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Vital Innovations Holdings Limited
維太創科控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6133)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**" and each a "**Director**") of Vital Innovations Holdings Limited (the "**Company**") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (together, the "**Group**") for the six months ended 30 June 2026 (the "**Current Period**") together with the comparative figures for the corresponding period in 2025. The results highlights are as below:

Results Highlights

	Six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
	(RMB"000)	*(RMB"000)*
Revenue	**–**	449,008
Gross profit	**–**	1,731
Loss before tax	**(6,257)**	(8,418)
Loss and total comprehensive expense for the period attributable to owners of the Company	**(6,257)**	(8,418)
	(RMB cents)	*(RMB cents)*
Loss per share		
Basic/Diluted	**(0.74)**	(0.99)

The lack of revenue was driven by subdued market conditions, coupled with escalating component costs (particularly memory devices) attributed to external supply-chain factors. In response, the management took a prudent wait-and-see stance by temporarily scaling back order acceptance to avoid margin erosion, resulting in no revenue recognition during the Current Period.

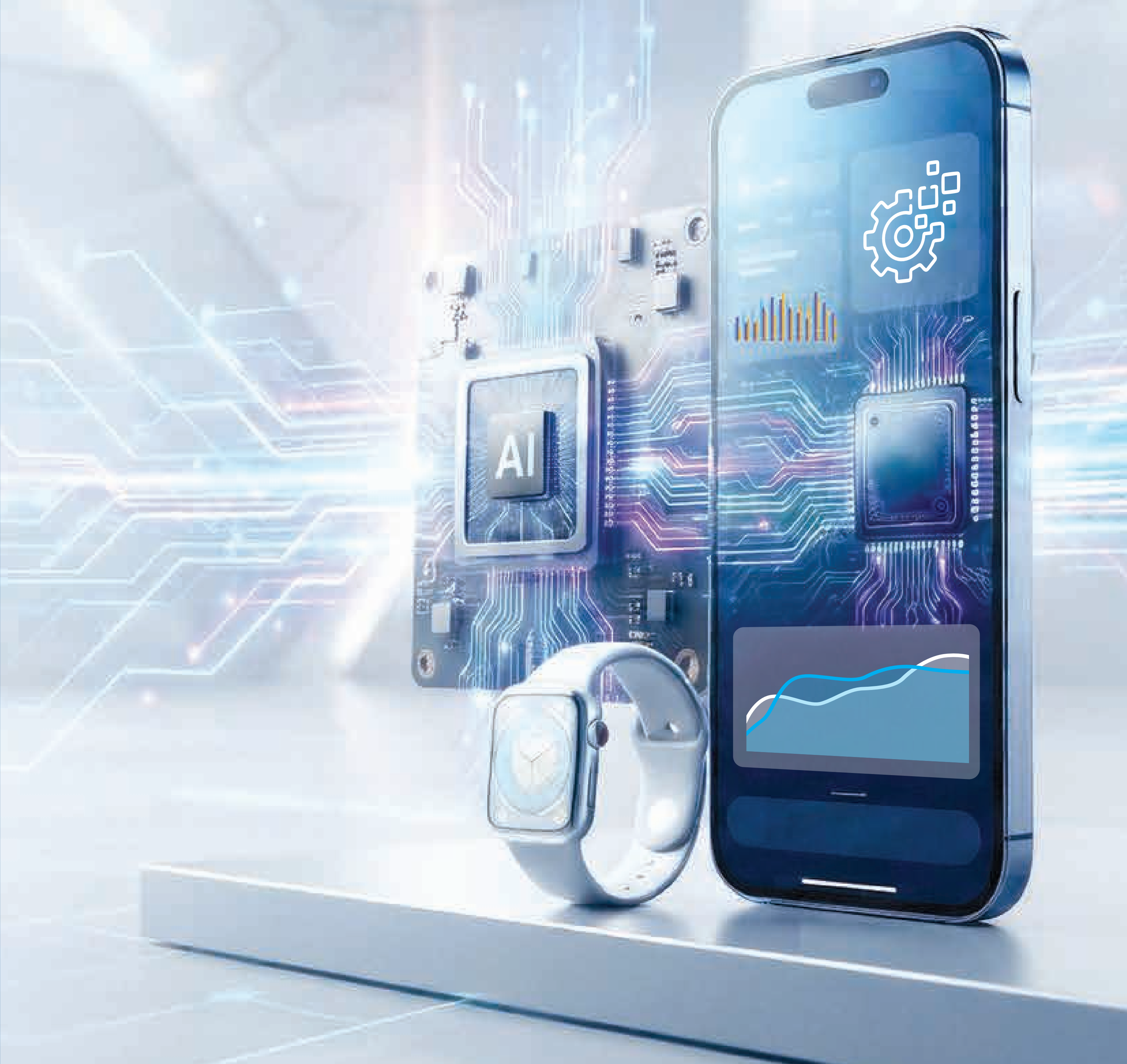
This announcement, containing the full text of the interim report of the Company for the six months ended 30 June 2026, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcements of interim results.

Vital Innovations Holdings Limited
維太創科控股有限公司

(Incorporated in the Cayman Islands with limited liability)

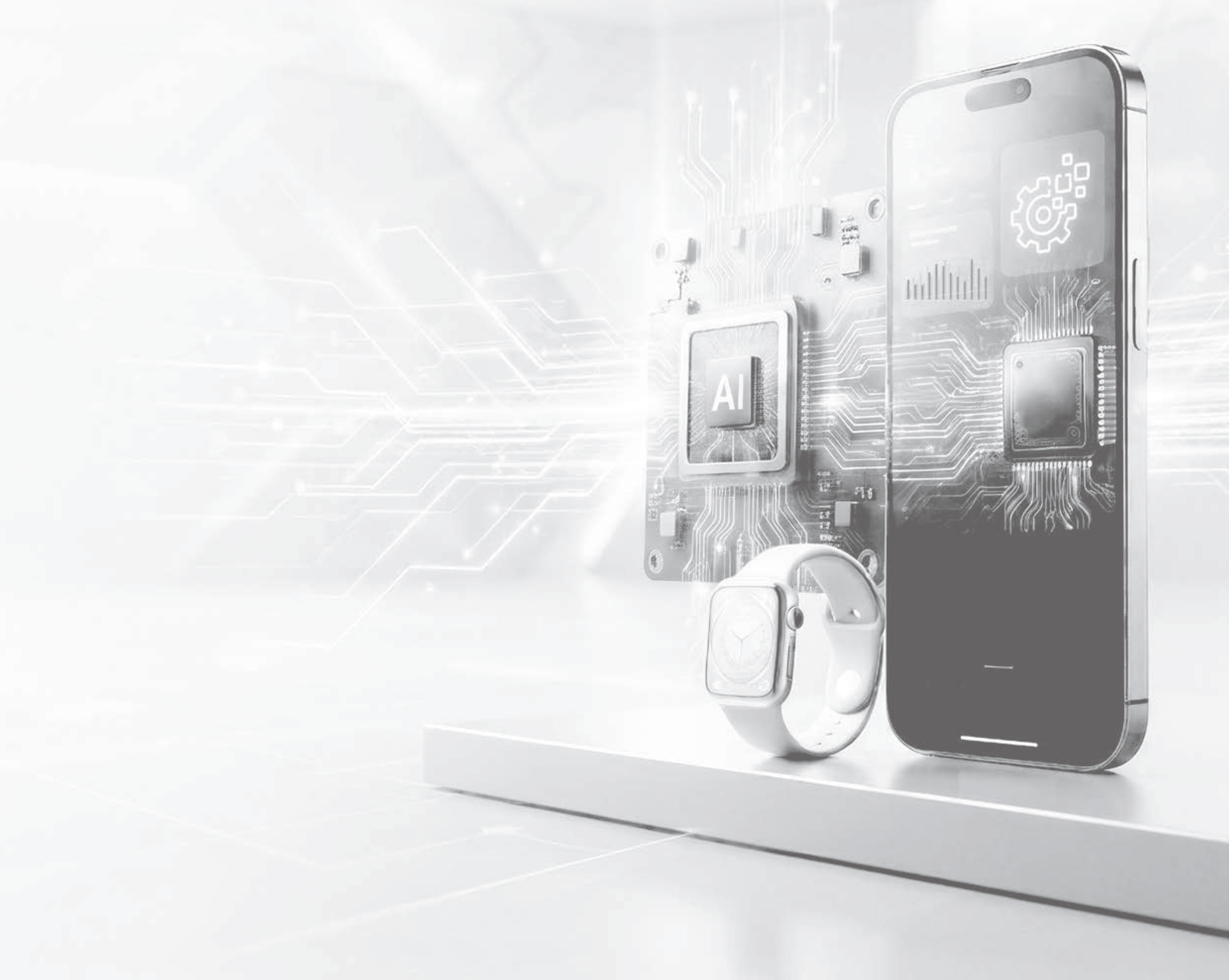
(於開曼群島註冊成立的有限公司)

Stock code 股份代號：6133



2026 | INTERIM REPORT 中期報告

CONTENTS



Corporate Information

BOARD OF DIRECTORS

Executive Directors

Rong Xiuli *(Chairperson)*
Rong Shengli *(Chief Executive Officer)*
Yin Xuquan *(President)*
Wong Ho Chun

Independent Non-executive Directors

Han Xiaojing
Wong Pong Chun James
Leung Man Fai

COMPANY SECRETARY

Cheng Chi Chung Kevin

AUDIT COMMITTEE

Leung Man Fai *(Chairman)*
Wong Pong Chun James
Han Xiaojing

REMUNERATION COMMITTEE

Han Xiaojing *(Chairman)*
Rong Xiuli
Wong Pong Chun James

NOMINATION COMMITTEE

Rong Xiuli *(Chairperson)*
Han Xiaojing
Wong Pong Chun James

RISK MANAGEMENT COMMITTEE

Wong Ho Chun *(Chairman)*
Rong Xiuli
Rong Shengli

AUTHORISED REPRESENTATIVES

Rong Xiuli
Cheng Chi Chung Kevin

AUDITOR

Confucius International CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
Rooms 1501-8, 15/F
Tai Yau Building
181 Johnston Road
Wanchai
Hong Kong

PRINCIPAL BANKERS

Shanghai Commercial Bank
China Everbright Bank

LEGAL ADVISERS

As to Hong Kong Law

Sidley Austin

As to PRC Law

HeNan BoYin Law Firm

As to Cayman Islands Law

Conyers Dill & Pearman

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS AND OPERATING HEAD OFFICE IN CHINA

101-1713, 7th Floor, Block 1
No. 55 Jiachuang Second Road
Beijing Economic-Technological
Development Area (Tongzhou)
Beijing
China

Corporate Information (continued)

PRINCIPAL PLACE OF BUSINESS IN HONG KONG
Room 2210, 22/F.
Hong Kong Plaza
188 Connaught Road West
Hong Kong

SHARE REGISTRAR
Principal Share Registrar and Transfer Office
Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office
Tricor Investor Services Limited
17/F., Far East Finance Centre
16 Harcourt Road
Hong Kong

STOCK CODE
6133

COMPANY'S WEBSITE
www.vitalinno.com

Management Discussion and Analysis

BUSINESS REVIEW

Vital Innovations Holdings Limited (the "Company", together with its subsidiaries, the "Group") sells and provides services for mobile phones, smartphones, LED products, artificial intelligence (AI) tools and related equipment. We cover the whole chain – from R&D and design, to sourcing, supply chain management, logistics and customer service. Our main customers are wholesalers and resellers, and we rely on our deep telecom know-how and a large partner network to serve them.

GLOBAL ECONOMY

In the first half of 2026, the global economy kept recovering slowly, but unevenly. China's economy stayed resilient, driven by policy support and a booming AI sector. Developed economies remained cautious due to higher interest rates, which held back spending and investment. Emerging markets faced pressure from currency swings and raw material price volatility. Overall, the situation was improving, but uncertainty was still high.

Global smartphone shipments in the first half (1H) of 2026 experienced downward pressure, marked by a 1% rise in Q1 (298.5 million units) followed by a 6% decline in Q2 (272 million units) according to Omdia. Soaring memory component prices disproportionately impacted low-to-mid-tier volumes, pushing the market toward high-value and premium flagship devices.

MARKET DYNAMICS IN 1H 2026

- **Component Cost Inflation:** Surging memory (DRAM/NAND) prices escalated production expenses, forcing manufacturers to cut back or cancel unprofitable entry-level models.

- **Premium Resilience:** High-end and GenAI-capable devices maintained momentum. Top two well known brand combined to capture roughly 84% of the premium market share, with top 1 brand leading the premium segment at 65%.

- **SoC Shipment Shifts:** Overall global smartphone SoC shipments fell 15% year-on-year in 1H 2026 as OEMs exercised cautious inventory control.

KEY CHALLENGES

Geopolitical tensions: Big-power rivalry, especially between the US and China, continues to affect global supply chains and capital flows. The race for AI chips, technology and talent is getting more intense.

Slower globalization: Trade barriers are going up and supply chains are being restructured, making the global market more fragmented. Many companies are shifting to local sourcing to reduce risk.

Management Discussion and Analysis (continued)

AI as a game-changer: AI is both a challenge and an opportunity. It boosts efficiency and cuts costs – those who catch the AI wave will come out ahead.

SMARTPHONE INDUSTRY TRENDS

Global smartphone shipments kept growing modestly in the first half of 2026. The biggest highlight is **AI phones** – on-device AI features and smarter experiences are starting to drive replacement demand.

Still, the industry faces headwinds: in developed markets, people keep their phones longer and upgrade less often; in emerging markets, inflation has weakened purchasing power. Overall, the smartphone industry has entered a new phase of "low growth + AI-driven change".

BUSINESS PERFORMANCE

Facing weak global demand and stiff competition, the Group has prioritized keeping customers close, even if it means lower short-term profits. We are reluctant to report our smartphone revenue for the first half of 2026 was zero due to the negative profit margin from high memory components costs and shipment cost for our selling smartphones.

At the same time, we've kept a tight grip on operating costs to stay financially solid through this tough period. In the first half of 2026, our operating loss has narrowed further compared to the same period last year mainly from rental expenses, human resources and shipment cost – our cost-control efforts are paying off. The operating loss reduced marginally to RMB6.3 million – a 25% YOY improvement (2025: RMB8.4 million).

NEW GROWTH AREAS

Beyond our core smartphone business, we're actively building out new growth drivers:

1. **Artificial Intelligence (AI)/Satellite**
   AI is the hottest field right now, with endless applications. We plan to weave AI and satellite into our existing products to offer smarter solutions that meet new customer needs.

2. **Embodied Intelligence (Humanoid Robots)**
   Building on our experience in AI algorithms and hardware integration, we're exploring the humanoid robot space. There's huge potential in service and consumer scenarios down the road.

Management Discussion and Analysis (continued)

3. **Industrial Intelligence**
   We're looking at industrial robots to help factories automate more and produce faster. This can both improve our own operations and create synergies with our core business.

4. **LED Products**
   We entered the LED market in 2025 to capture surging demand from emerging markets. This business has better margins than smartphones, and as it scales up, it should become a new profit driver and help diversify our business risk.

BUSINESS OUTLOOK

Global smartphone shipments in 2026 are forecasted to face a historic contraction, declining between 12.4% and 13.9% year-on-year down to roughly 1.09 billion units. Major tracking firms like **IDC** and **Counterpoint Research** attribute this steep drop to severe memory (DRAM/NAND) shortages, component inflation, and rising bill-of-materials (BoM) costs.

KEY MARKET DRIVERS & TRENDS

- **Memory Crunch:** Surging DRAM and component costs have driven up production expenses by up to 25% for low-end models, forcing OEMs to raise average selling prices (ASPs) and scale back production targets.

- **Budget and Mid-Tier Slump:** Low-end and budget makers – particularly Chinese OEMs, our major supplier – have experienced the sharpest target cuts and volume declines due to tight margins.

- **Premium Resilience:** High-end and flagship tiers remain relatively stable because affluent buyers are better insulated from macro price shocks.

- **Bright Spots in Foldables:** Foldable smartphones remain a rare growth category, projected to expand by roughly 20% supported by ecosystem maturation and new market entrants.

We're cautiously optimistic about the second half of 2026. On one hand, confidence is coming back in some key markets and demand is stabilizing. On the other hand, geopolitical and macroeconomic uncertainties remain.

We'll keep our core smartphone business steady while pushing ahead with LED and AI/Satellite initiatives, laying the groundwork for long-term growth.

The Group will actively seek new opportunities to enhance corporate value.

Management Discussion and Analysis (continued)

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately RMB449 million or 100% to zero for the six months ended 30 June 2026 (the "Current Period") from approximately RMB449 million for the corresponding period of 2025. The following table sets forth the breakdown of the Group's revenue by product type:

	For the six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Mobile and smart appliances	–	445,669
LED products	–	3,339
	–	449,008

The Group operates in two reportable segments: (i) Mobile and smart appliances; and (ii) LED products. For the Current Period, there was no revenue derived from both segments. The lack of revenue was driven by subdued market conditions, coupled with escalating component costs (particularly memory devices) attributed to external supply-chain factors. In response, the management took a prudent wait-and-see stance by temporarily scaling back order acceptance to avoid margin erosion, resulting in no revenue recognition during the Current Period.

The following table sets out the breakdown of the Group's revenue by geographical regions for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
	(unaudited)		(unaudited)	
	RMB'000	**%**	RMB'000	%
Hong Kong	–	–	449,008	100

Management Discussion and Analysis (continued)

Gross profit and gross profit margin

	For the six months ended 30 June			
	2026		2025	
	Gross profit (unaudited) RMB'000	**Gross profit margin %**	Gross profit (unaudited) RMB'000	Gross profit margin %
Mobile and smart appliances	–	–	1,519	0.34
LED products	–	–	212	6.35
	–	–	1,731	0.39

Taxation

No provision for Hong Kong Profits Tax and Enterprise Income Tax was made as the Group did not have assessable profits during the Current Period.

Contingent liabilities

As at 30 June 2026, the Group had no significant contingent liabilities (31 December 2025: Nil).

Charge on Assets

Save as disclosed in note 20 in this report, as at 30 June 2026, the Group did not have any other charges on assets.

Liquidity, financial resources and source of funding

The Group's total cash and bank balances increased by RMB40.3 million from RMB2.1 million as at 31 December 2025 to RMB42.4 million as at 30 June 2026.

As at 30 June 2026, the current ratio (calculated based on the total current assets as at the respective dates divided by the total current liabilities as at the respective dates) of the Group was 5.6 as compared with 5.1 as at 31 December 2025.

As at 30 June 2026, the Group had bank loans of approximately RMB2.3 million (31 December 2025: approximately RMB3.0 million). Approximately RMB1,084,000 should be repayable within one year, approximately RMB694,000 should be repayable over one year but within five years, and approximately RMB556,000 should be repayable more than five years. Details are set out in note 20 to the Interim Condensed Consolidated Financial Information. On the same date, the gearing ratio (calculated based on the bank loans as at the respective dates divided by the net assets as at the respective dates) of the Group was 0.51% as compared with 0.64% as at 31 December 2025.

Management Discussion and Analysis (continued)

Prepayments and deposit

Prepayments mainly include prepayments for mobile and smart appliances suppliers and LED products suppliers. As at 30 June 2026, the Group has made prepayments amounting to RMB124.2 million to mobile and smart appliances suppliers and RMB196.3 million to LED products suppliers (31 December 2025: RMB163.7 million to mobile and smart appliances suppliers and RMB196.3 million to LED products suppliers).

As at 30 June 2026 and 31 December 2025, the Group had paid the guarantee deposit of RMB147,000,000 and RMB150,000,000 to an independent supplier respectively, with a view to secure a stable supply of mobile and smart appliances with reputable brand name to the Group pursuant to a cooperation memorandum entered into between the Group and the supplier.

The purchase deposit paid is refundable. The Group has a right to request the supplier to refund the above purchase deposit when the supplier fails to deliver the ordered goods to the Group in accordance with the supply schedule.

Directors had assessed the background, credibility and supply capacity of all the above suppliers and considered that the suppliers are large-scale enterprises in the PRC and have no default history. Directors had also assessed the financial capabilities of the above suppliers and identified no potential financial difficulties of these suppliers.

Trade and other receivables

As at 30 June 2026, the carrying amount of trade and other receivables was approximately RMB46,603,000, representing a decrease of approximately RMB19,049,000 as compared to 31 December 2025 due to the settlement from trade customers.

Contract liabilities

The Group's contract liabilities decreased by RMB4,000 from RMB147,000 as at 31 December 2025 to RMB143,000 as at 30 June 2026 due to a decrease in prepayment from customers for purchases of mobile and smart appliances.

Management Discussion and Analysis (continued)

Foreign exchange exposure

The Group undertakes certain operating transactions in foreign currencies, which exposes the Group to foreign currency risk. The Group does not use any derivative contracts to hedge against its exposure to currency risk. The management of the Company manages its currency risk by closely monitoring the movement of the foreign currency rates and considering hedging significant foreign currency exposure should the need arise.

Interim Dividend

For the Current Period, the Board does not recommend the payment of an interim dividend (six months ended 30 June 2025: Nil).

INDEPENDENT AUDITOR'S DISCLAIMER OPINION ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

The auditor expressed a disclaimer opinion in the independent auditor's report on the consolidated financial statements of the Group for the year ended 31 December 2025. The basis of disclaimer of opinion is extracted as follows:

"Disclaimer of opinion

We do not express an opinion on the consolidated financial statements of the Group for the year ended 31 December 2025. Because of the significance of the matters described in the "Basis for Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for disclaimer of opinion

Material Uncertainty Related to Going Concern Basis

As detailed in note 3 to the consolidated financial statements, the Group incurred a net loss of approximately RMB17,688,000 for the year ended 31 December 2025, and as of that date, the Group had cash and cash equivalents of approximately RMB2,140,000 while its current liabilities of RMB113,965,000 are repayable within the next twelve months from the end of the reporting period.

Management Discussion and Analysis (continued)

The above conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures as set out in note 3 to the consolidated financial statements, including i) successful realisation the prepayment and deposits; ii) successful recovery of trade receivables; and iii) successfully obtaining sufficient financial support by the Group from the substantial shareholder. As of the date of our report, we were unable to obtain sufficient appropriate evidence from management for these measures and assumptions as set out in note 3 to the consolidated financial statements. Hence, we were unable to assess the appropriateness or reasonableness of the use of the going concern assumption in the preparation of the consolidated financial statements.

Should the Group fail to achieve the intended effects resulting from the plans and measures as mentioned in note 3 to the consolidated financial statements, it might not be able to operate as a going concern, and adjustments would have to be made to write down the carrying amounts of the Group's assets, and to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

Scope limitation – Prepayments and deposit
As detailed in note 19 to the consolidated financial statements, as at 31 December 2025, included in prepayments and deposit, the Group recorded deposit and prepayments to certain suppliers, including prepayments for purchases of mobile and smart appliances and LED products of approximately RMB163,700,000 and RMB196,263,000 respectively, and refundable deposit for purchase of mobile and smart appliances of RMB150,000,000.

Given the significance of the prepayments and deposit to the consolidated financial statements, during the course of our audit, we requested the management of the Group to provide us the products delivery arrangements and documents in respect of these prepayments and deposit during the year ended 31 December 2025 and up to the date of this report, as well as the information and documents regarding the recoverability of these balances. The management of the Group considered these prepayments and deposit could be recovered and no impairment loss is recognised.

However, we were unable to obtain sufficient and appropriate audit evidence regarding the product delivery arrangements and documents, the impairment assessment and the recoverability of these prepayments and deposits. There was no other alternative audit procedure that we could perform.

Management Discussion and Analysis (continued)

Due to the limitation on our scope of work, we were unable to evaluate whether the prepayments and deposit were appropriately stated on the consolidated financial statements or any impairment loss has to be recognised in the consolidated financial statements.

Any adjustments that might have been found to be necessary in respect of the above matters would have a significant effect on the Group's net assets as at 31 December 2025 and of its financial performance and cash flows for the year ended 31 December 2025, and the related disclosures thereof in the consolidated financial statements.

Scope limitation – impairment assessment of trade receivables
As detailed in note 18 to the consolidated financial statements, as at 31 December 2025, included in trade receivables, the Group recorded trade receivables from certain customers in relation to the trading business of mobile and smart appliances amounted to approximately RMB54,010,000 which have been overdue for more than 90 days and is material to the consolidated financial statements.

During the course of our audit, we had performed audit procedures on the impairment assessment of these overdue balances and we were not provided with information and documents regarding the impairment assessment and recoverability of these balances. As a result, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the impairment assessment and recoverability of these balances. There are no other alternative audit procedures that we could perform to satisfy ourselves as to the recoverability of these balances and the adequacy of the impairment allowance for these balances.

Any adjustments that might have been found to be necessary in respect of the above matters would have a significant effect on the Group's net assets as at 31 December 2025 and of its financial performance and cash flows for the year ended 31 December 2025, and the related disclosures thereof in the consolidated financial statements."

Management Discussion and Analysis (continued)

THE MANAGEMENT'S VIEW AND POSITION AS TO THE DISCLAIMER OF OPINION

The prepayments and trade receivables in question pertain to two core segments of the Group's operations.

- Mobile and smart appliances: It is standard industry practice within the current mobile handset supply chain that substantial prepayments are required to secure inventory allocations from suppliers. Due to prevailing market conditions and supply constraints, the Company was required to make these advance payments to ensure the procurement of specific handset models. Management considers this to be a necessary commercial term of trade in this sector.

- LED products: The prepayments were made in connection with this business segment to secure favorable terms and ensure supply continuity, based on the management's positive outlook and growth trajectory for this division.

Prior to making a prepayment, the Company conducts due diligence review to assess the operational strength, technical capability and financial position of the supplier. The Company has been making efforts in recovering such balances on an ongoing basis, and successfully recovered RMB41 million prior to the publication of the Company's 2025 Annual Results. Despite such efforts, the Company understands the auditor's concern as to the recoverability of such prepayments, deposit and trade receivable and whether any adjustment may be necessary.

Since January 2026 and up to the date of approval of this report, the Company has recovered an aggregate of approximately RMB46 million of the outstanding prepayments and deposit and approximately RMB18.8 million of the outstanding trade receivables. The Company has, through its legal counsel, issued legal letters to the relevant suppliers of the Group in relation to the arrangements on the recovery of the overdue prepayments and deposit, involving a total amount of approximately RMB450 million.

The Directors are also aware of the existence of the events and conditions which may cast significant doubt on the Group's ability to continue as a going concern as highlighted in the auditor's opinion.

Management Discussion and Analysis (continued)

The management has considered the financial performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The management is of the view that it is appropriate to prepare the consolidated financial statements on a going concern basis. The management has considered, among other things, the Group's cash position, the successful recovery of approximately RMB64 million of prepayments, deposits and trade receivables by the Group since 1 January 2026 up to the date of approval of this report, the expected cash outflow of the Group (including expected costs and expenses) in the twelve months from 30 June 2026 and which has taken into account the Plans and Measures (as defined below) in assessing the sufficiency of the Group's working capital requirements. Having considered the above factors and the Plans and Measures, the Management considered that the Group will have sufficient financial sources to continue as a going concern. However, as the Plans and Measures are still ongoing, the successful implementation of these are subject to multiple uncertainties.

AUDIT COMMITTEE'S VIEW ON THE DISCLAIMER OF OPINION

The Audit Committee has carefully considered and reviewed the matters leading to the disclaimer of opinion. In arriving at its position, the Audit Committee has undertaken the following specific actions and considerations:

1. Expedited Recovery Actions: Urged and continues to monitor the Chief Executive Officer's efforts to expedite the recovery of the outstanding prepayments and trade receivables from the third parties, including without limitation, consulting legal advisors and taking appropriate legal actions against the relevant parties.

2. Assessment of Maximum Exposure: Evaluated the Group's maximum potential financial exposure and credit risk arising from these specific balances.

3. Internal Control Compliance: Management is reminded to strictly comply with the Group's internal control procedures concerning the approval of prepayments and the monitoring of trade receivables; in particular, prior to remitting amounts exceeding RMB20 million, they must directly notify the three independent non-executive Directors and obtain their unanimous consent.

Having considered the above, the Audit Committee shares the management's view and believes that the Company is taking all reasonable steps to recover the outstanding amounts as promptly as practicable.

Management Discussion and Analysis (continued)

IMPACT OF THE AUDIT DISCLAIMER ON THE GROUP'S CONSOLIDATED FINANCIAL POSITION

Company's view

The Company acknowledges that the Audit Disclaimer relates to the valuation and recoverability of specific current assets (prepayments and deposit and trade receivables). While the disclaimer creates uncertainty regarding the precise carrying value, the Company wishes to highlight the following positive developments regarding recovery since 1 January 2026. As of the date of approval of this report, the Company has successfully recovered approximately RMB46,000,000 of the outstanding prepayments and deposit and approximately RMB18,800,000 of the outstanding trade receivables. The management continues to actively pursue the remaining balance and remains confident in the ultimate recovery based on the ongoing negotiations. The Company believes that the actual financial impact will be significantly mitigated upon the completion of these recovery efforts.

Auditor's view

The auditor's view on the disclaimer of opinion is set out in the section headed "INDEPENDENT AUDITOR'S DISCLAIMER OPINION ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025" above.

PLANS AND MEASURES TO ADDRESS THE DISCLAIMER OF OPINION

In view of the circumstances, the Company has implemented the following action plans with a view to resolve the audit modifications:

(i) The Group will continue to implement measures to speed up the collection of outstanding trade receivables and request for the refund of prepayment and deposits from the suppliers, including without limitation, consulting legal advisors and taking appropriate legal actions against the relevant parties.

(ii) The Group will negotiate with a substantial shareholder to obtain financial support and comply with applicable requirements under the Listing Rules (as appropriate).

(iii) The Group will continue to implement operational plans to control costs and generate sufficient cash flows to meet its current and future financial obligations.

(iv) The Group will continue to take active measures to control administrative costs and unnecessary capital expenditures to improve the liquidity to support operations.

(v) The Company will implement measures to accelerate its product sales and to speed up the reduction in outstanding prepayments and deposits to suppliers.

Management Discussion and Analysis (continued)

Regarding the recovery status, the Chief Executive Officer has actively engaged in demanding repayment and settlement of the outstanding prepayments and trade receivables from the relevant third parties. Details of the implementation of the Plans and Measures are set out in the announcement of the Company dated 31 July 2026. The Board will continue to use its best endeavours to implement the Plans and Measures with an aim to resolving the disclaimer of opinion as soon as possible.

Other Information

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

As at 30 June 2026, the interests and short positions of the directors (the "Directors") of the Company and the chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which have been recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Long positions:

Ordinary shares of HK$0.1 each of the Company

(i) Interest in the Company

Name of Director	Nature of interest	Number of shares (1)	Approximate percentage of issued share capital of the Company (3)
Rong Xiuli ("Ms. Rong") (2)	Interest in a controlled Corporation	480,624,000 (L)	56.54%
	Personal interest	87,856,000 (L)	10.34%
Rong Shengli	Personal interest	3,720,000 (L)	0.44%

Notes:

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

(2) Ms. Rong and Mr. Ni Gang ("Mr. Ni") hold 90% and 10% of the entire issued share capital of Winmate Limited ("Winmate") respectively. Ms. Rong is the spouse of Mr. Ni, and therefore, Ms. Rong is deemed to be interested in the shares held by Winmate.

(3) As at 30 June 2026, the issued share capital is 850,000,000 shares.

Other Information (continued)

(ii) Interest in associated corporation of the Company

Name of Director	Name of associated corporation	Percentage of interest in associated corporation
Ms. Rong (Note)	Winmate Limited	90%

Note: As at 30 June 2026, Winmate held more than 50% of the shares. Therefore, the Company was a subsidiary of Winmate, and Winmate was the holding company and an associated corporation of the Company.

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executive of the Company nor their 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) which had to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, as far as known to the Directors, the following persons or entities (other than a Director or a chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions:
Ordinary shares of HK$0.1 each of the Company

Name of Shareholder	Nature of interest	Number of shares (1)	Approximate percentage of issued share capital of the Company (4)
Winmate	Beneficial owner	480,624,000 (L)	56.54%
Mr. Ni (2)	Spouse of Ms. Rong	568,480,000 (L)	66.88%
Yardley Finance Limited	Person having a security interest in shares	533,480,000 (L)	62.76%
Mr. Chan Kin Sun (3)	Interest in a controlled corporation	533,480,000 (L)	62.76%

Other Information (continued)

Notes:

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

(2) Ms. Rong and Mr. Ni hold 90% and 10% of the entire issued share capital of Winmate respectively. Ms. Rong is the spouse of Mr. Ni, and therefore, Ms. Rong and Mr. Ni are deemed to be interested in the shares held by Winmate.

(3) Yardley Finance Limited ("Yardley") is owned by Mr. Chan Kin Sun. Therefore, Mr. Chan Kin Sun is deemed to be interested in the shares held by Yardley.

(4) As at 30 June 2026, the issued share capital is 850,000,000 shares.

Save as disclosed above, as at 30 June 2026, the Company has not been notified by any person (other than Directors or the chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

HUMAN RESOURCES

As at 30 June 2026, the Group employed 18 employees (30 June 2025: 24 employees) in Hong Kong and Mainland China. For the six months ended 30 June 2026, the total remuneration cost incurred by the Group was RMB4,216,000 (six months ended 30 June 2025: RMB4,527,000). The Group remunerated the employees based on their performance, experience and prevailing market practices. The Group also provides continuous learning and training programmes to its employees to enhance their skills and knowledge, so as to maintain their competitiveness.

SHARE OPTION SCHEME

The Company's share option scheme was adopted on 9 June 2015 as an incentive to the Group's employees and business associates (the "Scheme"). Subject to the provisions for early termination of the Scheme, the Scheme shall be valid for a period of ten years from the date of adoption. Details of the Scheme are set out in the section headed "Statutory and General Information – E. Share Option Scheme" in Appendix IV to the prospectus of the Company dated 16 June 2015 and the annual report of the Company for the year ended 31 December 2025.

No options were outstanding as at the beginning and the end of the Current Period and none were granted, exercised, cancelled or lapsed during the Current Period.

Following the expiry of the Scheme on 8 June 2025, no further share options can be granted.

Other Information (continued)

RESTRICTED SHARE UNIT SCHEME

The Company adopted Restricted Share Unit ("RSU") Scheme (the "RSU Scheme") on 9 June 2015. Details of the RSU Scheme are set out in the section headed "Statutory and General Information – D. RSU Scheme" in Appendix IV to the prospectus of the Company dated 16 June 2015 and the annual report of the Company for the year ended 31 December 2025.

The total number of shares (the "Share(s)") of the Company underlying the RSUs under the RSU Scheme shall not exceed 32,300,000 Shares (excluding Shares underlying RSUs that have lapsed or been cancelled in accordance with the RSU Scheme). On 2 November 2016, the Company granted 32,300,000 RSUs to certain grantees pursuant to the RSU Scheme and all the RSUs granted had been unlocked up to the year ended 31 December 2018.

As at the date of this report, all the Shares underlying the RSU Scheme have been granted and vested. As such, no Shares remained available for grant or will be issued under the RSU Scheme.

No RSU were outstanding as at the beginning and the end of the Current Period and none were granted, exercised, cancelled or lapsed during the Current Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The board (the "Board") of Directors acknowledges the importance of a high standard of corporate governance as the Board believes that effective corporate governance practices are fundamental to enhance the shareholders' value and safeguard the interests of the shareholders. Accordingly, the Company has adopted sound corporate governance principles that emphasise an effective internal control and accountability to all shareholders.

The Board is responsible for performing the corporate governance functions in accordance with the applicable code provisions of the Corporate Governance Code ("CG Code") as set out in Part 2 of Appendix C1 to the Listing Rules. The Board is committed to complying with the code provisions as stated in the CG Code to the extent that the Directors consider it is applicable and practical to the Company.

During the Current Period, the Company has complied with all the code provisions set out in the CG Code.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard set out in the Model Code throughout the Current Period.

Other Information (continued)

CHANGE OF DIRECTOR'S INFORMATION

Save as disclosed below, during the six months ended 30 June 2026 and up to the date of this report, there has been no changes to the information of Directors and chief executives of the Company which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

– Mr. Han Xiaojing, an independent non-executive director of the Company, has resigned as a supervisor at Ping An Bank Company Limited (平安銀行股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000001) since January 2026.

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

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

MAJOR LITIGATION AND ARBITRATION PROCEEDINGS

The Group had no major litigation or arbitration proceedings during the Current Period.

SIGNIFICANT INVESTMENTS, DISPOSALS AND ACQUISITIONS

The Group had no significant investments, disposals and acquisitions of subsidiaries, associates or joint ventures during the Current Period.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

The Directors confirmed that as at the date of this report, there are no current plans to acquire any material investment or capital assets.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this interim report, the Company has maintained sufficient public float as required under the Listing Rules.

SUBSEQUENT EVENTS

No material events were undertaken by the Group subsequent to 30 June 2026 and up to the date of this report.

Other Information (continued)

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established in accordance with Rule 3.21 of the Listing Rules with its primary duties of reviewing and providing supervision over the Group's financial reporting process and internal control. The Audit Committee comprises three independent non-executive Directors, namely Mr. Leung Man Fai (Chairman), Mr. Wong Pong Chun James and Mr. Han Xiaojing.

The Audit Committee has reviewed this interim report and the unaudited condensed consolidated financial information of the Group for the Current Period together with the management of the Group.

APPRECIATION

On behalf of the Board, we would like to express our gratitude to our shareholders for their continuing support, and extend our sincere appreciation to all management and staff for their ongoing dedication, commitments and contributions.

By order of the Board
Vital Innovations Holdings Limited
Rong Xiuli
Chairperson

Hong Kong, 26 August 2026

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	Notes	Six months ended 30 June **2026** **RMB'000** **(unaudited)**	 2025 RMB'000 (unaudited)
Revenue	6	**–**	449,008
Cost of sales		**–**	(447,277)
Gross profit		**–**	1,731
Other gains, net	7	**1,683**	226
Other income	8	**148**	1
Selling and distribution costs		**(1,451)**	(2,653)
Administrative expenses		**(6,358)**	(6,891)
Finance costs	9	**(279)**	(832)
Loss before tax	10	**(6,257)**	(8,418)
Income tax	11	**–**	–
Loss and total comprehensive expense for the period attributable to owners of the Company		**(6,257)**	(8,418)
Loss per share	12		
Basic and diluted (RMB cents)		**(0.74)**	(0.99)

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	**30 June 2026 RMB'000 (unaudited)**	31 December 2025 RMB'000 (audited)
Non-current assets			
Equipment		**24**	18
Right-of-use assets	21	**1,360**	1,465
		1,384	1,483
Current assets			
Trade and other receivables	14	**46,603**	65,652
Prepayments and deposit	15	**467,417**	509,963
Cash and bank balances		**42,379**	2,140
		556,399	577,755
Current liabilities			
Trade payables	16	**17,098**	22,139
Accruals and other payables	17	**74,895**	75,268
Contract liabilities	18	**143**	147
Loan from a related party	19	**–**	9,032
Bank loans	20	**2,334**	2,977
Lease liabilities	21	**1,077**	871
Tax liabilities		**3,531**	3,531
		99,078	113,965
Net current assets		**457,321**	463,790
Total assets less current liabilities		**458,705**	465,273
Non-current liability			
Lease liabilities	21	**337**	648
Net assets		**458,368**	464,625
Capital and reserve			
Equity attributable to owners of the Company			
Share capital		**67,041**	67,041
Share premium and reserves		**391,327**	397,584
Total equity		**458,368**	464,625

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Attributable to owners of the Company					
	Share capital RMB'000	**Share premium** RMB'000	**Special reserve** RMB'000 (Note i)	**Other reserve** RMB'000 (Note ii)	**Accumulated losses** RMB'000	**Total** RMB'000
At 1 January 2025 (audited)	67,041	236,580	275,060	19,075	(115,443)	482,313
Loss and total comprehensive expense for the period	–	–	–	–	(8,418)	(8,418)
At 30 June 2025 (unaudited)	67,041	236,580	275,060	19,075	(123,861)	473,895
At 1 January 2026 (audited)	**67,041**	**236,580**	**275,060**	**19,075**	**(133,131)**	**464,625**
Loss and total comprehensive expense for the period	**–**	**–**	**–**	**–**	**(6,257)**	**(6,257)**
At 30 June 2026 (unaudited)	**67,041**	**236,580**	**275,060**	**19,075**	**(139,388)**	**458,368**

Notes:

i. Special reserve represents the profit in respect of the operation of the business unit now comprising the Group which was retained by the legal owner, Beijing Benywave Technology Co., Ltd. ("Benywave Technology"), and the net funding generated by the business unit now comprising the Group retained by Benywave Technology prior to a group reorganisation.

ii. Other reserve represents the shareholder's contribution attributable to share-based payment.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Net cash from operating activities		**40,627**	5,811
Investing activities			
Interest received		**5**	1
Purchase of equipment		**(8)**	–
Net cash (used in) from investing activities		**(3)**	1
Financing activities			
Interest paid		**(38)**	(589)
Repayment of lease liabilities		**(609)**	(739)
Repayment of bank loans	20	**(539)**	(57,196)
New bank loans raised	20	**–**	52,364
Net cash used in financing activities		**(1,186)**	(6,160)
Net increase (decrease) in cash and cash equivalents		**39,438**	(348)
Effect of foreign exchange rate changes		**801**	(16)
Cash and cash equivalents at 1 January		**2,140**	8,198
Cash and cash equivalents at 30 June, represented by cash and bank balances		**42,379**	7,834

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

1. GENERAL INFORMATION

Vital Innovations Holdings Limited (the "Company") was established in the Cayman Islands as an exempted company with limited liability on 12 August 2014. The immediate and ultimate holding company of the Company is Winmate Limited ("Winmate") which is incorporated in the British Virgin Islands (the "BVI") and is 90% and 10% owned by Ms. Rong Xiuli ("Ms. Rong") and Mr. Ni Gang ("Mr. Ni"), the husband of Ms. Rong, respectively.

On 26 June 2015, the Company was listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the interim report. The Company is principally engaged in investment holding and its subsidiaries (together with the Company collectively referred to as the "Group") are principally engaged in trading of mobile (including mobile telecommunication related components and accessories) and smart appliances and trading of LED products.

The interim condensed consolidated financial statements are presented in Renminbi ("RMB"), which is also the same as the functional currency of the Company. The interim condensed consolidated financial information have been approved for issue by the board of directors on 26 August 2026.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information of the Group for the six months ended 30 June 2026 have been prepared in accordance with International Accounting Standard 34 ("IAS 34") "Interim Financial Reporting" issued by the International Accounting Standards Board (the "IASB") as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange. This interim condensed consolidated financial information should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the IASB.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

2. BASIS OF PREPARATION (Continued)

Going concern

The Group incurred a net loss of approximately RMB6,257,000 for the six months ended 30 June 2026, and as of that date, the Group had cash and cash equivalents of approximately RMB42,379,000, while its current liabilities of RMB99,078,000 are repayable within the next twelve months from the end of the reporting period. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the directors of the Company have given a careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been formulated to mitigate the liquidity pressure and to improve its cash flows which include, but not limited to, the following:

(i) The Group will continue to implement measures to speed up the collection of outstanding trade receivables and request for the refund of prepayment and deposits from the suppliers.

(ii) The Group will negotiate with a substantial shareholder to obtain financial supports.

(iii) The Group is in process to implement operational plans to control costs and generate sufficient cash flows to meet its current and future financial obligations.

(iv) The Group will continue to take active measures to control administrative costs and unnecessary capital expenditures to improve the liquidity to support operations.

The directors of the Company are of the opinion that, taking into account of the expected cash outflow of the Group (including expected costs and expenses) in the twelve months from 30 June 2026 and the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the directors believe it is appropriate to prepare the interim condensed consolidated financial statements of the Group for the six months ended 30 June 2026 on a going concern basis.

Should the going concern assumption be inappropriate, adjustments may have to be made to write-down the values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the interim condensed consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Information (continued)

For the six months ended 30 June 2026

3. PRINCIPAL ACCOUNTING POLICIES

The interim condensed consolidated financial information have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the interim condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2025 except as disclosed below.

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

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
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11

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

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these interim condensed consolidated financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual financial statements for the year ended 31 December 2025.

5. SEGMENT INFORMATION

Information reported to the board of directors of the Company (the "Board"), being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of products sold.

5. SEGMENT INFORMATION (Continued)

During the six months ended 30 June 2026 and 2025, the Group has two reportable and operating segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

– Trading of mobile (including mobile telecommunication related components and accessories) and smart appliances ("Trading of mobile and smart appliances")

– Trading of LED products

No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Segment assets and liabilities are not disclosed in these interim condensed consolidated financial information as they are not regularly provided to the CODM for the purposes of resource allocation and performance assessment.

Segment revenues and results

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

Six months ended 30 June (unaudited)

	Trading of mobile and smart appliances		Trading of LED products		Total	
	2026	2025	**2026**	2025	**2026**	2025
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Segment revenue	**–**	445,669	**–**	3,339	**–**	449,008
Segment (losses) gains	**(1,451)**	(1,134)	**–**	212	**(1,451)**	(922)
Other gains, net					**1,683**	226
Other income					**148**	1
Finance costs					**(279)**	(832)
Unallocated corporate expenses					**(6,358)**	(6,891)
Loss before tax					**(6,257)**	(8,418)

5. SEGMENT INFORMATION (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (losses) gains represents the (losses) gains from each segment without allocation of other gains, net, other income, administrative expenses (unallocated) and finance costs. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

There were no inter-segment sales in both periods.

6. REVENUE

Revenue represents the amounts received and receivable for goods sold in the normal course of business, net of discounts.

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue from contracts with customers within the scope of IFRS 15 are recognised at a point in time as follows:		
Mobile and smart appliances	–	445,669
LED products	–	3,339
	–	449,008

Notes to the Interim Condensed Consolidated Financial Information (continued)

For the six months ended 30 June 2026

7. OTHER GAINS, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Foreign exchange gains, net	**905**	226
Written off of trade and other payables	**775**	–
Others	**3**	–
	1,683	226

8. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest income on bank balances	**5**	1
Services income	**122**	–
Miscellaneous income	**21**	–
	148	1

9. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Effective interest expenses on bank loans	**37**	532
Effective interest expenses on lease liabilities	**41**	74
Effective interest expenses on loan from a related party	**201**	226
	279	832

10. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Directors' emoluments	**1,618**	1,646
Staff costs (excluding directors' emoluments)		
– salaries and other allowances	**2,483**	2,743
– retirement benefits schemes contributions	**115**	138
Total staff costs	**4,216**	4,527
Auditor's remuneration	**174**	182
Cost of inventories recognised as an expense	**–**	447,277
Depreciation of equipment	**2**	1
Depreciation of right-of-use assets	**568**	686
Expenses related to short-term leases	**685**	639

11. INCOME TAX

No provision for Hong Kong Profits Tax and PRC Enterprise Income Tax was made as the Group did not have any assessable profits generated during the six months ended 30 June 2026 and 2025.

The Company's subsidiaries incorporated in Hong Kong is subject to the Hong Kong Profits Tax at 16.5% (2025: 16.5%).

Under the Law of the PRC and Enterprise Income tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries are 25% from 1 January 2008 onwards.

Notes to the Interim Condensed Consolidated Financial Information (continued)

For the six months ended 30 June 2026

12. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Loss:		
Loss for the purposes of basic and diluted loss per share, representing loss during the period attributable to the owners of the Company	**(6,257)**	(8,418)

	Six months ended 30 June	
	2026	2025
	'000	'000
	(unaudited)	(unaudited)
Number of shares		
Number of ordinary shares for the purposes of basic and diluted loss per share	**850,000**	850,000

Diluted loss per share is equal to basic loss per shares as there were no dilutive potential ordinary shares in issue during the six months ended 30 June 2026 and 2025.

13. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2026 and 2025, nor has any dividend been proposed since the end of the reporting period.

14. TRADE AND OTHER RECEIVABLES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Trade receivables	**35,489**	54,010
Less: allowance for credit losses	**–**	–
	35,489	54,010
Other receivables		
– Other PRC value-added tax receivables	**10,508**	10,514
– Others (note)	**653**	1,175
	11,161	11,689
Less: allowance for credit losses	**(47)**	(47)
	11,114	11,642
Total trade and other receivables	**46,603**	65,652

The following is an ageing analysis of trade receivables net of allowance for credit losses presented based on the invoice dates.

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
More than 90 days	**35,489**	54,010

Note: As at 30 June 2026, approximately RMB14,000 (31 December 2025: RMB14,000) included in others was paid to a related party, Beijing Tianlang Huigu Technology Co., Ltd.* (北京天朗慧谷科技有限公司), for premises rental deposit.

* The English name of the company is for reference only.

15. PREPAYMENTS AND DEPOSIT

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Prepayments to suppliers for:		
– Mobile and smart appliances (Note (a))	**124,165**	163,700
– LED products (Note (b))	**196,252**	196,263
	320,417	359,963
Refundable purchase deposit paid for:		
– Mobile and smart appliances (Note (c))	**147,000**	150,000
	467,417	509,963

Notes:

(a) As at 30 June 2026, the Group had made prepayments mainly to three independent suppliers to purchase mobile and smart appliances for trading business in a total of approximately RMB122,327,000 (31 December 2025: approximately RMB161,807,000). In June 2026, the Company's subsidiary had appointed a PRC lawyer to request for the refund of outstanding prepayments with Supplier A and Supplier B amounted to approximately RMB73,497,000 and approximately RMB43,830,000 respectively.

(b) As at 30 June 2026, the Group had made prepayments mainly to an independent supplier to purchase LED products for trading business in a total of approximately RMB195,883,000 (31 December 2025: approximately RMB195,883,000). In June 2026, the Company's subsidiary had appointed a PRC lawyer to request for the refund of outstanding prepayment with Supplier A amounted to approximately RMB195,883,000.

(c) As at 30 June 2026, the Group had paid a guarantee deposit of RMB147,000,000 (31 December 2025: RMB150,000,000) to an independent supplier with a view to secure a stable supply of mobile and smart appliances with reputable brand name to the Group pursuant to a cooperation memorandum entered into between the Group and the supplier.

The purchase deposit paid is refundable. The Group has a right to request the supplier to refund the above purchase deposit when the supplier fails to deliver the ordered goods to the Group in accordance with the supply schedule.

In June 2026, the Company's subsidiary had appointed a PRC lawyer to request for the refund of outstanding deposit with supplier.

16. TRADE PAYABLES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Trade payables	**17,098**	22,139

The following is an ageing analysis of trade payables based on the invoice dates at the end of the reporting period:

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Over 1 year	**17,098**	22,139

The average credit period on purchases of goods is 30-90 days but the credit terms can be longer subject to individual supplier policy and the result of negotiation between the supplier and the Group. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

Notes to the Interim Condensed Consolidated Financial Information (continued)

For the six months ended 30 June 2026

17. ACCRUALS AND OTHER PAYABLES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Royalties payable (note (a))	**13,210**	13,210
Staff costs payable	**714**	974
Payable for insurance premium and freights	**942**	942
Interest payable	**1,130**	929
Dividends payable	**–**	252
Other PRC tax payables	**22,762**	22,807
Others payable (note (b))	**36,137**	36,154
	74,895	75,268

Notes:

(a) The royalties payable represents accrued royalty fees in prior years for Original Design Manufacturer ("ODM") business which was ceased in 2016.

(b) The others payable includes (i) accrued professional fees and deposits received from ODM business amounting to approximately RMB14,431,000 (31 December 2025: RMB14,914,000) in prior years; and (ii) amount due to an independent third party of approximately USD3,022,000 (equivalent to approximately RMB21,200,000) (31 December 2025: USD2,769,000 (equivalent to approximately RMB19,464,000)) which is unsecured, non-interest bearing and repayable on demand.

18. CONTRACT LIABILITIES

The Group recognised the following revenue-related contract liabilities, which represented the unsatisfied performance obligation as at 30 June 2026 and 31 December 2025 and is expected to be recognised within one year:

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Sales of goods	**143**	147

It represented amounts received from customers in advance in relation to sales of goods. The amounts will be recognised as sales when control of the goods has been transferred, being when the products are delivered and accepted by the customers according to the terms of contracts.

19. LOAN FROM A RELATED PARTY

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Mr. Ni (note)	**–**	9,032

Note: Mr. Ni is the spouse of Ms. Rong Xiuli, the chairperson and executive director of the Company.

Notes to the Interim Condensed Consolidated Financial Information (continued)

For the six months ended 30 June 2026

20. BANK LOANS

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Secured bank loans:		
– Government guarantee instalment bank loan (Note)	**2,334**	2,977
	2,334	2,977

As at 30 June 2026 and 31 December 2025, the Group's secured bank loans were repayable in accordance with scheduled repayment dates as follows:

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Carrying amount of secured bank loans that contain a repayable on demand clause (shown under current liabilities) but repayable:		
Within one year	**1,084**	1,107
More than one year but not exceeding two years	**166**	651
More than two years but not exceeding five years	**528**	543
More than five years	**556**	676
	2,334	2,977

20. BANK LOANS (Continued)

Note:

The terms and conditions of the government guarantee instalment bank loans ("secured instalment bank loan") are set out below.

As at 30 June 2026	**Carrying amount RMB'000**
Variable-rate bank loan:	
Secured instalment bank loan I	**921**
Secured instalment bank loan II	**1,413**
	2,334

As at 31 December 2025	Carrying amount RMB'000
Variable-rate bank loan:	
Secured instalment bank loan I	1,420
Secured instalment bank loan II	1,557
	2,977

The last instalment of the secured instalment bank loan I and II are on 6 June 2027 and 2 May 2034 respectively.

All the secured instalment bank loans carry interest at 2.5% per annum below the Hong Kong Prime Rate.

All the secured instalment bank loans are secured by the guarantees provided by the director of the Company and the government of HKSAR under SME Financing Guarantee Scheme.

Notes to the Interim Condensed Consolidated Financial Information (continued)

For the six months ended 30 June 2026

21. LEASES

(i) Right-of-use assets

The Group has lease contracts for properties and warehouse for its operations. The leases terms are generally for a period of 2 to 3 years (2025: 3 years).

As at 30 June 2026, the carrying amount of right-of-use assets of approximately RMB1,360,000 (31 December 2025: RMB1,465,000) represents lease contracts for properties and warehouse used in its operations.

During the six months ended 30 June 2026, the Group entered into a new lease agreement for an office premise and recognised as right-of-use assets and lease liabilities of approximately RMB463,000 (six months ended 30 June 2025: Nil).

The depreciation of the Group for the six months ended 30 June 2026 was approximately RMB568,000 (six months ended 30 June 2025: RMB686,000).

(ii) Lease liabilities

As at 30 June 2026, the carrying amount of lease liabilities was approximately RMB1,414,000 (31 December 2025: RMB1,519,000).

(iii) Amounts recognised in profit or loss

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest expense on lease liabilities	**41**	74
Expense relating to short-term leases	**685**	639

(iv) Others

During the six months ended 30 June 2026, the total cash outflow for leases amount to approximately RMB1,294,000 (six months ended 30 June 2025: RMB1,378,000).

22. RELATED PARTY TRANSACTIONS

(a) Name and relationship

Name	Relationship
Beijing Tianlang Huigu Technology Co. Ltd. ("Tianlang")* 北京天朗慧谷科技有限公司	Company controlled by Ms. Rong and Mr. Ni
Beijing Zhuoyue Tianhe Management Co., Ltd. ("Zhuoyue Tianhe")* 北京卓越天和運營管理有限公司	Company controlled by Ms. Rong
Beijing Benywave Technology Co., Ltd. ("Benywave Technology")* 北京百納威爾科技有限公司	Company controlled by Ms. Rong and Mr. Ni
Mr. Ni	The husband of Ms. Rong

* The English name of the above companies are for reference only.

(b) Related party transactions

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Premises rental expenses charged by Tianlang (note ii)	**22**	22
Equipment rental expenses charged by Benywave Technology (note i)	**34**	23
Management expenses charged by Zhuoyue Tianhe (note ii)	**9**	9
Interest expenses charged by Mr. Ni (note iii)	**201**	226

22. RELATED PARTY TRANSACTIONS (Continued)

(b) Related party transactions (Continued)

Notes:

(i) During the year ended 31 December 2025, the Group entered into a one-year lease in respect of certain equipment from Benywave Technology. The Group has made lease payment of approximately RMB34,000 (six months ended 30 June 2025: RMB23,000) to Benywave Technology.

(ii) During the six months ended 30 June 2026, the Group has made the lease payment of approximately RMB22,000 (six months ended 30 June 2025: RMB22,000) to Tianlang where the lease is accounted for as a short-term lease. In addition, the Group has made the management fee payment of approximately RMB9,000 (six months ended 30 June 2025: RMB9,000) to Zhuoyue Tianhe.

(iii) During the six months ended 30 June 2026, the Group accrued the interest expenses of approximately RMB201,000 (six months ended 30 June 2025: RMB226,000) to a related party, Mr. Ni.

(c) Remuneration of key management personnel of the Group

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short term employee benefits	**2,190**	2,241
Post-employment benefits	**81**	81
	2,271	2,322

(d) Guarantee

As at 30 June 2026, a director of the Company has provided a personal guarantee as part of the security for the bank loans of approximately RMB2,334,000 (31 December 2025: RMB2,977,000).

Vital Innovations Holdings Limited
維太創科控股有限公司

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") was established in accordance with Rule 3.21 of the Listing Rules with its primary duties of reviewing and providing supervision over the Group's financial reporting process and internal control. The Audit Committee comprises three independent non-executive Directors, namely Mr. Leung Man Fai (Chairman), Mr. Wong Pong Chun James and Mr. Han Xiaojing.

The Audit Committee has reviewed the interim report and the unaudited condensed consolidated financial information of the Group for the Current Period together with the management of the Group.

PUBLICATION OF FINANCIAL INFORMATION

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.vitalinno.com). The Company's interim report for the Current Period containing all information required by the Listing Rules will be dispatched (if requested) to the shareholders of the Company and available on the above websites in due course.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Wednesday, 1 April 2026 and will remain suspended until further notice. The Company will make further announcement(s) as appropriate or as required under the Listing Rules and the SFO.

By order of the Board
Vital Innovations Holdings Limited
Rong Xiuli
Chairperson

Hong Kong, 26 August 2026

As at the date of this announcement, the Board comprises Ms. Rong Xiuli, Mr. Rong Shengli, Mr. Yin Xuquan and Mr. Wong Ho Chun as executive Directors, and Mr. Leung Man Fai, Mr. Wong Pong Chun James and Mr. Han Xiaojing as independent non-executive Directors.