)

At the end of the reporting period, the cash and bank balances and the time deposits of the Group denominated in RMB amounted to HK$438,630,000 (31 December 2025: HK$452,631,000). RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

At the end of the reporting period, the cash and bank balances of the Group denominated in USD amounted to HK$451,376,000 (31 December 2025: HK$548,420,000); and in EUR amounted to HK$127,112,000 (31 December 2025: HK$271,575,000).

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Group. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

24. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

As at 30 June 2026	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
		(HK$'000) (Unaudited)	
Trade receivables	–	996,396	996,396
Financial assets included in prepayments and other receivables	–	373,600	373,600
Financial assets at fair value through profit and loss – structured deposits	34,674	–	34,674
Due from related parties	–	1,879	1,879
Derivative financial instruments	46,652	–	46,652
Time deposits	–	115,580	115,580
Cash and cash equivalents	–	994,675	994,675
Total	**81,326**	**2,482,130**	**2,563,456**

As at 31 December 2025	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
		(HK$'000) (Audited)	
Trade receivables	–	883,012	883,012
Financial assets included in prepayments and other receivables	–	375,315	375,315
Due from related parties	–	1,339	1,339
Derivative financial instruments	30,533	–	30,533
Time deposits	–	111,289	111,289
Pledged deposits	–	27,057	27,057
Cash and cash equivalents	–	1,296,365	1,296,365
Total	**30,533**	**2,694,377**	**2,724,910**

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24. Financial Instruments by Category (Continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (Continued)

Financial liabilities

As at 30 June 2026	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
		(HK$'000) (Unaudited)	
Financial liabilities included in other payables and accruals	–	321,312	321,312
Trade and bills payables	–	1,495,259	1,495,259
Interest-bearing bank loans and other borrowings	–	413,949	413,949
Derivative financial instruments	7,014	–	7,014
Due to related parties	–	4,709	4,709
Total	**7,014**	**2,235,229**	**2,242,243**

As at 31 December 2025	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
		(HK$'000) (Audited)	
Financial liabilities included in other payables and accruals	–	288,056	288,056
Trade and bills payables	–	1,378,778	1,378,778
Interest-bearing bank loans and other borrowings	–	1,157,373	1,157,373
Derivative financial instruments	22,260	–	22,260
Due to related parties	–	2,908	2,908
Total	**22,260**	**2,827,115**	**2,849,375**

25. Fair Value and Fair Value Hierarchy of Financial Instruments

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

	Carrying amounts		Fair values	
	30 June 2026	31 December 2025	30 June 2026	31 December 2025
	(HK$'000)			
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Financial assets				
Derivative financial instruments	46,652	30,533	46,652	30,533
Financial assets at fair value through profit or loss – structured deposits	34,674	–	34,674	–
Total	**81,326**	**30,533**	**81,326**	**30,533**

	Carrying Amounts		Fair Values	
	30 June 2026	31 December 2025	30 June 2026	31 December 2025
	(HK$'000)			
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Financial Liabilities				
Derivative financial instruments	7,014	22,260	7,014	22,260
Interest-bearing bank loans and other borrowings	413,949	1,157,373	413,949	1,157,373
Total	**420,963**	**1,179,633**	**420,963**	**1,179,633**

The finance manager of each subsidiary of the Group is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The Group's finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

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

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

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with high credit ratings. Derivative financial instruments, i.e., forward currency contracts, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts are the same as their fair values.

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25. Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

As at 30 June 2026, the marked-to-market value of the derivative assets and liabilities position is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the financial instruments recognised at fair value.

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

Fair value hierarchy

Assets measured at fair value:

As at 30 June 2026

	Fair value measurement using			
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
	(HK$'000) (Unaudited)			
Derivative financial instruments	–	46,652	–	46,652
Financial assets at fair value through profit or loss – structured deposits	–	34,674	–	34,674
Total	**–**	**81,326**	**–**	**81,326**

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
	(HK$'000) (Audited)			
Derivative financial instruments	**–**	**30,533**	**–**	**30,533**

25. Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

Fair value hierarchy (Continued)

Liabilities measured at fair value:

As at 30 June 2026

	Fair value measurement using			
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
	(HK$'000) (Unaudited)			
Derivative financial instruments	–	7,014	–	7,014

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
	(HK$'000) (Audited)			
Derivative financial instruments	–	22,260	–	22,260

Liabilities for which fair values are disclosed:

As at 30 June 2026

	Fair value measurement using			
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
	(HK$'000) (Unaudited)			
Interest-bearing bank loans and other borrowings	–	413,949	–	413,949

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
	(HK$'000) (Audited)			
Interest-bearing bank loans and other borrowings	–	1,157,373	–	1,157,373

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

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26. Contingent Liabilities

In the ordinary course of business, the Group may from time to time be involved in legal proceedings and litigations. The Group records a liability when the Group believes that it is both probable that a loss has been incurred by the Group and the amount can be reasonably estimated. With respect to the Group's outstanding legal matters, notwithstanding that the outcome of such legal matters is inherently unpredictable and subject to uncertainties, the Group believes that, based on its current knowledge, the amount or range of reasonably possible loss will not, either individually or in the aggregate, have a material adverse effect on the Group's business, financial position, results of operations, or cash flows.

27. Commitments

The Group had the following capital commitments as at 30 June 2026 and 31 December 2025:

	30 June 2026	31 December 2025
	(HK$'000)	
	(Unaudited)	(Audited)
Contracted but not provided for:		
Property plant and equipment	13,227	24,211
Other intangible assets	–	7,013
Total	**13,227**	**31,224**

28. Related Party Transactions and Balances

(a) Name and relationship

Name of related party	Relationship with the Group
Mr. Song Zhenghuan ("**Mr. Song**")	Director and one of the ultimate shareholders of the Company
Goodbaby China Holdings Limited ("**CAGB**")	Controlled by Mr. Song and his spouse
Goodbaby Group Pingxiang Co., Ltd. ("**GGPX**")	Wholly owned by Goodbaby Group Co., Ltd. ("**GGCL**", controlled by Mr. Song and his spouse)
Goodbaby Mechatronics s.r.o. ("**GBMS**")	Joint Venture

28. Related Party Transactions and Balances (Continued)

(b) Related party transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group had the following material transactions with related parties during the period:

	Six months ended 30 June	
	2026	2025
	(HK$'000) (Unaudited)	
Sales of goods to related parties (note (a))		
CAGB and its subsidiaries#	1,249	1,152
Service charge from a related party (note (b))		
GBMS	1,818	360

Note (a): The sales and purchase of goods were made according to the prices and terms mutually agreed between the related parties.

Note (b): The service charge from the related party was made according to the prices and terms agreed with the related party.

\# The related party transactions marked with # above constituted continuing connected transactions under Chapter 14A of the Listing Rules. During the Period ended 30 June 2026, these transactions were conducted on normal commercial terms or better and exempted from the announcement, annual reporting, annual review, circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(c) Outstanding balances with related parties

	As at 30 June 2026	As at 31 December 2025
	(HK$'000)	
	(Unaudited)	(Audited)
Amounts due from related parties:		
CAGB and its subsidiaries	1,879	1,339
Lease liabilities due to a related party (note (a)):		
CAGB and its subsidiaries	7,597	9,444
GGPX	25,140	31,065
Amounts due to related parties:		
GBMS	4,709	2,908

Note (a): The Group has entered into lease agreements in respect of the leasing of certain warehouse and plant from GGPX and CAGB and its subsidiaries. On 30 August 2024, the Group and GGPX renewed the lease agreements to extend the lease term until 31 December 2027. On 30 June 2026, the Group recognised right-of-use assets of HK$23,556,000 and lease liabilities of HK$25,140,000 for GGPX (At 31 December 2025, the Group recognised right-of-use assets of HK$29,497,000 and lease liabilities of HK$31,065,000). At 30 August 2025, the Group and CAGB and its subsidiaries signed the lease agreements. At 30 June 2026, the Group recognised right of-use assets of HK$7,502,000 and lease liabilities of HK$7,597,000 for CAGB and its subsidiaries (At 31 December 2025, the Group recognised right-of-use assets of HK$9,349,000 and lease liabilities of HK$9,444,000). The transactions were made according to the prices and terms agreed with the related parties.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

28. Related Party Transactions and Balances (Continued)

(d) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2026	2025
	(HK$'000) (Unaudited)	
Short term employee benefits	21,371	20,841
Equity-settled share option expense	157	2,502
Post-employment benefits	572	355
Total compensation paid to key management personnel	**22,100**	**23,698**

29. Events After the Reporting Period

There are no significant events after the end of the reporting period.

30. Approval of the Financial Statements

The financial statements were approved and authorized for issue by the board of directors on 31 August 2026.

Goodbaby International

A Leading Juvenile Products Brand Company

Goodbaby International Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
www.gbinternational.com.hk
Stock Code: 1086

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