Cofoe Medical Technology Co., Ltd.
可孚醫療科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1187)

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

The board of directors (the "**Board**") of Cofoe Medical Technology Co., Ltd. (the "**Company**") hereby announces the unaudited interim results of the Company and its subsidiaries for the six months ended June 30, 2026 ("**Interim Results**"). This announcement, containing the full text of the 2026 interim report of the Company, complies with relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in relation to information to accompany preliminary announcement of interim results. The Interim Results have been reviewed by the audit committee of the Board. This announcement will be published on the HKEXnews website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.cofoe.com.cn, and despatched to the shareholders of the Company (if requested).

By Order of the Board
Cofoe Medical Technology Co., Ltd.
ZHANG Min
Executive Director and Chairman of the Board

Hong Kong, August 28, 2026

As at the date of this announcement, the Board comprises (i) Mr. ZHANG Min, Mr. ZHANG Zhiming, Mr. XUE Xiaoqiao and Mr. HE Bangjie as executive directors; and (ii) Mr. NING Huabo, Ms. SHEN Nan and Mr. ZHOU Rong as independent non-executive directors.

CONTENTS

DEFINITIONS

"A Share(s)"	ordinary share(s) issued by the Company with a nominal value of RMB1.00 each, which is/are listed on the ChiNext Market of the SZSE and traded in Renminbi
"Articles of Association"	the Articles of Association of Cofoe Medical Technology Co., Ltd. (《可孚醫療科技股份有限公司章程》)
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
"Changsha Keyuan"	Changsha Keyuan Tongchuang Enterprise Management Center (Limited Partnership) (長沙科源同創創業投資合夥企業(有限合夥))
"Changsha Xiezihao" or "Controlling Shareholder"	Changsha Xiezihao Medical Investment Co., Ltd. (長沙械字號醫療投資有限公司)
"Company", "Group" or "Cofoe Medical"	Cofoe Medical Technology Co., Ltd. (可孚醫療科技股份有限公司)
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of the Company
"H Share(s)"	foreign invested share(s) issued by the Company with a nominal value of RMB1.00 each, which is/are listed on the Main Board of the Hong Kong Stock Exchange and traded in Hong Kong dollars
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Date"	May 6, 2026, on which the H Shares are listed on the Main Board of the Hong Kong Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules

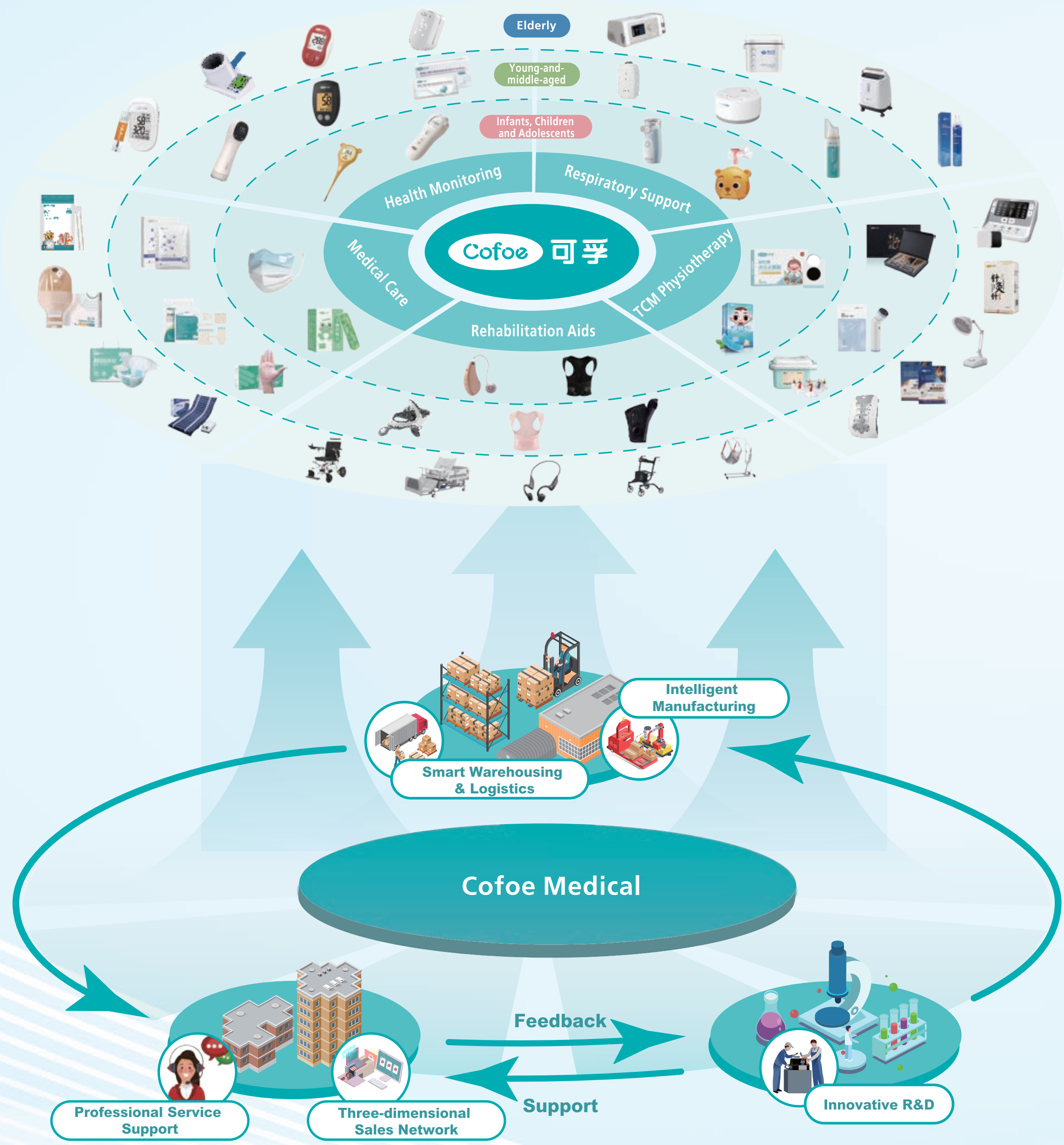
DEFINITIONS

"PRC" or "China"	the People's Republic of China, excluding, for the purpose of this interim report only, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Reporting Period" or "Period"	the period from January 1, 2026 to June 30, 2026
"RMB", "RMB'000", "RMB0'000", "RMB million" and "RMB100 million"	Renminbi Yuan, Renminbi thousand Yuan, Renminbi 10 thousand Yuan, Renminbi million Yuan and Renminbi 100 million Yuan, the lawful currency units of the PRC. Unless otherwise specified, all amounts referred to in this interim report are denominated in Renminbi
"SZSE"	the Shenzhen Stock Exchange (深圳證券交易所)
"2024 Stock Incentive Scheme"	the 2024 restricted stock incentive scheme adopted by the shareholders of the Company on March 21, 2024

CORPORATE PROFILE

(I) PRINCIPAL BUSINESS

Cofoe Medical is a leading enterprise in full-lifecycle personal health management, specializing in the research and development ("**R&D**"), manufacture, sales and servicing of medical devices. As at the end of the Reporting Period, the Company had in place 4 research institutes, 4 production bases and 98 subsidiaries, underpinned by a vertically integrated platform across R&D, production, sales and service. Staying true to its corporate mission of "Caring for Health, Nurturing Lives (健康守護、關愛一生)" and powered by technological innovation, the Company continues to drive product evolution and R&D progress as it strives to establish a home-grown medical brand with global reach.



CORPORATE PROFILE

The Company focuses on key segments including medical electronics and rehabilitation medicine, biosensing and innovative materials, and respiratory support, with dedicated research institutes established to foster industry-academia-research collaboration. Through years of R&D efforts, the Company has built a mature R&D system with approximately 700 cumulative granted patents, demonstrating strong capabilities in new product design and commercialization. Driven by market demand, powered by technological innovation, and anchored in quality, the Company conducts R&D in close alignment with market trends and industry developments. Its precise and efficient R&D approach has generated a rich product pipeline, providing sustained momentum for continuous innovation. Notably, the Company's world-first blood glucose test strips and uric acid test strips fill a technological gap; its smart-connected ventilators feature a novel muffler-free structural design, achieving industry-leading noise reduction performance; and its bone conduction hearing aids, developed in partnership with Tencent Cloud, significantly enhance speech recognition clarity in noisy environments. A number of the Company's core technologies have attained domestically leading and internationally advanced standards.

The Company's product portfolio spans five key segments – health monitoring, rehabilitation aids, respiratory support, medical care and TCM physiotherapy – offering consumers a one-stop solution through its extensive product range. With modern production facilities in Changsha, Yueyang, Nantong and Qidong, the Company is advancing digital transformation and automated production line upgrades, with a view to building smart factories. Through refined management and customized production models, the Company is committed to establishing a lean manufacturing system that delivers stable output, controllable costs, superior quality and efficient service.

The Company has established an integrated "online + offline" multi-channel distribution network, enabling full-scenario coverage and efficient service delivery. Offline, the Company has extended its footprints to the vast majority of provinces and cities nationwide, supplying goods and services to over 200,000 pharmacies, with core client-localized services supported through its sales subsidiaries and offices. In addition, the Company operates approximately 700 retail stores spanning warehouse-style outlets, "Goodhushi (好護士)" retail stores and "JOYOR HearingCare (健耳聽力)" fitting centres, catering to the diverse needs of different customer segments. Online, the Company has a presence on all major domestic e-commerce platforms, securing leading positions in key online traffic gateways. Since 2015, the Company's online sales have consistently ranked among the industry's top performers, with the "Cofoe" brand maintaining strong transaction indices in the medical device categories on Tmall, JD.com and Douyin. In overseas markets, the Company's footprint has expanded to over 60 countries and regions, with overseas revenue growing rapidly, and has cumulatively delivered high-quality products and services to more than 50 million households.

The Company continues to strengthen its R&D innovation and smart manufacturing capabilities, having been accredited with a National Postdoctoral Research Station, and recognized as a National Intellectual Property Advantage Enterprise, National Industrial Design Centre, National Smart Manufacturing Excellence Scenario and National E-commerce Demonstration Enterprise. Looking ahead, Cofoe Medical will continue to reinforce its full-industry-chain strengths, further expand its presence in both domestic and international markets, enhance its overall brand competitiveness, and drive the Company towards becoming a globally leading personal health management enterprise.

(II) MAJOR PRODUCTS

The Company's product portfolio spans five key segments, namely health monitoring, rehabilitation aids, respiratory support, medical care and TCM physiotherapy, offering consumers a one-stop solution that effectively addresses their needs for both quality and variety. In recent years, the Company has stepped up its R&D and innovation efforts, enhanced in-house production capabilities, refined and expanded its distribution channels, and strengthened brand building, thereby sustaining its core competitive edge.

Set out below are the major products of the Company by category, together with certain illustrative product images:

Product Category	Primary Use	Specific Products	Illustrative Images
Health monitoring	Medical devices for monitoring physiological parameters of the human body	Blood glucose and uric acid monitoring series, blood pressure monitors, pulse oximeters, thermometers, fetal Doppler and home diagnostic test strips	
Rehabilitation aids	Products for improving or substituting bodily functions, providing adjunctive therapy or preventing disability	Orthopaedic/posture correction series, hearing aids, wheelchairs, hospital beds, walking aids, patient lifters, audiometers and others	
Medical care	Disposable medical and nursing supplies for examination, diagnosis, treatment and care	Dressings/wound care series, health protection series, infection prevention and control series, adult care series, ostomy care series and others	
Respiratory support	Products for respiratory health and chronic disease management services	Ventilators, oxygen concentrators, nebulizers, portable oxygen concentrators, nasal care products and others	
TCM physiotherapy	Products based on traditional Chinese medicine (TCM) theory, utilizing natural physical agents or modern physiotherapy equipment for disease prevention and treatment	Physiotherapy devices, medicated plasters, cupping sets, acupuncture needles, massagers, mugwort and related products, scraping boards and others	

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. ZHANG Min *(Chairman of the Board and president)*
Mr. ZHANG Zhiming *(Vice chairman of the Board)*
Mr. XUE Xiaoqiao *(Secretary of the Board, vice president and joint company secretary)*
Mr. HE Bangjie

Independent Non-executive Directors

Mr. NING Huabo
Ms. SHEN Nan
Mr. ZHOU Rong

AUDIT COMMITTEE

Ms. SHEN Nan *(Chairperson)*
Mr. ZHANG Zhiming
Mr. NING Huabo

REMUNERATION AND APPRAISAL COMMITTEE

Mr. ZHOU Rong *(Chairman)*
Mr. ZHANG Zhiming
Ms. SHEN Nan

NOMINATION COMMITTEE

Mr. NING Huabo *(Chairman)*
Mr. HE Bangjie
Ms. SHEN Nan

STRATEGIC COMMITTEE

Mr. ZHANG Min *(Chairman)*
Mr. ZHANG Zhiming
Mr. ZHOU Rong

JOINT COMPANY SECRETARIES

Mr. XUE Xiaoqiao
Ms. HA Ching Ching

AUDITOR

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

COMPLIANCE ADVISOR

Somerley Capital Limited
20/F, China Building
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REGISTERED OFFICE

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Yuhua District
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PRC

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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2331 Kung Yip Street
Kwai Chung, New Territories
Hong Kong

CORPORATE INFORMATION

H SHARE REGISTRAR

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

PRINCIPAL BANKERS

China Construction Bank (Changsha Gaoqiao Branch)
Bank of Changsha (Dongcheng Branch)
Bank of China (Xiangjiang New District Branch)

AUTHORIZED REPRESENTATIVES

Mr. XUE Xiaoqiao
Ms. HA Ching Ching

LEGAL ADVISORS

As to Hong Kong and U.S. laws:
O'Melveny & Myers
31/F, AIA Central
1 Connaught Road Central
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As to PRC laws:
Hunan Qiyuan Law Firm
63/F, Shimao Global Financial Centre
No. 393 Jianxiang Road
Furong District
Changsha, Hunan Province
PRC

COMPANY'S WEBSITE

www.cofoe.com.cn

STOCK CODE

1187

LISTING DATE

May 6, 2026

FINANCIAL HIGHLIGHTS

The following table sets forth a summary of the Group's results as well as assets and liabilities for the periods indicated:

	For the six months ended June 30, 2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000	Change
Financial Results			
Revenue	2,071,848	1,495,764	38.5%
Gross profit	1,131,126	747,777	51.3%
Profit for the period	203,199	166,643	21.9%
Profit for the period attributable to owners of the parent	202,264	167,388	20.8%
Net cash flows from operating activities	262,411	351,433	-25.3%
Earnings per share (RMB)			
– Basic	0.95	0.82	15.9%
– Diluted	0.94	0.81	16.0%

	June 30, 2026 (Unaudited) RMB'000	December 31, 2025 (Audited) RMB'000	Change
Financial Position			
Total assets	7,457,452	6,628,916	12.5%
Net assets	5,562,717	4,902,889	13.5%
Equity attributable to owners of the parent	5,526,721	4,866,858	13.6%
Total liabilities	1,894,735	1,726,027	9.8%

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2026, China's medical device industry continued its steady growth trajectory, with further reinforcement of industry resilience. On the policy front, a cohesive and multi-layered support framework has taken shape. In March 2026, a series of major policy measures were rolled out, with the "15th Five-Year" Plan designating biomedicine and high-end medical equipment as strategic emerging industries, coupled with enhanced long-term reimbursement mechanisms for innovative medical devices to support domestic R&D and market adoption. Concurrently, the National Medical Products Administration (the "**NMPA**") launched the "Spring Rain Initiative (春雨行動)" to deepen medtech integration and accelerate the commercialization of innovative outcomes. In parallel, the long-term care insurance (LTCI) system is being implemented nationwide, with a target to establish a foundational LTCI framework tailored to China's national conditions within approximately three years. This is expected to effectively unlock essential demand for home-based monitoring and rehabilitation care, significantly broadening the growth horizon for the household medical device market.

Driven by both policy tailwinds and underlying demand, industry sentiment continued to firm up. In the first half of 2026, value-added output of the pharmaceutical manufacturing sector above designated size grew by 6.4% year-on-year, with the medical device segment demonstrating strong resilience. According to Frost & Sullivan, the household medical device market in China is projected to reach RMB221.2 billion in 2026, representing a year-on-year growth of 6.5%, and is expected to exceed RMB313.1 billion by 2030. As chronic disease management demand expands and consumer willingness to spend on health rises, the industry is progressively evolving into a full-lifecycle home health management ecosystem encompassing prevention, monitoring, management and rehabilitation, with the growth logic shifting from standalone product sales towards an integrated service-led closed-loop model.

BUSINESS REVIEW

The year of 2026 marks the inaugural year of the "15th Five-Year" Plan period and a critical phase for the medical device industry to accelerate innovation-driven upgrading and cultivate new growth drivers. Seizing industry opportunities, the Company has focused on innovation and upgrading across its core product categories, continued to deepen its omni-channel strategy across both online and offline platforms, and steadily advanced its global expansion footprint, thereby reinforcing its core competitiveness and sustainable development capabilities. During the Reporting Period, the Company recorded revenue of RMB2.072 billion, representing a year-on-year increase of 38.5%; net profit attributable to shareholders of the listed company amounted to RMB202 million, up 20.8% year-on-year, underpinning a sustained and robust operating performance. As at the end of the Reporting Period, the Company had total assets of RMB7.457 billion, a gearing ratio of 25.4%, and cash and bank deposits, and current financial assets at fair value through profit or loss of RMB3.062 billion, reflecting a healthy asset structure and sound financial position. The Company places strong emphasis on shareholder returns and proposes an interim dividend for 2026 of RMB6 (tax inclusive) for every 10 shares, with an aggregate payout amount of approximately RMB136 million, further reinforcing investor confidence and underscoring the Company's long-term value creation potential. During the Reporting Period, the Company focused on the following key initiatives:

(1) Focusing on Core Categories and Building a Strategic Product Matrix to Strengthen the Foundation for High-Quality Growth

During the Reporting Period, the Company continued to execute its core category-focused strategy, with increased investment across R&D for strategic products, smart manufacturing upgrades, brand building and channel operations, centred on its five key segments encompassing respiratory support, health monitoring, rehabilitation aids and others, thereby driving synergistic development across the entire value chain and accelerating the formation of a core product matrix with sustainable competitive advantages. During the Reporting Period, revenue from the Company's top five products increased by 50.0% year-on-year, with their contribution to revenue growth and earnings improvement continuing to strengthen, providing solid support for the Company's high-quality development.

During the Reporting Period, all five business segments achieved solid growth. The Company adhered to differentiated positioning and coordinated development, with each segment clearly distinguished in terms of target demographics and application scenarios. Deep synergies were realized across supply chain, distribution channels and brand momentum, and a product matrix with clear hierarchical tiers and complementary strengths has begun to take shape. Competitiveness in specialised market segments has steadily strengthened, while the incubation of new product categories has been carried out in an orderly manner, cultivating diversified growth drivers for the Company.

During the Reporting Period, the Company continued to optimize its product mix, steadily increasing the revenue contribution from higher value-added products. Coupled with enhanced supply chain synergies and ongoing refined operational management, the gross profit margin improved by 4.6 percentage points year-on-year to 54.6%, further strengthening the Company's profitability and overall operational quality.

(2) Driving Innovation-Led Growth, Advancing Technological Integration and Upgrading to Strengthen Core Competitive Advantages

The Company remains committed to its innovation-driven development strategy, anchoring R&D and innovation as a cornerstone of its competitiveness and high-quality growth. It has continued to strengthen its R&D system, sharpen its focus on core technological breakthroughs, and enhance the intelligent, digital and platform-based capabilities of its products.

During the Reporting Period, the Company established an AI Research Institute, focusing on building an integrated smart healthcare management system encompassing underlying computing power, data assets and on-device intelligent applications. The Company is advancing the development of the "Cofoe Foundation Model", with ventilators serving as the initial application scenario, for which engineering validation of on-device intelligent algorithms has been completed. Going forward, the Company will progressively extend its smart capabilities to product lines including health monitoring, respiratory support and rehabilitation aids, building a full-scenario home smart product matrix, transforming household medical devices into intelligent health management terminals, and solidifying its competitive edge in the smart healthcare sector.

In the health monitoring segment, the Company's helicobacter pylori antigen detection kit (colloidal gold method) and the continuous glucose monitoring (CGM) system independently developed by its investee company, Shenzhen Cofoe Biotechnology Co., Ltd., have successively obtained Class III medical device registration certificates from the NMPA, and are expected to be launched through the Company's distribution network. In addition, two of the Company's blood glucose monitoring systems have obtained IVDR certification from the European Union, laying the groundwork for expanding into the EU and other overseas markets. Concurrently, the Company is accelerating the launch of new products, including an atrial fibrillation screening blood pressure monitor, a thermal-shock-resistant infrared thermometer, a blood glucose and uric acid monitoring system, a six-in-one multi-functional monitoring system, and a Doppler fetal heart rate monitor, with a view to enhancing detection accuracy and intelligent capabilities, and further refining its comprehensive household health monitoring solutions.

In the respiratory support segment, the Company continues to strengthen its in-house R&D capabilities, accelerating the upgrading and iteration of core products including smart ventilators and respiratory masks. During the Reporting Period, the next-generation AI-powered ventilator C11 was officially launched, featuring a dual-AI engine architecture and the "3S" intelligent synchronization algorithm, enabling real-time respiratory status recognition, intelligent parameter adjustment and proactive risk alerts, significantly enhancing product intelligence and patient user experience. Concurrently, the Company launched two new respiratory masks, and continues to drive the intelligent transformation of oxygen concentrators and nebulizers, further refining its respiratory health product ecosystem.

In the rehabilitation aids segment, the Company, in collaboration with Tencent Tianlai Lab, unveiled the next-generation bone conduction hearing aid X5, which integrates cutting-edge technologies including AI-powered speech enhancement, intelligent noise reduction and sound field recognition, effectively enhancing speech intelligibility in complex acoustic environments while optimizing the user wearing experience. In addition, the Company continues to iterate its core proprietary products, including the seamless lightweight breathable posture correction brace and compression stockings for varicose veins, steadily strengthening product competitiveness and market presence.

In the medical care segment, the Company has focused its R&D and innovation efforts on core products including advanced functional dressings and ostomy care products, and has successively launched a range of new products, including medical sodium hyaluronate repair patches, medical silicone scar gel, one-piece ostomy bags with an opening, skin protectants and adult care products, constantly enriching its high value-added care product matrix.

In the TCM physiotherapy segment, the Company remains committed to the integrated development of traditional Chinese medicine theory and modern technology, and has continued to drive the upgrading and iteration of products including medium-frequency therapy devices and medicated plasters, further enriching its home TCM physiotherapy product offering and better addressing the diverse and personalized health management needs of consumers.

(3) Deepening Global Footprint, Strengthening Dual-Circulation Synergies and Expanding International Growth Headroom

During the Reporting Period, the Company continued to consolidate its leading position in the domestic market, steadily advanced its globalization strategy, and further enhanced its global operational capabilities and brand presence, accelerating the cultivation of a business framework that facilitates two-way synergies and coordinated development between domestic and international markets.

During the Reporting Period, leveraging its digital middle platform, the Company harnessed data-driven insights to enhance user targeting, product operations and precision marketing, orchestrated omnichannel traffic management, and built a content ecosystem to unlock traffic value, establishing a full-funnel business loop spanning customer acquisition, conversion and repurchase. This has facilitated deep integration of brand content, product operations and user services, continuously improving user engagement efficiency and brand momentum. Concurrently, the Company continued to deepen its strategic partnerships with the top 100 pharmacy chains in China, accelerated its new retail ecosystem expansion, and promoted resource sharing and scenario complementarity between online and offline channels, amplifying channel synergies and reinforcing the market competitiveness of its core categories.

In the hearing care business segment, the Company continued to optimize the network of its "JOYOR HearingCare (健耳聽力)" fitting centres, refine its operations management system, and steadily improve store-level operational quality and profitability. During the Reporting Period, Joyor Hearing entered into a partnership with an international retail conglomerate to take over the operations of certain hearing stores of the latter in China, further expanding its offline service network and strengthening its market coverage and operational synergies in the hearing health sector.

In international markets, the Company steadily advanced its globalization strategy and continued to strengthen its overseas operations framework. During the Reporting Period, the Company's overseas business generated revenue of RMB210 million, representing a year-on-year increase of 117.0%. The Company made orderly progress in overseas product registrations and certifications, the development of its overseas quality management systems, and the expansion of its global sales network, consistently enhancing its product competitiveness and global operational management capabilities on the international stage. Concurrently, the Company continued to deepen resource synergies with its investee companies, fully unlocking the synergistic value between products and channels to expedite its overseas market expansion.

(4) Advancing Digital and Intelligent Transformation, Supply Chain Optimization and Operational Efficiency Enhancement

The Company continues to drive the digital and intelligent transformation of its supply chain, and is steadily optimizing an integrated supply chain management system that spans R&D, procurement, production, warehousing and logistics. This enables end-to-end data connectivity and business synergies across the entire value chain, continuously enhancing operational efficiency, resource allocation capabilities and supply chain resilience, thereby providing a solid foundation for the expansion of core product categories and the execution of its globalization strategy.

In procurement management, the Company has focused on ensuring the supply of key materials and strengthening its supply chain ecosystem, while continuing to enhance its supplier tiered management system to reinforce supply chain resilience. Leveraging its digital management platform, the Company has strengthened strategic reserves of critical materials, dynamically monitored core indicators including raw material price fluctuations, delivery lead times and product quality, conducted trend analysis and forecasting, and consistently refined its procurement decision-making mechanisms. In parallel, the Company has diversified its supply channels, established contingency plans for key materials, and improved its supply chain ecosystem by deepening upstream and downstream collaboration, further enhancing the efficiency and stability of its supply chain operations.

In manufacturing and quality control, the Company has advanced the automation and intelligent upgrading of its core production lines for ventilators, ostomy care products and others, enhancing the scalable production and batch delivery capabilities of its core categories to effectively meet growing market demand. Anchored in its product full-lifecycle quality management objectives, the Company has systematically implemented control measures across all stages. In the R&D phase, the IPD (Integrated Product Development) process has been embedded to proactively mitigate compliance and design risks. In the manufacturing phase, a dynamic quality data monitoring dashboard has been established to capture real-time data across the entire chain, including incoming material inspection, workshop processes, finished product release and after-sales feedback, enabling timely alerts on quality deviations and facilitating data-driven optimization of procurement material standards and key production processes, thereby continuously reducing in-process defect rates. Concurrently, the Company has benchmarked against domestic and international regulations and standards, embedding compliance controls throughout the end-to-end processes of procurement, manufacturing and product release, while conducting internal audits and compliance training on a regular basis, further reinforcing its product quality and compliance management framework.

In warehousing and logistics, the Company has continued to optimize its warehousing network and logistics distribution system. Leveraging its digital warehousing management system, the Company has facilitated efficient coordination across procurement, production, warehousing and distribution, effectively enhancing inventory turnover, market responsiveness and end-delivery efficiency, while reducing overall logistics costs and steadily improving customer delivery experience.

(5) Deepening Capital Operations, Strengthening Industrial Synergies and Empowering Strategic Execution

The Company debuted on the Main Board of the Hong Kong Stock Exchange on May 6, 2026, with an offering size of 27 million H Shares and net proceeds of approximately HK$1.007 billion, successfully establishing a dual listing platform of "A+H" shares. Leveraging the synergies between domestic and overseas capital markets, the Company has broadened its financing channels and enhanced its capabilities in global resource integration and international operations, providing a long-term and stable source of capital to support technological innovation, industrial consolidation and global market expansion.

The Company remains committed to industry-driven investment and M&A, and has consistently refined its post-investment management system to drive deep integration across multiple dimensions, such as R&D and innovation, supply chain synergies, market channels, brand operations and organizational management with its investee companies including Shanghai Huazhou, Humana and Resvent Medical. By consolidating internal and external industrial resources and establishing shared access to technology, production capacity and distribution channels, the Company has fully unlocked the compounding synergies of its M&A initiatives, continuously enriched its multi-tiered product portfolio, further enhanced its industry ecosystem for full-scenario household health, and reinforced its competitive strengths across targeted segments.

During the Reporting Period, the Company increased its shareholding in Lizhi Intelligent Technology (Guangzhou) Co., Ltd., raising its equity interest to 24.90843%. The two parties have further deepened technological collaboration, accelerating the integration and commercialization of neural signal decoding and intelligent rehabilitation devices, expanding diverse rehabilitation application scenarios, and continuously incubating new technologies and products to build momentum for the long-term growth of the household health ecosystem.

(6) Deepening Ecosystem Collaboration, Pooling Innovation Resources and Building Industrial Synergy Advantages

Upholding an open and collaborative development philosophy, the Company has continued to deepen strategic partnerships with industry leaders and ecosystem partners across the pillars of technological innovation, industry integration and ecosystem development. By integrating technologies, brands, industrial chains and distribution channels of all parties involved, the Company has accelerated the aggregation of innovation drivers and industrial synergies, fostering an open and win-win industrial ecosystem, while consistently strengthening its in-house innovation capabilities and reinforcing its core competitive moat.

The Company has continued to deepen its strategic partnership with Royal Philips, with both parties jointly conducting R&D and tackling technological challenges in the health monitoring field, accelerating product localization innovation and commercialization. During the Reporting Period, the Company established dedicated production lines for Royal Philips-branded blood pressure monitors, blood glucose monitors, pulse oximeters and thermometers, enhancing its smart manufacturing capabilities and end-to-end supply assurance, while concurrently refining its brand operations and market promotion framework to facilitate the efficient commercialization of these products.

The Company entered into a cooperation memorandum with Huawei Device Co., Ltd., becoming the first medical device brand within the HarmonyOS Connect ecosystem to achieve unified interconnectivity. In the initial phase, 5 product categories and 17 product models have been fully integrated into the HarmonyOS ecosystem, supporting automatic device discovery, one-touch pairing and data synchronization. Health data can be simultaneously synced to terminal devices including bedside screens in hospital wards and large displays in care facilities, enabling data connectivity across home-based elderly care, community rehabilitation and medical institutions, thereby further expanding the frontiers of smart healthcare services.

In parallel, the Company has been actively exploring the integration of artificial intelligence with health management, and has entered into a strategic partnership with Rokid to jointly explore the convergence of its continuous glucose monitoring (CGM) system with AI-powered smart glasses, driving synergies between health monitoring data and intelligent terminal devices, with a view to creating a more convenient and efficient smart glucose management model.

(7) Strengthening Brand Building, Enhancing Market Presence and Elevating Global Brand Value

During the Reporting Period, the Company continued to advance its brand system development, driving deep integration of brand value with product innovation, channel expansion and user engagement. Through multi-channel brand communications, scenario-based precision marketing and refined user engagement, the Company has consistently strengthened consumer brand awareness and trust, providing strong support for core business growth and global expansion.

The Company has continued to strengthen its brand equity through strategic product launches, category education and professional content dissemination, enhancing its brand authority and industry recognition across all fronts. During the Reporting Period, the Company hosted a series of brand events, including the C11 ventilator new product launch, the 10,000th C11 ventilator off-line ceremony combined with a media open day, and the 2026 Spring New Product Launch. The Company also participated in key domestic and international industry exhibitions such as the China International Medical Equipment Fair (CMEF), Arab Health, and the WHX Miami, showcasing its latest scientific research achievements and integrated solutions in health monitoring, respiratory support and rehabilitation aids, further expanding its global brand presence.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company has built an integrated omnichannel operations network spanning online e-commerce and offline retail, and has conducted a series of activities underlying household health management, including health education, user engagement and product experience initiatives, and implemented thematic projects such as "Searching for Snoring Kids – 1,000 Ventilators Given Away Free of Charge" and "A Love Letter to Father – 618 Hearing Aids Given Away Free of Charge", driving the evolution of the brand from product sales towards health services. The Company has also proactively fulfilled its corporate social responsibilities by sponsoring sporting events such as the Qixing Mountain Trail Walk and the Xiang BA Basketball Tournament, as well as participating in public welfare programs including the "Hearing Care for Elderly Veterans" initiative. Through these efforts, the Company has communicated science-based health concepts, deepened brand value, and enhanced user loyalty and market reputation.

In May 2026, the "2026 China Brand Value Evaluation Information (2026中國品牌價值評價信息)" rankings were released, in which Cofoe Medical secured the 30th position in the 2026 China Brand Value Ranking (Pharmaceutical and Health), with a brand strength score of 877 and a brand value of RMB1.652 billion, marking authoritative endorsement of the Company's overall brand strength.

FINANCIAL REVIEW

Analysis of Profit or Loss

Revenue

During the Reporting Period, the Group achieved total revenue of approximately RMB2,071.85 million, representing an increase of approximately 38.5% from RMB1,495.76 million in the corresponding period of 2025, primarily driven by the growth in revenue from core product categories, and consolidation of the revenue derived from Humana Medical Limited (喜曼拿醫療系統有限公司) acquired on June 30, 2025 during the Reporting Period. During the Reporting Period, revenue was primarily generated from the sales of healthcare products and products under OEM/ODM business, which accounted for 97.3% of our total revenue, as compared with 96.8% in the corresponding period of the previous year.

Gross Profit and Gross Profit Margin

During the Reporting Period, the Group's gross profit amounted to approximately RMB1,131.13 million, representing an increase of approximately 51.3% from RMB747.78 million in the corresponding period of 2025, primarily attributable to the increase in gross profit from healthcare products and products under OEM/ODM business.

During the Reporting Period, the Group's gross profit margin was approximately 54.6%, representing an increase of 4.6 percentage points from 50.0% in the corresponding period of 2025.

Other Income and Gains

During the Reporting Period, the Group's other income and gains amounted to approximately RMB25.11 million, representing a decrease of approximately 59.8% from RMB62.41 million in the corresponding period of 2025, primarily attributable to a decrease in gains from government grant during the Reporting Period, an increase in foreign exchange losses, and the absence of gain from disposal of a subsidiary in the Reporting Period which was recognized in the corresponding period of last year.

Selling and Distribution Expenses

During the Reporting Period, the Group's selling and distribution expenses amounted to approximately RMB762.75 million, representing an increase of approximately 58.8% from RMB480.22 million in the corresponding period of 2025, primarily attributable to an increase in marketing and promotional expenses resulting from enhanced investment in online channel marketing during the Reporting Period.

Administrative Expenses

During the Reporting Period, the Group's administrative expenses amounted to approximately RMB98.53 million, representing an increase of approximately 8.0% from RMB91.20 million in the corresponding period of 2025, primarily attributable to the consolidation of administrative expenses of Humana Medical Limited (喜曼拿醫療系統有限公司), which was acquired on June 30, 2025.

Research and Development Expenses

During the Reporting Period, the Group's research and development expenses amounted to approximately RMB52.01 million, representing an increase of approximately 29.9% from RMB40.05 million in the corresponding period of 2025, primarily attributable to the Company's continued increase in R&D investment, which led to higher staff remuneration arising from the recruitment of senior R&D talents, as well as an increase in R&D material costs associated with the advancement of R&D projects.

Share of Profits of Associates

Share of profits of associates represents our share of profits from equity interests in associates. During the Reporting Period, the Group's share of profits of associates amounted to approximately RMB-6.23 million, compared to RMB0.64 million for the same period in 2025, primarily due to an increase in losses from investments in associates accounted for using the equity method during the Reporting Period.

Finance Costs

During the Reporting Period, the Group's finance costs amounted to approximately RMB9.61 million, representing an increase of approximately 31.5% from RMB7.31 million in the corresponding period of 2025, primarily attributable to the increase in interest expenses on bank borrowings during the Reporting Period.

Other Expenses

During the Reporting Period, the Group's other expenses amounted to approximately RMB1.88 million, representing a decrease of approximately 13.8% from RMB2.18 million in the corresponding period of 2025, primarily attributable to a decrease in compensation and donations during the Reporting Period.

Fair Value Gains on Financial Assets at Fair Value through Profit or Loss

During the Reporting Period, the Group's fair value gains on financial assets at fair value through profit or loss amounted to approximately RMB19.85 million, representing an increase of approximately 80.7% from RMB10.98 million in the corresponding period of 2025, primarily attributable to the increase in market capitalization of companies in which the Company holds equity interests during the Reporting Period, contributing to higher fair value gains.

Income Tax Expense

During the Reporting Period, the Group's income tax expense amounted to approximately RMB40.87 million, representing an increase of approximately 23.8% from RMB33.02 million in the corresponding period of 2025. The increase was in line with the Group's profit growth trend and was primarily attributable to the increase in revenue.

Profit for the Period

In light of the foregoing factors, the Group recorded a profit of approximately RMB203.20 million during the Reporting Period, representing an increase of approximately 21.9% from RMB166.64 million in the corresponding period of 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Analysis of Cash Flow

Net Cash Flows from Operating Activities

During the Reporting Period, the Group's net cash flows from operating activities amounted to approximately RMB262.41 million, representing a decrease of approximately 25.3% from RMB351.43 million in the corresponding period of 2025, primarily attributable to the increase in purchase of goods and payments for marketing and promotional expenses during the Reporting Period.

Net Cash Flows from Investing Activities

During the Reporting Period, the Group's net cash flows from investing activities amounted to approximately RMB322.77 million, representing an increase of approximately 591.0% from RMB46.71 million in the corresponding period of 2025, primarily attributable to the decrease in purchases of wealth management products and payments for investment acquisitions during the Reporting Period.

Net Cash Flows from Financing Activities

During the Reporting Period, the Group's net cash flows from financing activities amounted to approximately RMB486.34 million, representing an increase of approximately 223.0% from RMB-395.39 million in the corresponding period of 2025, primarily attributable to the proceeds from listing of H Shares received during the Reporting Period.

Liquidity and Sources of Funding for Operations

During the Reporting Period, the Group primarily funded its working capital through cash and cash equivalents, cash flows generated from operating activities, available bank loans and banking facilities, as well as the net proceeds from the global offering (details of which are set out in the prospectus).

The Group has adopted a prudent treasury management policy to maintain a sound liquidity position. The Group regularly monitors its own cash flows, cash balances and funding requirements to support its business operational needs.

The Group's current assets increased from RMB3,835.32 million as at December 31, 2025 to RMB4,637.82 million as at June 30, 2026, primarily due to an increase in cash and bank deposits and inventories. The Group's current ratio, calculated as current assets divided by current liabilities as at the end of a given period, increased from 2.41 as at December 31, 2025 to 2.63 as at June 30, 2026.

Capital Management

Our primary objectives in capital management are to safeguard our ability to continue as a going concern and to maintain a healthy capital ratio to support business development and maximize shareholder value.

We manage and adjust our capital structure in light of economic conditions and the change in risk characteristics of the underlying assets. To maintain or adjust the capital structure, we may, among other measures, adjust share repurchases and profit distributions to shareholders. During the Reporting Period, the overall capital management strategy remained unchanged. As at June 30, 2026, our gearing ratio (calculated as total liabilities divided by total assets) was 25.4%, as compared with 26.0% as at December 31, 2025.

Liquidity and Capital Resources

During the Reporting Period, the Group's cash generated from operating activities amounted to RMB2,247.42 million, as compared with RMB1,633.83 million in the corresponding period of 2025.

As at June 30, 2026, the Group's cash and bank deposits amounted to RMB2,475.49 million, comprising cash and bank balances of RMB2,392.87 million and restricted cash of RMB82.62 million, representing an increase of 74.1% from RMB1,421.70 million as at December 31, 2025.

As at June 30, 2026, the Group's interest-bearing bank loans and other borrowings amounted to RMB758.26 million, comprising long-term borrowings of RMB0.00 million and short-term borrowings of RMB758.26 million, representing an increase of 8.3% from RMB699.83 million as at December 31, 2025, primarily attributable to the increase in short-term bank borrowings obtained to replenish daily working capital during the Reporting Period. All borrowings are denominated in RMB, of which fixed-rate borrowings amounted to RMB758.26 million. The Group did not implement any interest rate hedging policy.

As at June 30, 2026 and December 31, 2025, none of the Group's borrowings were secured by assets.

As at June 30, 2026, the Group's cash and cash equivalents amounted to RMB2,350.78 million, representing an increase of 81.6% from RMB1,294.58 million as at December 31, 2025.

Capital Expenditure

The Group's capital expenditure primarily comprised cash used for the purchase of items of property, plant and equipment and intangible assets. During the Reporting Period, the Group's capital expenditure amounted to approximately RMB81.40 million, as compared with RMB93.39 million in the corresponding period of 2025.

Foreign Exchange Risk Management

Foreign exchange risk refers to the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in foreign exchange rates.

The Group's exposure to foreign exchange risk arises primarily from Hong Kong dollars and US dollars held or for transactions. As at the end of the Reporting Period, the Group did not use any derivative contracts to hedge against foreign exchange risk. We manage our foreign exchange risk by closely monitoring the net foreign exchange exposure to mitigate the impact of foreign exchange fluctuations.

Capital Commitments

The Group's capital commitments represent those contracted but not provided for in the interim financial information in respect of property, plant and equipment. As at June 30, 2026, the Group's significant capital commitments amounted to RMB156.18 million, as compared with RMB203.67 million as at December 31, 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

In the second half of 2026, the Company will remain committed to its innovation-driven development strategy, addressing the full-lifecycle needs of personal health management. It will continue to focus on its core segments, respiratory support, health monitoring, rehabilitation aids and medical care, and resolutely advance its core category strategy, while steadily enhancing its capabilities in R&D and innovation, brand operations, channel development, global expansion and lean operations. By proactively capturing the opportunities arising from an ageing population, chronic disease management, household health and the ongoing industrial upgrading of the medical device sector, the Company is poised to sustain its high-quality development trajectory.

In terms of products and R&D, the Company will remain market demand-oriented, continue to scale up R&D investment, drive the deep integration of artificial intelligence with home-use medical devices, accelerate the upgrading and iteration of core products, and refine its product portfolio across key categories, with a view to continuously enhancing product performance, quality and user experience. The Company will also step up R&D efforts in key technologies and the commercialization of innovation outcomes, deepen industrial synergies, and steadily advance product registrations, certifications and market roll-outs in priority segments, further strengthening its in-house innovation capabilities and core competitiveness.

In terms of market expansion, the Company will continue to leverage its omnichannel operational strengths and further enhance its integrated online and offline operating capabilities. Online, the Company will continue to deepen its presence across diverse channels, including traditional e-commerce, interest-driven e-commerce and private domain operations, while steadily refining its precision operational capabilities. Offline, the Company will continue to strengthen its channel presence through pharmacy chains and self-operated health stores, further improve its service framework covering pre-sales consultation, product delivery, professional services and after-sales support, and consistently enhance its customer service capabilities and brand influence, driving a steady increase in market share across its core categories.

In terms of global expansion, the Company will leverage the strengths of its "A+H" dual capital market platform to further enhance its worldwide business presence, deepen international channel development, advance overseas registrations and certifications of its key products, and continuously elevate its international operational capabilities and brand influence, with a view to proactively expanding into overseas markets and strengthening its global competitiveness.

In terms of operational management, the Company will continue to drive digital and intelligent transformation and lean operations, further optimize its supply chain system and smart manufacturing capabilities, and enhance the synergistic efficiency of the entire value chain spanning R&D, procurement, production, warehousing, logistics and marketing, while steadily refining resource allocation and product mix to improve operational efficiency and business quality. Concurrently, the Company will further strengthen organizational capabilities, deepen industrial synergies and post-investment integration, and fully unlock the synergistic benefits of its industrial footprint, providing solid support for its sustainable development.

With the continued implementation of the Healthy China strategy, an ageing population and rising consumer demand for health-related products and services, the household medical device industry is poised for significant growth ahead. The Company will stay focused on its long-term vision, remain steadfastly committed to its core businesses, continue to strengthen its in-house innovation capabilities and overall competitiveness, and steadily execute its strategic plans, with the goal of building a globally competitive integrated smart health solutions provider and generating long-term, sustainable value for its shareholders.

CORPORATE GOVERNANCE/OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Company's shareholders (the "**Shareholders**") and to enhance corporate value and accountability. The Company has adopted the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**") as the basis of its corporate governance practices.

Since the Listing Date and up to the date of this interim report, the Company has complied with all the code provisions of the CG Code, save for the deviations set out below, and has adopted most of the recommended best practices contained therein.

SEPARATION OF THE ROLES OF CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

Pursuant to code provision C.2.1 of the CG Code, the roles of the chairman of the Board and the chief executive officer should be separate and should not be performed by the same individual.

Mr. ZHANG Min is the Chairman of the Board and the President of the Company. Leveraging his extensive experience in management, Mr. ZHANG Min is responsible for the overall management and operations of the Company. Although the roles of Chairman and President of the Company are both vested in Mr. ZHANG Min, which constitutes a deviation from code provision C.2.1 of the CG Code, the Board considers that the dual roles assumed by Mr. ZHANG Min enables the effective management of the Company and the development of its business, which is in the best interests of the Company, and that Mr. ZHANG Min will continue to provide the Company with strong and consistent leadership. This structure enables the Company to make and execute decisions efficiently. The operations of the Board and the senior management team, both of which are composed of experienced and diverse individuals, ensure a balance of power and authority. The Board currently comprises four executive Directors and three independent non-executive Directors. As such, the composition of the Board provides strong independence. Save as disclosed above, the Company intends to comply with all code provisions of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

Following the listing, the Company has adopted the Model Code as its code of conduct regarding securities transactions by the directors of the Company (the "**Directors**"). Upon specific enquiry to the Directors, all of them have confirmed that they have complied with the standards set out in the Model Code from the Listing Date up to the date of this interim report.

The Company has also established written guidelines on terms no less exacting than the Model Code (the "**Guidelines**") for securities transactions by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to code provision C.1.3 of the CG Code. No incident of non-compliance with the Guidelines by the Company's relevant employees has been noted from the Listing Date up to the date of this interim report after making reasonable enquiry.

CORPORATE GOVERNANCE/OTHER INFORMATION

INTERIM DIVIDEND

Based on the Company's 2026 interim financial statements (unaudited), the Company recorded net profit attributable to Shareholders of the listed company of RMB202.26 million for the first half of 2026, while the net profit of the parent company for the same period amounted to RMB97.17 million. As at June 30, 2026, the cumulative undistributed profits contained in the Company's consolidated financial statements amounted to RMB716.27 million, while the cumulative undistributed profits of the parent company were RMB230.61 million. In accordance with the principle that the amount available for distribution shall be subject to the lower of the profits as contained in the consolidated financial statements and the financial statements of the parent company, the Company's profits available for distribution for the first half of 2026 amounted to RMB230.61 million. The Company has made provision for the statutory surplus reserve fund in accordance with the Company Law of the People's Republic of China and the provisions of the Articles of Association.

The 2026 interim profit distribution plan is as follows: the Company proposes to distribute cash dividends of RMB6 (tax inclusive) for every 10 shares held by all the Shareholders based on the total number of shares as at the record date fixed for the implementation of the 2026 interim dividend distribution after deduction of the number of shares in the Company's special securities accounts designated for repurchase. No conversion of capital reserve fund into share capital or bonus issue will be made. Calculated preliminarily based on the total number of shares of 227,129,319, which is arrived at after deducting the 8,767,681 repurchased shares in the Company's special securities accounts designated for repurchase from the total number of shares of 235,897,000 as at August 28, 2026, the record date, it is estimated that the interim cash dividend payouts amount to RMB136.28 million (tax inclusive).

In case of any change in the share capital of the Company from the date on which the profit distribution plan is announced to the record date fixed for the implementation of the profit distribution, adjustments will be made to the total cash payouts based on the total number of shares eligible for distribution as at the record date while maintaining the cash payout ratio unchanged.

The cash dividends, as denominated and declared in Renminbi, will be paid in Renminbi for A Shares and in Hong Kong dollars for H Shares. The foreign exchange rate of Hong Kong dollars against Renminbi will be subject to the average central parity rate quoted by the People's Bank of China for the five business days preceding the date on which the profit distribution plan is resolved at the general meeting of the Company.

The 2026 interim profit distribution plan is subject to consideration at the general meeting of the Company. It is expected that the interim dividend will be paid to the Shareholders no later than November 17, 2026 (inclusive). For information regarding the closure of register of members of H Shares for the purpose of distributing the 2026 interim dividend and relevant tax relief, please refer to the circular of the Company dated August 28, 2026.

TAXATION PAYABLE ON 2026 INTERIM DIVIDEND

Taxation

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and its implementation regulations (the "**EIT Law**"), the tax rate of the enterprise income tax applicable to the income of a non-resident enterprise deriving from the PRC is 10%. For this purpose, any H shares registered under the name of non-individual enterprise, including the H shares registered under the name of HKSCC Nominees Limited, other nominees or trustees, or other organizations or entities, shall be deemed as shares held by non-resident enterprise shareholders (as defined under the EIT Law). The Company will distribute the dividend to those non-resident enterprise Shareholders subject to a deduction of 10% enterprise income tax withheld and paid by the Company on their behalf.

Any resident enterprise (as defined under the EIT Law) which has been legally incorporated in the PRC or which was established pursuant to the laws of foreign countries (regions) but has established effective administrative entities in the PRC, and whose name appears on the Company's H Share register should deliver a legal opinion ascertaining its status as a resident enterprise furnished by a qualified PRC lawyer (with the official chop of the law firm issuing the opinion affixed thereon) and relevant documents to the H Share Registrar, Tricor Investor Services Limited, in due course, if they do not wish to have the 10% enterprise income tax withheld and paid on their behalf by the Company.

Pursuant to the Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Guoshuifa (1993) No. 045 Document (《關於國稅發(1993) 045號文件廢止後有關個人所得稅徵管問題的通知》) (the "**Notice**") issued by the State Administration of Taxation on June 28, 2011, the dividend to be distributed by the PRC non-foreign invested enterprise which has issued shares in Hong Kong to the overseas resident individual shareholders, is subject to the individual income tax with a tax rate of 10% in general. However, the tax rates for respective overseas resident individual shareholders may vary depending on the relevant tax agreements between the countries of their residence and the PRC. Thus, a 10% individual income tax will be withheld from the dividend payable to any individual Shareholders of H Shares whose names appear on the H Share register of members of the Company on the record date, unless otherwise stated in the relevant taxation regulations, tax treaties or the Notice.

The Company assumes no responsibilities whatsoever in respect of and will not entertain any claim arising from any delay in, or inaccurate determination of the status of the Shareholders or any disputes over the mechanism of withholding.

Profit distribution to investors of Northbound Trading

For investors of the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A Shares listed on the SZSE (the "**Northbound Trading**"), their dividends will be distributed in Renminbi by the Company through the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such shares. The Company will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to the tax authorities for the withholding. For investors of Northbound Trading who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

The record date, the date of distribution of cash dividends and other timeline arrangements for the investors of Northbound Trading will be the same as those for the holders of A Shares of the Company.

Profit distribution to investors of Southbound Trading

For investors of the SZSE (including enterprises and individuals) investing in the H Shares listed on the Hong Kong Stock Exchange (the "**Southbound Trading**"), the Company has entered into the "Agreement on the Distribution of Cash Dividends on H Shares under Southbound Trading (《港股通H股股票現金紅利派發協議》)" with each of the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited and Shanghai Branch of China Securities Depository and Clearing Corporation Limited, respectively. China Securities Depository and Clearing Corporation Limited, as the nominee holder of H Shares under Southbound Trading on behalf of the investors, will receive the cash dividends distributed by the Company and disburse such cash dividends to the relevant investors in H Shares under Southbound Trading through its clearing and settlement system.

Cash dividends payable to investors of H Shares under Southbound Trading will be paid in Renminbi. The record date, the date of distribution of cash dividends and other timeline arrangements for the investors under Southbound Trading will be the same as those for the holders of H Shares of the Company. Pursuant to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2014]81號)》) and Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2016]127號)》), for dividends received by domestic individual investors from investing in H Shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the Company shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H Shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The Company will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Shareholders are advised to consult their tax consultants regarding the tax impacts in the PRC, Hong Kong and other countries (regions) for holding and selling the Company's shares.

CLOSURE OF THE REGISTER OF MEMBERS

To determine the entitlement of H shareholders to the interim cash dividends, the H share registrar will be closed from September 24, 2026 to September 28, 2026 (both days inclusive), during which period no transfer of H Shares will be registered. H shareholders whose names appear on the register of members of H Shares on September 28, 2026 are entitled to the cash dividends. In order to be entitled to receive the cash dividends, all instruments of transfers in respect of H Shares, must be lodged for registration with the H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on September 23, 2026.

CORPORATE GOVERNANCE/OTHER INFORMATION

SUBSEQUENT EVENTS

At the 7th meeting of the third session of the Board held on June 26, 2026, and the 2026 second extraordinary general meeting of the Company held on July 20, 2026, the resolution on the Repurchase of the Company's A Shares for Cancellation and Reduction of Registered Capital was considered and approved. The Company proposes to repurchase certain of its Renminbi-denominated ordinary shares (A Shares) in issue with its own funds and special loan funds for repurchase of A Shares by way of centralized auction trading. The repurchase amount shall not be lower than RMB100.00 million (inclusive) or higher than RMB200.00 million (inclusive), the repurchase price shall not exceed RMB69.66/share, and the implementation period of the repurchase of A Shares shall be 12 months from the date of consideration and approval of the share repurchase plan at the shareholders' general meeting of the Company. Subsequent to June 30, 2026, the Company repurchased 1,571,800 A Shares through its special securities accounts designated for repurchase by way of centralized auction trading, accounting for 0.75% of the total number of A Shares, at the highest and lowest repurchase prices of RMB54.68/share and RMB50.60/share, respectively, and with the total consideration of RMB83.32 million (excluding transaction costs).

The Company proposes to distribute the 2026 interim dividends, details of which are set out in "Interim Dividend" in this interim report.

Save as disclosed above, there were no other significant subsequent events.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at June 30, 2026, the Company did not have any future plans for material investments or capital assets.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There was no significant investment, material acquisition and disposal of subsidiaries, associates and joint ventures by our Group during the Reporting Period. In addition, save as disclosed in this interim report and save for the expansion plans as disclosed in the sections headed "Business" and "Future Plans and Use of Proceeds" in the Prospectus, there were no specific plan authorized by the Board for other material investments or acquisition of capital assets as of June 30, 2026. However, our Group will continue to identify new opportunities for business development.

CONTINGENT LIABILITIES

As at June 30, 2026, the Company had no significant contingent liabilities.

CHARGES ON ASSETS

As at June 30, 2026, the Company did not have any charges on its assets.

PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER

During the Reporting Period, Changsha Xiezihao Medical Investment Co., Ltd., the Company's Controlling Shareholder, pledged 8,000,000 A Shares held by it for the purpose of replenishing working capital. For further details, please refer to the announcement of the Company dated June 18, 2026.

CORPORATE GOVERNANCE/OTHER INFORMATION

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

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

At the 4th meeting of the third session of the Board held on April 14, 2026, the Resolution on the Share Repurchase Plan of the Company was considered and approved. The Company proposed to utilize its own funds to repurchase the Company's Renminbi-denominated ordinary shares (A Shares) by way of centralized auction trading for the purpose of implementing an employee share ownership plan or as equity incentive. The proposed repurchase amount shall not be lower than RMB100.00 million (inclusive) or higher than RMB200.00 million (inclusive) and the repurchase price shall not exceed RMB86.60/share (inclusive). The aforesaid repurchase of A Shares took place before the listing of the H Shares on the Hong Kong Stock Exchange. As of June 25, 2026, the repurchase plan has been implemented with a total of 3,317,150 A Shares repurchased, accounting for 1.59% of the total number of A Shares, at the highest and lowest repurchase prices of RMB58.944/share and RMB51.57/share, respectively, and with the total consideration of RMB180.99 million (excluding transaction costs). For further details, please refer to the overseas regulatory announcement of the Company dated June 25, 2026.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period.

AUDIT COMMITTEE

The Board has established an audit committee (the "**Audit Committee**") comprising two independent non-executive Directors, namely Ms. SHEN Nan and Mr. NING Huabo, and one executive Director, Mr. ZHANG Zhiming. Ms. SHEN Nan, being the chairperson of the Audit Committee, holds the appropriate professional qualifications as required by Rules 3.10(2) and 3.21 of the Hong Kong Listing Rules. The primary duties of the Audit Committee are to assist the Board in communication, supervision and verification relating to the internal and external audits of the Company, and to discharge such other duties and responsibilities as may be delegated by the Board.

The Audit Committee, together with the management of the Company, has reviewed the accounting principles and practices adopted by the Company and discussed matters in respect of risk management and internal control of the Company and the unaudited interim results of the Company for the six months ended June 30, 2026, and is of the view that such results have been prepared in accordance with the applicable accounting standards and requirements, and that adequate disclosures have been made. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Company.

The interim results of the Company for the six months ended June 30, 2026 are unaudited and have not been reviewed by the external auditor of the Company.

CHANGES IN DIRECTORS' INFORMATION

Upon specific enquiry made by the Company and confirmation received from the Directors, there has been no change or update in the information of the Directors which is required to be disclosed under Rule 13.51B(1) of the Listing Rules from the Listing Date up to the date of this interim report.

CORPORATE GOVERNANCE/OTHER INFORMATION

USE OF PROCEEDS FROM GLOBAL OFFERING

H Shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on May 6, 2026. The net proceeds from listing (after deducting underwriting commissions and related expenses) amounted to approximately HK$1,007.1 million. A total of 27,000,000 H Shares with a par value of RMB1.00 each were issued through global offering, with the offer price of HK$39.33 per H Share and the net price of approximately HK$37.30 per H Share. The Company intends to apply the net proceeds in the same manner and proportions as set out in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated April 27, 2026 (the "**Prospectus**"), and there has been no change to the intended use of the net proceeds and the expected timeline. The table below sets forth the utilization of the net proceeds as at June 30, 2026:

Designated use of net proceeds	As a percentage of net proceeds allocated to designated use (%)	Net proceeds from the global offering (HK$ million)	Amount utilized as at June 30, 2026 (HK$ million)	Unutilized amount as at June 30, 2026 (HK$ million)	Expected timeline for full utilization of net proceeds
Global Expansion	**30**	**302.1**	**0.1**	**302.0**	
Promoting overseas sales channels and distribution network establishment	20	201.4	0.1	201.3	By the end of 2028
Potential strategic investments and acquisition opportunities globally	10	100.7	0.0	100.7	By the end of 2027
Product Research and Development and Technological Innovation	**30**	**302.1**	**0.7**	**301.4**	
Developing the next-generation intelligent respiratory and oxygen-generating products	10	100.7	0.1	100.6	By the end of 2028
Funding the R&D of our home-based POCT products	10	100.7	0.1	100.6	By the end of 2028
Upgrading the digitalization and intelligence functions of our medical products	10	100.7	0.6	100.1	By the end of 2028
Expanding our Domestic Sales Channels and Distribution Network	**20**	**201.4**	**35.5**	**165.9**	
Strengthening our online sales channels	10	100.7	34.5	66.2	By the end of 2028
Further construction of our offline sales channels	10	100.7	1.1	99.6	By the end of 2028
Branding and Marketing Activities	**10**	**100.7**	**0.0**	**100.7**	
Marketing Activities	7	70.5	0.0	70.5	By the end of 2028
Building brand awareness	3	30.2	0.0	30.2	By the end of 2028
Working capital and general corporate purposes	**10**	**100.7**	**40.6**	**60.1**	By the end of 2028
Total	**100**	**1,007.0**	**76.9**	**930.1**	

Note: In the above table, the difference in the last decimal place between the total and the direct sum of addends, if any, is a result of rounding.

The expected timeline for the use of the unutilized net proceeds is based on the Company's best estimate using the latest information available as at the date of this report. The company currently does not anticipate any changes to the purposes and proportions previously disclosed in the Prospectus, subject to any adjustments required by business development needs and market changes.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at June 30, 2026, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	Class of shares	Capacity/ Nature of interest	Number of shares held	Approximate percentage of total issued shares (A Shares and H Shares) (%)	Approximate percentage of total issued shares of the same class (%)	Long position/ Short position
ZHANG Min	A Shares	Beneficial owner	12,114,881	5.14	5.80	Long position
	A Shares	Interest of spouse [3]	3,485,739	1.48	1.67	Long position
	A Shares	Interest in controlled corporation [3]	97,194,804	41.20	46.53	Long position
ZHANG Zhiming	A Shares	Beneficial owner	7,268,928	3.08	3.48	Long position
	A Shares	Interest in controlled corporation [2]	12,114,881	5.14	5.80	Long position
XUE Xiaoqiao	A Shares	Beneficial owner	108,750	0.05	0.05	Long position
	A Shares	Unlisted derivatives [4]	140,000	0.06	0.07	Long position
HE Bangjie	A Shares	Beneficial owner	108,750	0.05	0.05	Long position
	A Shares	Unlisted derivatives [5]	140,000	0.06	0.07	Long position

Notes:

(1) As at June 30, 2026, the Company had an aggregate of 235,897,000 shares in issue, comprising 208,897,000 A Shares and 27,000,000 H Shares.

(2) As at June 30, 2026, Mr. ZHANG Zhiming directly held 12,114,881 A shares in Changsha Keyuan, representing 40% of the equity interest of Changsha Keyuan.

(3) Ms. NIE Juan is the spouse of Mr. ZHANG Min. As at June 30, 2026, Changsha Xiezihao was held as to 90% and 10% by Mr. ZHANG Min and Ms. NIE Juan, respectively. Mr. ZHANG Min is the executive partner and general partner of Changsha Keyuan, holding 5% partnership interest therein, while Ms. NIE Juan is a limited partner of Changsha Keyuan, holding 55% partnership interest therein. Accordingly, by virtue of the SFO, each of Mr. ZHANG Min and Ms. NIE Juan is deemed to be interested in the 85,079,923 A Shares held by Changsha Xiezihao and the 12,114,881 A Shares held by Changsha Keyuan.

(4) Such shares refer to the maximum of 140,000 shares which Mr. XUE Xiaoqiao is entitled to receive upon the exercise of the A-share options granted to him under the 2024 Stock Incentive Scheme, subject to the terms and conditions of such options.

(5) Such shares refer to the maximum of 140,000 shares which Mr. HE Bangjie is entitled to receive upon the exercise of the A-share options granted to him under the 2024 Stock Incentive Scheme, subject to the terms and conditions of such options.

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

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at June 30, 2026, so far as the Directors were aware, the following persons (other than the Directors and the chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept under Section 336 of the SFO:

Name of Shareholder	Class of shares	Capacity /Nature of interest	Number of shares held	Approximate percentage of total issued shares (A Shares and H Shares) (%)	Approximate percentage of total issued shares of the same class (%)	Long position/ Short position
NIE Juan	A Shares	Beneficial owner	3,485,739	1.48	1.67	Long position
	A Shares	Interest of spouse (2)	12,114,881	5.14	5.80	Long position
	A Shares	Interest in controlled corporation (2)	97,194,804	41.20	46.53	Long position
Changsha Xiezihao Medical Investment Co., Ltd.	A Shares	Beneficial owner	85,079,923	36.07	40.73	Long position
Changsha Keyuan Tongchuang Enterprise Management Center (Limited Partnership)	A Shares	Beneficial owner	12,114,881	5.14	5.80	Long position
HWABAO TRUST CO, LTD	H Shares	Trustee (3)	1,390,700	0.59	5.15	Long position

Notes:

(1) As at June 30, 2026, the Company had an aggregate of 235,897,000 shares in issue, comprising 208,897,000 A Shares and 27,000,000 H Shares.

(2) Mr. ZHANG Min is the spouse of Ms. NIE Juan. As at June 30, 2026, Changsha Xiezihao was held as to 90% and 10% by Mr. ZHANG Min and Ms. NIE Juan, respectively. Mr. ZHANG Min is the executive partner and general partner of Changsha Keyuan, holding 5% partnership interest therein, while Ms. NIE Juan is a limited partner of Changsha Keyuan, holding 55% partnership interest therein. Accordingly, by virtue of the SFO, each of Mr. ZHANG Min and Ms. NIE Juan is deemed to be interested in the 85,079,923 A Shares held by Changsha Xiezihao and the 12,114,881 A Shares held by Changsha Keyuan.

(3) HWABAO TRUST CO, LTD, as trustee of HWABAO HONGTAI-OVERSEA INVESTMENT NO. 19 QDII SINGLE FUND TRUST, held 1,390,700 H Shares of the Company as at June 30, 2026.

Save as disclosed above, as at June 30, 2026, so far as the Directors were aware, no other person (other than the Directors and the chief executive of the Company) had any interest or short position in the shares or underlying shares of the Company which was required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which was required to be recorded in the register required to be kept under Section 336 of the SFO.

EMPLOYEES AND REMUNERATION

As at June 30, 2026, the Company had a total of 5,332 employees. During the Reporting Period, the Company's total employee remuneration (including but not limited to wages, salaries and bonuses, social security costs, housing benefits and other employee benefits) amounted to RMB326.07 million.

The remuneration packages of our employees include salaries, performance bonuses and other incentive schemes, and we continuously refine our remuneration and incentive policies through market benchmarking. In accordance with the labor laws and regulations of the PRC, we participate in and make contributions to various employee social security schemes, including housing, pension, medical, work-related injury, maternity, housing provident fund and unemployment insurance schemes. We have established an employee training and development system which covers general training in areas including corporate culture, employee rights and responsibilities, workplace safety, data security and other administrative aspects.

STOCK INCENTIVE SCHEME

During the Reporting Period, the Company had one stock incentive scheme in place, namely the 2024 Stock Incentive Scheme (A Shares) (the "**Scheme**"). Set out below is a summary of the principal terms of the 2024 Stock Incentive Scheme currently being implemented by the Company. The terms of the Scheme do not involve the granting of equity incentives by the Company after the listing of H Shares, and are therefore not subject to the requirements of Chapter 17 of the Hong Kong Listing Rules. The terms of the Scheme are summarized as follows:

1. Purpose

The purpose of the Scheme is to further establish and enhance the Company's long-term incentive mechanism, attract and retain outstanding talents, fully motivate the Company's employees, and effectively align the interests of the Shareholders, the Company and key personnel, so that all parties are committed to the long-term development of the Company.

2. Administration

The Scheme is subject to approval by the general meeting of the Company and shall be administered by the Board, which is responsible for the implementation of the Scheme. The Board has established a remuneration and appraisal committee under it, which is responsible for formulating and amending the Scheme and submitting the same to the Board for consideration. Upon approval of the Scheme by the Board, it shall be submitted to the general meeting for consideration and approval. The Board may handle other matters relating to the Scheme within the scope of authority delegated by the general meeting. The supervisory committee serves as the supervisory body of the Scheme (the Company considered and approved the new Articles of Association on August 26, 2025, which abolished the supervisory committee and vested the audit committee of the Board with the powers and functions of the supervisory committee as stipulated under the Company Law of the People's Republic of China).

3. Participants

The participants of the Scheme include (i) directors and senior management, and (ii) middle-level management and core technical (operational) personnel of the Company (including its subsidiaries), but exclude (i) independent directors, (ii) supervisors, and (iii) Shareholders who individually or collectively hold 5% or more of the Company's shares, or the actual controller of the Company and their respective spouses, parents and children.

4. Source and Number of Restricted Stocks to be Granted

The 2024 Stock Incentive Scheme adopts the Class II restricted stocks as the incentive instrument. The source of the underlying shares includes the Company's A ordinary shares repurchased from the secondary market and/or A ordinary shares of the Company to be issued to the participants by way of a private placement.

Under the 2024 Stock Incentive Scheme, a total of 6,633,000 restricted stocks were granted to the participants, of which 6,333,000 restricted stocks were granted under the initial grant and 300,000 restricted stocks were reserved for future grants.

As at the beginning and the end of the Reporting Period, apart from the equity incentives which had been granted under the Scheme and disclosed in this interim report, there were no additional equity incentives available for grant under the Scheme.

5. Grant Date and Validity Period of the Scheme

The grant date of the Scheme shall be determined by the Board after the Scheme has been considered and approved by the general meeting of the Company, and such grant date must be a trading day. The Company is required to grant the Class II restricted stocks to the participants and announce the same within 60 days after the approval of the Scheme by the general meeting.

The validity period of the Scheme shall commence from the date of the initial grant under the Scheme and end on the date on which all restricted stocks granted to the participants have vested or lapsed, subject to a maximum period not exceeding 60 months.

6. Conditions for Granting Equity Incentives

Equity incentives shall only be granted to eligible participants upon satisfaction of the following conditions:

(1) The Company has not experienced any of the following circumstances: (A) the audit report on the financial statements of the latest fiscal year was issued with an adverse opinion or disclaimer of opinion by certified public accountants; (B) the internal controls over financial reporting of the latest fiscal year were issued with an adverse opinion or disclaimer of opinion by certified public accountants; (C) the Company has failed to distribute profits in accordance with laws, regulations, its Articles of Association or public commitments within the 36 months immediately following its listing; (D) the grant of equity incentives is prohibited by applicable laws and regulations; or (E) other circumstances as determined by the CSRC.

(2) The participant has not experienced any of the following circumstances: (A) having been identified as an unsuitable person by a stock exchange within the last 12 months; (B) having been identified as an unsuitable person by the CSRC or its local offices within the last 12 months; (C) having been subject to administrative penalties or market entry bans imposed by the CSRC or its local offices within the last 12 months due to material violations of laws or regulations; (D) being disqualified from acting as a Director or senior management member of the Company under the Company Law; (E) being prohibited by applicable laws or regulations from participating in equity incentive schemes of listed companies; or (F) other circumstances as determined by the CSRC.

7. Lock-up Period

The lock-up arrangements of the Scheme shall be implemented in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, other relevant laws, regulations and normative documents, and the Articles of Association of the Company:

(1) If a participant is a Director or senior management member of the Company, the number of shares transferred by such participant during his/her tenure of office shall not exceed 25% of the total number of shares of the Company held by him/her in any given year, and such participant shall not transfer any shares of the Company held by him/her within six months after leaving office.

(2) If a participant is a Director or senior management member of the Company, any profit derived from the sale of shares of the Company held by him/her within six months of purchase, or from the purchase of shares of the Company within six months of sale, shall belong to the Company, and the Board shall recover such profit.

(3) During the validity period of the Scheme, if there are any changes to the relevant provisions governing the transfer of shares of the Company by Directors and senior management under the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, other relevant laws, regulations and normative documents, and the Articles of Association of the Company, such participants shall comply with the amended provisions when transferring the shares of the Company held by them.

8. Vesting of the Scheme

The Scheme will vest upon (i) the satisfaction of the conditions set out in paragraph 6 above; and (ii) the achievement of the performance targets prescribed under the relevant plan for both the Company and the participants. The equity incentives granted will vest in accordance with the following schedule after the expiry of the lock-up period:

(1) Vesting proportions and schedule of each tranche of the Class II restricted stocks granted under the initial grant

Vesting Schedule	Vesting Period	Vesting Proportions
First vesting tranche	From the first trading day following the 13th month after the date of initial grant to the last trading day falling within the 25th month after the date of initial grant	30%
Second vesting tranche	From the first trading day following the 25th month after the date of initial grant to the last trading day falling within the 37th month after the date of initial grant	35%
Third vesting tranche	From the first trading day following the 37th month after the date of initial grant to the last trading day falling within the 49th month after the date of initial grant	35%

(2) If the Class II restricted stocks reserved under the Scheme are granted before the date of disclosure (inclusive of the day) of the 2024 third quarterly report, the vesting proportions and schedule of each tranche of the reserved restricted stocks are set out in the table below:

Vesting Schedule	Vesting Period	Vesting Proportions
First vesting tranche	From the first trading day following the 12th month after the date of reserve grant to the last trading day falling within the 24th month after the date of reserve grant	30%
Second vesting tranche	From the first trading day following the 24th month after the date of reserve grant to the last trading day falling within the 36th month after the date of reserve grant	35%
Third vesting tranche	From the first trading day following the 36th month after the date of reserve grant to the last trading day falling within the 48th month after the date of reserve grant	35%

(3) If the Class II restricted stocks reserved under the Scheme are granted after the date of disclosure (inclusive of the day) of the 2024 third quarterly report, the vesting proportions and schedule of each tranche of the reserved restricted stocks are set out in the table below:

Vesting Schedule	Vesting Period	Vesting Proportions
First vesting tranche	From the first trading day following the 15th month after the date of reserve grant to the last trading day falling within the 27th month after the date of initial grant	50%
Second vesting tranche	From the first trading day following the 27th month after the date of reserve grant to the last trading day falling within the 39th month after the date of initial grant	50%

The Class II restricted stocks granted under the Scheme will vest in tranches at the prescribed proportions upon the satisfaction of the relevant vesting conditions by the participants. The vesting date must be a trading day and shall not fall within any prohibited period as stipulated by the CSRC and the SZSE.

9. Grant Price

The grant price of the Class II restricted stocks (including those under the reserve grant) is RMB16.60 each, being the price at which the participants may purchase the Company's A Shares repurchased from the secondary market and/or the Company's A ordinary shares to be issued to the participants by way of a private placement upon satisfaction of the vesting conditions.

The grant price of the Class II restricted stocks (including those under the reserve grant) shall not be lower than the par value of the shares, and shall not be lower than the higher of the following prices:

(1) 50% of the trading price of the Company's shares for the trading day immediately preceding the date of announcement of the Scheme (calculated as the total trading value of the shares on the preceding trading day divided by the total trading volume of the shares on the preceding trading day), being RMB16.60 per share;

(2) 50% of the average trading price of the Company's shares for the 20 trading days immediately preceding the date of announcement of the Scheme (calculated as the total trading value of the shares for the preceding 20 trading days divided by the total trading volume of the shares for the preceding 20 trading days), being RMB15.84 per share.

As at the date of disclosure of this interim report, the grant price has been adjusted to RMB11.92 per share.

10. Adjustments

Subject to the other terms and conditions of the Scheme, the number of equity incentives granted and/or the exercise price thereof may be adjusted upon the occurrence of certain events from the date of announcement of the Scheme up to the completion of the relevant registration or the vesting of the incentives by the participants. Such events include, as the case may be, (i) capitalization of capital reserves into share capital, issue of bonus shares, or share split; (ii) rights issue; (iii) share consolidation; (iv) dividend distribution; and (v) private placement.

Details of the movements under the 2024 Stock Incentive Scheme during the Reporting Period are set out below:

Name	Position	Number of 2024 Stock Incentive Awards Unvested at the Beginning of the Reporting Period	Grant Date of Unvested 2024 Stock Incentive Awards	Number of 2024 Stock Incentive Awards Granted During the Reporting Period	Grant Date of 2024 Stock Incentive Awards Granted During the Reporting Period	Number of 2024 Stock Incentive Awards Vested During the Reporting Period	Number of 2024 Stock Incentive Awards Cancelled During the Reporting Period in accordance with the Terms	Number of 2024 Stock Incentive Awards Cancelled During the Reporting Period in accordance with the Terms	Number of 2024 Stock Incentive Awards Unvested at the End of the Reporting Period
Initial Grant									
XUE Xiaoqiao	Executive Director, Vice President, Secretary of the Board	140,000	March 21, 2024	0	Not applicable	0	0	0	140,000
HE Bangjie	Executive Director	140,000	March 21, 2024	0	Not applicable	0	0	0	140,000
OUYANG Jie	Vice President	91,000	March 21, 2024	0	Not applicable	0	0	0	91,000
CHEN Wangpeng	Vice President	91,000	March 21, 2024	0	Not applicable	0	0	0	91,000
YU Xiangyu	Vice President	91,000	March 21, 2024	0	Not applicable	0	0	0	91,000
ZUO Hanqing	Vice President	91,000	March 21, 2024	0	Not applicable	0	0	0	91,000
QUANGANG YANG	Core R&D Personnel	196,000	March 21, 2024	0	Not applicable	0	0	0	196,000
PI XI	Core R&D Personnel	35,000	March 21, 2024	0	Not applicable	0	0	0	35,000
Other core personnel, management personnel, technical personnel and key personnel (308 individuals)		3,432,000	March 21, 2024	0	Not applicable	0	109,800	0	3,322,200
Reserve Grant									
Other core personnel, management personnel, technical personnel and key personnel (38 individuals)		300,000	March 18, 2025	0	Not applicable	0	16,000	0	284,000

Note: The table above is filled in based on relevant matters considered by the Board during the Reporting Period.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this interim report, during the period from the Listing Date up to June 30, 2026, neither the Company nor any of its subsidiaries was a party to any arrangement which would enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and no Director, or their respective spouse or children under the age of 18, had been granted any right to subscribe for the equity or debt securities of the Company or any other body corporate, or had exercised any such right.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	**2026 (Unaudited) RMB'000**	2025 (Unaudited) RMB'000
Revenue	4	**2,071,848**	1,495,764
Cost of sales		**(940,722)**	(747,987)
Gross profit		**1,131,126**	747,777
Other income and gains	4	**25,113**	62,408
Selling and distribution expenses		**(762,754)**	(480,220)
Administrative expenses		**(98,529)**	(91,197)
Research and development expenses		**(52,011)**	(40,049)
Impairment losses on financial assets, net		**(1,007)**	(1,192)
Fair value gains on financial assets at fair value through profit or loss		**19,846**	10,980
Other expenses		**(1,880)**	(2,180)
Finance costs		**(9,606)**	(7,311)
Share of (losses)/profits of associates		**(6,228)**	643
Profit before tax	5	**244,070**	199,659
Income tax expense	6	**(40,871)**	(33,016)
Profit for the period		**203,199**	166,643
Profit attributable to:			
Owners of the parent		**202,264**	167,388
Non-controlling interests		**935**	(745)
		203,199	166,643
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic (RMB)	8	**0.95**	0.82
Diluted (RMB)	8	**0.94**	0.81

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
PROFIT FOR THE PERIOD	**203,199**	166,643
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(6,576)**	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**196,623**	166,643
Attributable to:		
Owners of the parent	**196,503**	167,388
Non-controlling interests	**120**	(745)
	196,623	166,643

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 June 2026

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	**1,665,754**	1,664,984
Investment properties		**25,492**	27,962
Right-of-use assets		**376,250**	395,582
Goodwill		**368,912**	368,912
Other intangible assets		**33,570**	31,386
Trade receivables	10	**4,710**	4,932
Investments in associates		**278,184**	237,336
Financial assets at fair value through profit or loss		**5,962**	5,962
Other non-current assets		**18,069**	16,013
Deferred tax assets		**42,726**	40,525
Total non-current assets		**2,819,629**	2,793,594
CURRENT ASSETS			
Inventories		**787,797**	675,499
Trade and bills receivables	10	**422,668**	447,059
Prepayments, other receivables and other assets		**335,521**	267,258
Tax recoverable		**4,274**	2,644
Financial assets at fair value through profit or loss		**586,675**	1,016,829
Due from related parties		**25,400**	4,334
Restricted cash		**82,622**	76,042
Cash and bank balances		**2,392,866**	1,345,657
Total current assets		**4,637,823**	3,835,322

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 June 2026

	Notes	**30 June 2026 (Unaudited) RMB'000**	31 December 2025 (Audited) RMB'000
CURRENT LIABILITIES			
Trade and bills payables	11	**712,545**	568,033
Other payables and accruals		**196,232**	227,536
Contract liabilities		**26,918**	29,073
Due to related parties		**3,612**	2,081
Interest-bearing bank and other borrowings		**758,257**	699,830
Lease liabilities		**48,459**	58,313
Tax payable		**17,212**	3,900
Total current liabilities		**1,763,235**	1,588,766
NET CURRENT ASSETS		**2,874,588**	2,246,556
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,694,217**	5,040,150
NON-CURRENT LIABILITIES			
Lease liabilities		**60,937**	68,037
Deferred income		**59,214**	58,592
Deferred tax liabilities		**8,605**	7,750
Other non-current liabilities		**2,744**	2,882
Total non-current liabilities		**131,500**	137,261
Net assets		**5,562,717**	4,902,889
EQUITY			
Equity attributable to owners of the parent			
Share capital	12	**235,897**	208,897
Treasury shares		**(321,459)**	(140,471)
Reserves		**5,612,283**	4,798,432
		5,526,721	4,866,858
Non-controlling interests		**35,996**	36,031
Total equity		**5,562,717**	4,902,889

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the parent									
	Share capital RMB'000	Capital reserve* RMB'000	Share-based payment reserve* RMB'000	Statutory reserve* RMB'000	Treasury shares RMB'000	Other reserve* RMB'000	Retained earnings* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2025 (audited)	208,897	3,876,985	48,704	104,545	(140,471)	(1,548)	769,746	4,866,858	36,031	4,902,889
Profit for the period	–	–	–	–	–	–	202,264	202,264	935	203,199
Other comprehensive income for the year, net of tax	–	–	–	–	–	(5,761)	–	(5,761)	(815)	(6,576)
Total comprehensive income for the period	–	–	–	–	–	(5,761)	202,264	196,503	120	196,623
Issuance of ordinary H shares	27,000	853,148	–	–	–	–	–	880,148	–	880,148
Repurchase of A-shares	–	–	–	–	(180,988)	–	–	(180,988)	–	(180,988)
Capital reduction by non-controlling interests	–	(181)	–	–	–	–	–	(181)	(169)	(350)
Share-based payment expenses	–	–	10,403	–	–	–	–	10,403	14	10,417
Appropriations to statutory reserve	–	–	–	9,717	–	–	(9,717)	–	–	–
Dividend declared	–	–	–	–	–	–	(246,022)	(246,022)	–	(246,022)
At 30 June 2026 (unaudited)	235,897	4,729,952	59,107	114,262	(321,459)	(7,309)	716,271	5,526,721	35,996	5,562,717

	Attributable to owners of the parent								
	Share capital RMB'000	Capital reserve* RMB'000	Share-based payment reserve* RMB'000	Statutory reserve* RMB'000	Treasury shares RMB'000	Retained earnings* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2024 (audited)	209,092	3,903,568	27,389	104,545	(212,124)	764,127	4,796,597	5,753	4,802,350
Profit for the period	–	–	–	–	–	167,388	167,388	(745)	166,643
Total comprehensive income for the period	–	–	–	–	–	167,388	167,388	(745)	166,643
Capital injection from non-controlling shareholders	–	–	–	–	–	–	–	700	700
Acquisition of subsidiaries	–	–	–	–	–	–	–	31,013	31,013
Share-based payment expenses	–	–	17,529	–	–	–	17,529	27	17,556
Dividend declared	–	–	–	–	234	(244,071)	(243,837)	–	(243,837)
At 30 June 2025 (unaudited)	209,092	3,903,568	44,918	104,545	(211,890)	687,444	4,737,677	36,748	4,774,425

* These reserve accounts comprise the consolidated reserves of RMB5,612,283,000 (2025: RMB4,740,475,000) in the consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Notes	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		244,070	199,659
Adjustments for:			
Finance costs		9,606	7,311
Interest income	4	(14,076)	(12,203)
Dividend distribution costs		57	47
Fair value gains of financial assets at fair value through profit or loss	5	(19,846)	(10,980)
Gain on disposal of financial assets at fair value through profit or loss	4	(1,043)	(4,406)
Share of losses/(profits) of associates		6,228	(643)
Gain on disposal of subsidiaries	4	–	(9,344)
(Gains)/losses on disposal of items of property, plant and equipment and intangible assets, net	4	(47)	918
Gain on termination of leases, net	4	(553)	(340)
Losses on scrap of property, plant and equipment		142	–
Depreciation of property, plant and equipment	5	62,543	63,651
Depreciation of right-of-use assets	5	36,562	27,252
Amortization of intangible assets	5	2,342	2,316
Amortization of investment properties	5	1,790	373
Impairment of inventories	5	16,879	30,930
Impairment of financial assets		1,007	1,192
Share-based payment expense		10,417	17,556
Effect of foreign exchange differences, net		13,018	543
(Increase)/decrease in inventories		(129,177)	44,269
Decrease/(increase) in trade and bills receivables		6,574	(33,054)
(Increase)/decrease in prepayments, other receivables and other assets		(111,602)	52,766
Increase in trade and bills payables		144,512	29,774
Decrease in contract liabilities		(2,155)	(5,899)
Decrease in other operating liabilities		(7,375)	(25,363)
Cash generated from operations		269,873	376,325
Interest received		23,072	13,031
Income tax paid		(30,534)	(37,923)
Net cash flows from operating activities		262,411	351,433

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Notes	**2026 (Unaudited) RMB'000**	2025 (Unaudited) RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(76,989)**	(86,360)
Purchases of intangible assets		**(4,415)**	(7,025)
Proceeds from disposal of items of property, plant and equipment and intangible assets		**289**	5,682
Purchases of financial assets at fair value through profit and loss		**(358,000)**	(966,513)
Proceeds from maturity of financial assets through profit and loss		**808,964**	1,178,725
Acquisition of subsidiaries		**–**	(85,197)
Payments for additional investment in an associate		**(47,077)**	–
Disposal of subsidiaries		**–**	6,862
Rental receipts from investment properties		**–**	539
Net cash flows from investing activities		**322,772**	46,713
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of ordinary H shares relating to initial public offering, net of issuing costs		**909,929**	–
Capital injection from non-controlling shareholders		**–**	700
New interest-bearing bank and other borrowings		**987,550**	530,965
Repayment of interest-bearing bank and other borrowings		**(932,292)**	(658,449)
Dividends paid to the Company's shareholders		**(246,022)**	(244,071)
Payments for capital return to non-controlling shareholders		**(350)**	–
Payments for dividend distribution costs		**(57)**	(50)
Payments for bank acceptance note deposits		**–**	(56,895)
Refund of deposits for bank acceptance note		**–**	65,469
Repurchase of A-shares		**(181,006)**	
Payments for listing expenses		**(13,287)**	
Lease payments		**(33,802)**	(30,289)
Interest paid		**(4,326)**	(2,771)
Net cash flows from/(used in) financing activities		**486,337**	(395,391)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**1,071,520**	2,755
Cash and cash equivalents at beginning of period		**1,294,575**	1,139,986
Effect of foreign exchange differences, net		**(15,315)**	(543)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**2,350,780**	1,142,198
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents		**2,350,780**	1,142,198
Interest receivables		**42,086**	36,627
Cash and bank balances as stated in the consolidated statements of financial position		**2,392,866**	1,178,825

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

1. CORPORATE INFORMATION

Cofoe Medical Technology Co., Ltd. is a joint stock company with limited liability established in the PRC. The registered office of the Company is located at No. 87, Section 1, Huanbao East Road, Yuhua District, Changsha City, Hunan Province. The Company's A shares have been listed on the Shenzhen Stock Exchange since October 2021.The Company's H-shares have been listed on The Stock Exchange of Hong Kong Limited since May 2026.

During the six months ended 30 June 2026, the Group was principally engaged in the manufacture, research and development, and sale of medical devices.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. 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 Accountants' Report disclosed in the prospectus of the Company dated April 27, 2026, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial 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*

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and impact of the amended IFRSs 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 AND REVENUE

For management purposes, the Group has only one reportable operating segment, which is the research and development, manufacture and sale of medical and wellness products. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

Revenue from external customers

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Chinese mainland	**1,861,907**	1,399,004
Other countries/regions	**209,941**	96,760
Total	**2,071,848**	1,495,764

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

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

(a) Revenue

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**2,071,848**	1,495,764

Revenue from contracts with customers

(i) Disaggregated revenue information

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Types of goods or services		
Sale of goods	**2,016,165**	1,447,766
Warehousing and transportation services and others	**55,683**	47,998
Total	**2,071,848**	1,495,764
Timing of revenue recognition		
Transferred at a point in time	**2,071,848**	1,495,764

4. REVENUE, OTHER INCOME AND GAINS (continued)

(b) Other income and gains

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Government grants	**16,385**	28,452
Bank interest income	**14,076**	12,203
VAT additional deduction	**3,470**	3,157
Others	**2,911**	6,186
Total other income	**36,842**	49,998
Gains, net		
Foreign exchange losses, net	**(13,372)**	(762)
Gain on disposal of subsidiaries	**–**	9,344
Gain on disposal of financial assets at fair value through profit or loss	**1,043**	4,406
Gains/(losses) on disposal of property, plant and equipment and intangible assets, net	**47**	(918)
Gain on termination of leases, net	**553**	340
Total (losses)/gains, net	**(11,729)**	12,410
Total other income and gains, net	**25,113**	62,408

5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold and services provided*	**940,722**	747,987
Depreciation of property, plant and equipment**	**62,543**	63,651
Depreciation of right-of-use assets**	**36,562**	27,252
Amortization of intangible assets**	**2,342**	2,316
Amortization of investment properties**	**1,790**	373
Impairment of inventories	**16,879**	30,930
Provision for trade and bills receivables	**2,083**	317
(Reversal of)/provision for impairment of prepayments and other receivables	**(1,077)**	875
Donations	**373**	491
Fair value gains on financial assets at fair value through profit or loss	**(19,846)**	(10,980)
Foreign exchange losses, net	**13,372**	762
Interest income	**(14,076)**	(12,203)
Government grants income	**(16,385)**	(28,452)
Gain on disposal of subsidiaries	**–**	(9,344)
Gain on disposal of financial assets at fair value through profit or loss	**(1,043)**	(4,406)
(Gains)/losses on disposal of property, plant and equipment and intangible assets, net	**(47)**	918
Gain on disposal of items of right-of-use assets, net	**(553)**	(340)
Wages, salaries and allowances	**272,148**	227,374
Pension scheme contributions and social welfare	**53,922**	52,373
Share-based payments	**10,417**	17,556

* Cost of inventories sold and services provided include impairment of inventories, sales related tax, 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.

** Depreciation of property, plant and equipment, right-of-use assets and amortization of intangible assets, investment properties exclude the amount capitalized in CIP.

6. INCOME TAX

The provision for Chinese mainland current income tax is based on the statutory rate of 25% (six months ended 30 June 2025: 25%) of the assessable profits of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008. The Company and certain of its PRC subsidiaries have been accredited as National High-tech Enterprises and are entitled to a preferential tax rate of 15% throughout the respective accreditation periods. In accordance with relevant PRC laws and regulations, certain subsidiaries qualify as Small and Low-profit Enterprises and are thereby eligible for preferential tax treatment.

Taxes on profits assessable elsewhere have been calculated at the tax rates prevailing in the jurisdictions in which the Group operates.

The income tax expense of the Group for the six months ended 30 June 2025 and 2026 is analyzed as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current	**42,217**	38,887
Deferred	**(1,346)**	(5,871)
Total tax charge for the period	**40,871**	33,016

7. DIVIDENDS

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Proposed interim – RMB0.60 per ordinary share	**136,278**	121,918

The proposed interim dividend for the period is subject to the approval of the Company's extraordinary general meeting.

The Board recommends the payment of an interim dividend of RMB6.0 per 10 shares (tax inclusive) to shareholders for the six months ended June 30, 2026 (June 30, 2025: RMB6 per 10 shares (tax inclusive)). On March 9, 2026, the Board approved a dividend of RMB12.0 per 10 shares (tax inclusive) for shareholders of A shares, totaling RMB246.0 million for the year ended December 31, 2025.

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

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares of 212,636,123 (six months ended 30 June 2025: 203,197,269) in issue during the period.

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent (RMB'000)	**202,264**	167,388
Shares		
Weighted average number of ordinary shares outstanding used in the basic earnings per share calculation ('000)	**212,636**	203,197
Basic earnings per share (RMB)	**0.95**	0.82

The calculation of the diluted earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent. The weighted average numbers of ordinary shares used in the calculations are the numbers of ordinary shares outstanding during the period, as used in the basic earnings per share calculation, and the weighted average numbers of restricted ordinary shares with a contingent non-market performance condition assumed to have been released upon vesting of all dilutive potential ordinary shares.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

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

	Number of shares	
	2026	2025
Earnings		
Profit attributable to ordinary equity holders of the parent (RMB'000)	**202,264**	167,388
Shares		
Weighted average number of ordinary shares used in the basic earnings per share calculation ('000)	**212,636**	203,197
Adjustment for the restricted A shares ('000)	**3,179**	2,388
Weighted average number of ordinary shares used in the diluted earnings per share calculation ('000)	**215,815**	205,585
Diluted earnings per share (RMB)	**0.94**	0.81

9. PROPERTY, PLANT AND EQUIPMENT

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Carrying value at beginning of the period (audited)	**1,664,984**	1,563,690
Additions	**64,847**	19,908
Acquisition of subsidiaries	**–**	99,658
Disposals	**(887)**	(6,924)
Disposal of a subsidiary	**–**	(149)
Depreciation charge	**(62,543)**	(63,651)
Exchange alignment	**(647)**	–
Carrying value at end of the period (unaudited)	**1,665,754**	1,612,532

10. TRADE AND BILLS RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current		
Trade receivables	4,958	5,192
Impairment	(248)	(260)
Subtotal	4,710	4,932
Current		
Trade and bills receivables	473,033	495,400
Impairment	(50,365)	(48,341)
Subtotal	422,668	447,059
Total	427,378	451,991

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	395,949	407,399
1 to 2 years	19,886	32,158
2 to 3 years	11,543	12,434
Total	427,378	451,991

11. TRADE AND BILLS PAYABLES

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	**689,576**	544,324
1 to 2 years	**9,103**	13,631
2 to 3 years	**4,104**	693
Over 3 years	**9,762**	9,385
Total	**712,545**	568,033

The trade payables are non-interest-bearing and are normally settled on terms within 30 to 90 days.

12. SHARE CAPITAL

	Number of shares	Share capital RMB'000
As at 1 January 2025	209,092,000	209,092
Repurchase and cancelation of restricted A-shares[(a)]	(195,000)	(195)
As at 31 December 2025, 1 January 2026	**208,897,000**	**208,897**
Issue of H shares[(b)]	**27,000,000**	**27,000**
As at 30 June 2026	**235,897,000**	**235,897**

Note:

(a) The Company convened the board of directors on 25 April 2025 and has approved the Proposal on Repurchasing and Canceling Certain Restricted Shares, which resolved that the Company repurchased and canceled 195,000 shares (with a nominal value of RMB1.00 each) as the performance target under above grant was not satisfied, resulting in a repurchase payment of RMB5,495,000. The Company derecognised the repurchase obligation correspondingly.

(b) The Company completed the listing of H-shares on the Stock Exchange of Hong Kong Limited on 6 May 2026 and issued 27,000,000 shares (with a nominal value of RMB1.00 each).

13. CONTINGENT LIABILITIES

As of 30 June 2026, the Group had no significant contingent liabilities.

14. COMMITMENTS

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Contracted, but not provided for Property, plant and equipment	**156,185**	203,671

15. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the period:

		For the six months ended 30 June	
	Notes	**2026 RMB'000 (Unaudited)**	2025 RMB'000 (Unaudited)
Sales of goods or services			
Associates	(i)	**25**	49
Purchase of goods or services			
Associates	(i)	**7,710**	1,215
Entity controlled by close relatives of Mr. Zhang Min		**1,213**	1,134
Other enterprise controlled by an entity of the same parent company		**34**	–
Total		**8,957**	2,349

Transaction with the related party was carried out in accordance with the terms and conditions mutually agreed by the parties involved.

15. RELATED PARTY TRANSACTIONS (continued)

(b) Outstanding balances with related parties

Particulars of amounts due from associates and a joint venture and a fellow subsidiary are as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Due from related parties		
Associates	25,339	4,165
Entity controlled by close relatives of Mr. Zhang Min	56	74
Other enterprise controlled by an entity of the same parent company	5	5
A subsidiary disposed of in 2025	–	90
Total	25,400	4,334
Due to related parties		
Associates	3,171	1,814
Entity controlled by close relatives of Mr. Zhang Min	441	232
A subsidiary disposed of in 2025	–	35
Total	3,612	2,081

The outstanding balances with related parties are all trade in nature.

(c) Compensation of key management personnel of the Group:

	For the six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Fees		
Salaries, allowances and benefits in kind	3,754	4,141
Performance related bonuses	972	1,000
Pension scheme contributions	32	42
Share-based payments	1,483	1,499
Total compensation paid to key management personnel	6,241	6,682

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The Management has assessed that the fair values of cash and cash equivalents, restricted cash, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, financial assets at fair value through profit or loss, trade and bills payables, financial liabilities included in other payables and accruals, lease liabilities and current portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments. The non-current portion of interest-bearing bank and other borrowings approximates to their carrying amounts mainly due to the floating interest rate.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, the finance department analyzes 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 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 financial assets at fair value through profit or loss, which mainly represent structured deposit products issued by banks. The fair values are based on cash flows discounted using the expected yield rate.

The Group has bills receivable measured at fair value through other comprehensive income. The Group has estimated the fair value of these bills receivable by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

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

Assets measured at fair value:

As at 30 June 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	**Significant observable inputs (Level 2) RMB'000 (Unaudited)**	**Significant unobservable inputs (Level 3) RMB'000 (Unaudited)**	**Total RMB'000 (Unaudited)**
Financial assets at fair value through profit or loss	**1,806**	**353,824**	**237,007**	**592,637**
Trade and bills receivables	**–**	**20,624**	**–**	**20,624**
Total	**1,806**	**374,448**	**237,007**	**613,261**

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	Total RMB'000 (Audited)
Financial assets at fair value through profit or loss	2,192	802,063	218,536	1,022,791
Trade and bills receivables	–	25,043	–	25,043
Total	2,192	827,106	218,536	1,047,834

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Assets measured at fair value: *(continued)*

The movements in fair value measurements within Level 3 during the period are as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Financial assets at fair value through profit or loss		
At 1 January	218,536	71,389
Changes in fair value	10,471	27,144
Purchases	8,000	120,003
Total	237,007	218,536

17. EVENTS AFTER THE REPORTING PERIOD

The Proposal of "Repurchase of A Shares for Cancellation and Reduction of Registered Capital" was approved at the 7th meeting of the third session of the Board of Directors and the 2026 second extraordinary general meeting. It was agreed that the Company will repurchase certain issued A shares using its own funds and special loan funds for share repurchase through centralized bidding trading, and all repurchased shares will be cancelled to reduce the registered capital. As at 31 July 2026, 1,571,800 A shares, representing 0.75% of the Company's total A share capital, had been repurchased through the designated securities account for repurchase by way of centralized bidding trading at prices ranging from RMB50.60 to RMB54.68 per share, with aggregate consideration of RMB83,322,160 (excluding transaction costs).

The Proposal of "2026 Interim Dividend Plan" was approved in the 8th meeting of the third session of director's meeting. It was agreed that the Company will distribute cash dividends amounting to RMB136,277,591. Based on the total share capital of 235,897,000 shares, excluding 8,767,681 shares held in the repurchase account, the effective share base is 227,129,319 shares. A cash dividend of RMB6.0 (tax inclusive) per 10 shares will be distributed to all shareholders. In case of any change in the share capital of the Company from the date on which the profit distribution plan is announced to the record date fixed for the implementation of the profit distribution, adjustments will be made to the total cash payouts based on the total number of shares eligible for distribution as at the record date while maintaining the cash payout ratio unchanged. Such proposed interim dividend is subject to the approval of the Company's shareholders at the extraordinary general meeting.