Shanghai Conant Optical Co., Ltd.

上海康耐特光學科技集團股份有限公司

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

Stock code : 2276

2026

Interim Report

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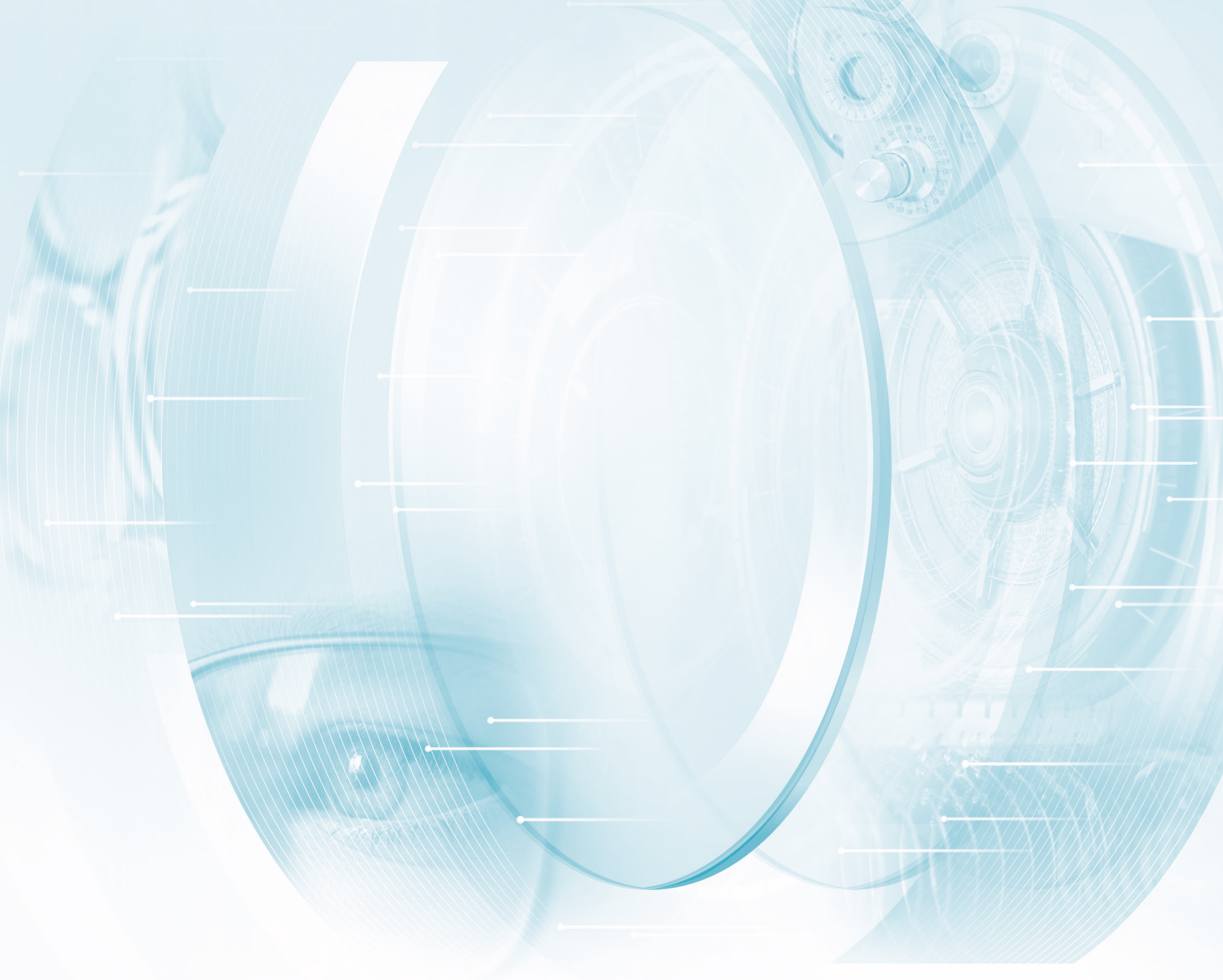

Corporate Information

Executive Directors	Mr. Fei Zhengxiang (Chairman) Mr. Zheng Yuhong Mr. Xia Guoping Mr. Chen Junhua Mr. Wang Chuanbao Ms. Cao Xue
Non-executive Directors	Ms. Zhao Xiaoyun Mr. Tian Kehan
Independent Non-executive Directors	Dr. Xiao Fei Mr. Chen Yi Dr. Wu Ying Mr. Jin Yiting
Supervisors	Mr. Xu Jingming Ms. Li Yan Mr. Tang Baohua
Joint Company Secretaries	Ms. Cao Xue Mr. Chan Pui Hang
Authorised Representatives	Mr. Fei Zhengxiang Mr. Chan Pui Hang
Audit Committee	Mr. Chen Yi (Chairman) Dr. Wu Ying Dr. Xiao Fei
Remuneration Committee	Dr. Wu Ying (Chairman) Dr. Xiao Fei Mr. Chen Junhua
Nominating Committee	Dr. Xiao Fei (Chairman) Mr. Chen Yi Mr. Xia Guoping

Strategy Committee	Mr. Fei Zhengxiang (Chairman) Dr. Xiao Fei Mr. Wang Chuanbao
Risk Management Committee	Mr. Fei Zhengxiang (Chairman) Mr. Zheng Yuhong Mr. Chen Yi
ESG Committee	Mr. Fei Zhengxiang (Chairman) Mr. Zheng Yuhong Mr. Xia Guoping
Registered Office, Headquarters and Main Place of Business in China	4th Floor, Building 35, No. 1–42, Lane 83, Hongxiang North Road, Lin-gang Special Area, China (Shanghai) Pilot Free Trade Zone, China
Main Place of Business in Hong Kong	1901A,1902 & 1902A, 19/F, New World Tower I, 16-18 Queen's Road Central, Central, Hong Kong
Company Website	www.conantoptical.com
Auditor	Deloitte Touche Tohmatsu LLC
H Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, China
Stock Code	2276
Legal Adviser	CLKW Lawyers LLP

Definitions

"Articles of Association"	refers to	the articles of association of the Company, as supplemented, amended or otherwise revised from time to time
"Audit Committee"	refers to	the Audit Committee of the Company
"BOD"	refers to	the Board of Directors
"Board of Supervisors"	refers to	the Board of Supervisors of the Company established pursuant to the Company Law of the PRC
"Corporate Governance Code"	refers to	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
"China" or "PRC"	refers to	the People's Republic of China, which, for the purpose of this Interim Report and for geographical reference only, excludes Hong Kong SAR, Macao SAR of the PRC and Taiwan Province, unless the context otherwise requires
"Company"	refers to	Shanghai Conant Optical Co., Ltd. (上海康耐特光學科技集團股份有限公司), a limited liability company incorporated in the PRC on 20 June 2018 and converted into a joint stock company with limited liability on 23 February 2021
"Connected Transaction(s)"	refers to	the meaning ascribed to it under the Hong Kong Listing Rules
"Controlling Shareholder(s)"	refers to	the meaning ascribed to it under the Hong Kong Listing Rules, and includes any person or group of persons entitled to exercise 30% or more of the voting power at general meetings or control the composition of a majority of the BOD, which as at the Latest Practicable Date comprised Mr. Fei
"Director(s)"	refers to	the director(s) of the Company
"ESG Committee"	refers to	the Environmental, Social and Governance Committee of the BOD

"Global Offering"	refers to	the Public Offering (as defined in the Prospectus) in Hong Kong and the International Offering (as defined in the Prospectus)
"Group", "we/us" or "our/ours"	refers to	the Company and its subsidiaries, or (where the context so requires) in respect of the period before the Company became the holding company of its present subsidiaries, such subsidiaries (as if they were subsidiaries of the Company at the relevant time) or the businesses acquired or operated by them or their predecessors (as the case may be)
"H Share(s)" or "Share(s)"	refers to	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HKD and listed on the Stock Exchange (stock code: 2276)
"Hong Kong"	refers to	the Hong Kong Special Administrative Region of the PRC
"HKD"	refers to	Hong Kong dollars and cents, the statutory currency of Hong Kong
"Hong Kong Listing Rules"	refers to	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)
"IFRSs"	refers to	International Financial Reporting Standards, including the standards, amendments and interpretations issued by the International Accounting Standards Board (IASB)
"Independent Third Party(ies)"	refers to	person(s) or company(ies) that, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is/are not connected person(s) (as defined in the Hong Kong Listing Rules) of the Company
"Latest Practicable Date"	refers to	29 August 2026, i.e., the latest practicable date prior to the bulk printing and publication of this Interim Report

"Listing"	refers to	the listing of the H Shares on the Main Board and commencement of trading
"Listing Date"	refers to	16 December 2021, i.e., the date on which the Listing took place
"Main Board"	refers to	the stock market (excluding the options market) which is administered by the Stock Exchange, and is independent from and operated in parallel with GEM of the Hong Kong Stock Exchange
"Model Code"	refers to	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Hong Kong Listing Rules
"Mr. Fei"	refers to	Mr. Fei Zhengxiang, the founder of the Group, chairman of the BOD, executive director, general manager of the Company and a Controlling Shareholder
"Nominating Committee"	refers to	the Nominating Committee of the Company
"PRC Company Law"	refers to	the Company Law of the People's Republic of China formulated by the Standing Committee of the 8th National People's Congress on 29 December 1993 and effective on 1 July 1994 (as amended, supplemented or otherwise modified from time to time)
"PRC GAAP"	refers to	the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance of the PRC
"Prospectus"	refers to	the prospectus of the Company dated 30 November 2021
"Remuneration Committee"	refers to	the Remuneration Committee of the Company
"Reporting Period"	refers to	the period of six months ended 30 June 2026
"Risk Management Committee"	refers to	the Risk Management Committee of the Company

"RMB"	refers to	Renminbi, the statutory currency of the PRC
"SFO"	refers to	the Securities and Futures Ordinance (Chapter 571 of the Legislation of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shareholder(s)"	refers to	holder(s) of the shares
"Stock Exchange"	refers to	the Stock Exchange of Hong Kong Limited
"Strategy Committee"	refers to	the Strategy Committee of the Company
"Supervisor(s)"	refers to	the Supervisor(s) of the Company
"%"	refers to	percent

Management's Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

Overview

We are a leading manufacturer of resin spectacle lenses in the People's Republic of China ("**PRC/China**"). By virtue of the production facilities at our three production bases, namely the Shanghai Production Base and the Jiangsu Production Base in the PRC, as well as the Sabae Production Base in Japan, the Group is capable of manufacturing resin spectacle lenses across a wide range of specifications. We provide our customers with a diverse range of resin spectacle lenses, encompassing standardised and custom-made lenses. We pride ourselves on our extensive and reliable customer network around the world, which includes a number of the most well-known spectacle lens brand owners and international ophthalmic optical companies. By virtue of our extensive experience in the spectacle lens industry, we are currently producing high-quality products and selling them in over 90 countries, including but not limited to the PRC, the United States, Japan, India, Australia, Thailand, Germany and Brazil.

During the first half of 2026, we experienced steady expansion in both our domestic and overseas operations, accompanied by sustained sales growth. Our total sales volume amounted to 101.3 million units, increasing by 8.9% YoY. Our revenue increased by 7.6% from RMB1,084.2 million for the six months ended 30 June 2025 to RMB1,167.1 million for the six months ended 30 June 2026, of which revenue generated from the XR business was approximately RMB50.5 million, representing a YoY increase of 1,475.3%. Our domestic revenue recorded a YoY increase of 14.1% to RMB410 million, while our overseas revenue increased by 4.4% YoY to RMB757 million. Benefiting from our proactive efforts to optimise our customer structure and develop high-quality customers, we've achieved a significant improvement in our revenue trends in Asian markets outside the PRC during the first half of the year, accompanied by an increase in profit margin. Our operations in the Americas have also recorded robust growth. We are dedicated to optimising resource allocation and business models, and to aligning production management with our philosophy of reducing costs and improving efficiency, thus contributing to our profit growth. Our net profit, excluding exchange rate movements, increased by 27.6% from RMB271.0 million for the six months ended 30 June 2025 to RMB345.7 million for the corresponding period of 2026. This was mainly attributable to: (i) the continued rise in the proportion of revenue from own brands; (ii) the rapid growth in the revenue from the segment of customized lens and smart glasses lens, along with a steady increase in the proportion of such revenue; and (iii) the upgrade of our automated production lines, which effectively improved both production and labour efficiency while reducing manufacturing costs.

Outlook

Since its Listing on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in 2021, the Company has been continuously committed to comprehensively enhancing its overall strength across multiple dimensions, covering technological R&D capability, production and operational efficiency, capacity layout and scale, and brand & market image. Relevant initiatives have achieved phased results, driving the Company to achieve relatively steady performance growth.

In the first half of this year, despite certain disruptions in raw materials for 1.74-refractive-index lenses, the Company's traditional vision care business still achieved a higher revenue growth rate compared to the second half of last year. The Company's revenue growth in key markets, including the Chinese Mainland, the United States and the Americas excluding the U.S., accelerated in the first half of this year. The Company's efforts to optimise its customer structure in Asian markets outside China have made notable progress. The Company's revenue in this market achieved sequential growth, and its profit margin also significantly improved compared with the second half of last year. Benefiting from the Company's continuous efforts to optimise its business model and the significant growth in the contribution of revenue from its XR business, the Company's profit margin further improved in the first half of this year.

After nearly three years of sustained investment and iteration, the Company has built a comprehensive and non-replicate leading advantage in the XR customised lens sector, encompassing five core capabilities: full optical route R&D reserves, in-house manufacturing of high-end ultra-thin lenses, flexible mass production and delivery at the million-unit level, one-stop services from lens integration to finished device shipment, and a global production capacity layout.

Leveraging the Neo Vision XR-dedicated lens production lines and cleanrooms established earlier, the Company has continued to undertake pilot and mass production orders from leading domestic and international customers. The Company is steadily delivering customised lenses for various key smart eyewear projects while simultaneously optimising production processes and techniques, fully preparing for the mass production of key overseas projects.

In the first half of the year, the Company completed several key strategic initiatives for industrial synergy: 1) In January, the Company's wholly-owned subsidiary Asahi Optical Co., Ltd. and Goeroptics established a joint venture, GoerView Technology (Hong Kong) Co., Limited, which focuses on the R&D and manufacturing of XR waveguide lenses, electrochromic components, and eye-tracking optoelectronic components. Leveraging the global consumer electronics customer resources of Goeroptics and the Company's optical lens technology, this joint venture specifically serves global customers outside Greater China; 2) In March, the Company made a strategic investment of RMB180 million in the AR unicorn Rokid, strengthening upstream and downstream collaboration with the leading domestic consumer AR company; 3) In early April, the Company completed the acquisition of the remaining 51% equity interest in Jiangsu Blue Optics Co., Ltd., achieving 100% wholly-owned control. The Company simultaneously initiated plant renovations and production line planning for Phase II and Phase III of XR operations, building a high-end precision machining base for XR lenses and substantially expanding medium- to long-term mass production capacity; at the Shanghai base, the Company plans to build four lens integration and complete-device packaging lines to meet the needs of domestic customers.

The Company also achieved significant breakthroughs with domestic and international customers in the first half of the year. The Company has cumulatively collaborated with approximately 20 leading domestic and international smart eyewear manufacturers on over 40 projects, and has signed long-term R&D or procurement framework agreements with key customers, covering multiple technical routes for optical waveguides and vision care solutions for smart eyewear. The Company has secured exclusive supply arrangements with two domestic customers: one for the exclusive supply of high-refractive-index ultra-thin waveguide prescription lenses and assembly services; and the other for undertaking the full process of customised myopia lenses, lens, and device encapsulation, while jointly exploring a new retail model for offline smart vision testing terminals; In addition, the Company is in the final sprint phase of mass production preparation for a key project with an international customer. Pre-research projects with two other leading international customers have also completed validation and are entering small-batch trial production and mass production preparation.

Looking ahead, the Company will focus its business operations on the following key areas:

1. Enhancing the smart manufacturing capabilities across multiple production bases. The Group will continue to promote smart manufacturing upgrades across its multiple production bases and optimise its production capacity structure, including but not limited to the Qidong Production Base and the Blue Optics Production Base in Jiangsu Province, in coordination with the Shanghai Production and Processing Base and the Asahi Optical Production Base in Japan. Among these, the automated production line for optical lab automation at the Japan Production Base commenced operations in the second half of 2025. Building on this, the Group plans to leverage the successful experience from the automation upgrade at the Qidong Production Base in Jiangsu Province and extend it to other production stages, aiming to continuously improve the production capacity and operational efficiency of the Japan Base.

2. Continuously expanding R&D layout and building core technological strength.The Group will continue to advance its R&D efforts in the field of precision optics across multiple areas, accumulating and strengthening its R&D capabilities. R&D efforts will focus on the requirements for optical modules for XR smart eyewear, fully integrating the technical know-how accumulated from the traditional eyewear business; At the same time, the Group will further enhance its R&D capabilities in the functionalisation and customisation of traditional ophthalmic lenses. The Group will also continue to improve its R&D system, strengthen technical exchanges with upstream and downstream customers and partners, promote the commercialisation of technological achievements, and reinforce the Group's overall technological barriers to competition.

The second half of 2026 will mark a critical period for the commercial scaling of the Company's XR business, with core efforts focused on three main pillars: mass production with key customers, release of industrial synergies, and continuous reinforcement of technological moats:

1. Supporting Mass Production for Key Overseas Customer Projects: The Company will push forward the commissioning of four integration and packaging lines in Shanghai, the expansion of XR lens production lines in Qidong Base, and the upgrade of Phase II and Phase III XR production lines at Blue Optics Base in Jiangsu Province, aiming to establish a world-class precision machining base for XR smart eyewear supporting lenses. The Company will devote full efforts to ensuring the mass production launch of key smart eyewear projects for global key customers, completing equipment installation and capacity ramp-up; the Company will also continue to secure turnkey customised lens solutions and large-volume orders from several domestic customers, steadily delivering integrated services including lens R&D and manufacturing, integration, and device packaging; the Company will further advance two other international customers from trial production to mass production, aiming to contribute overseas revenue as soon as possible.

2. Deepening Upstream and Downstream Industrial Synergies and Expanding Collaboration Scope: The Company will continue to deepen product and channel synergies with Rokid, expanding supporting orders for consumer AR glasses; the Company will also continuously explore new smart eyewear customers both domestically and internationally, and expand collaborative projects for new-type optical waveguides and lightweight AI glasses vision care solutions.

3. Continuously Iterating Optical Technology and Reinforcing Technological Moats: The Company will continue to invest in R&D for high-refractive-index ultra-thin prescription lenses, waveguide correction lamination, and electrochromic optical modules, adapting to the needs of next-generation lightweight, all-day wearable smart eyewear, and continuously enriching its one-stop customised vision care solution matrix.

Looking across the global smart eyewear industry, the sector has entered a period of rapid growth, with leading domestic and international consumer electronics companies accelerating new product launches. The downstream demand for lens solutions is also experiencing a fast-expanding window. Leveraging its leading technology, binding with top-tier customers, forward-looking multi-base capacity layout, and comprehensive industrial chain support services, the Company expects its XR business sales volume and revenue to achieve significant growth in the full year of 2026, becoming a new growth driver for the Group in medium- to long term. Alongside the deepening of customer relationships and healthy business synergies, the Company has strong grounds to believe that the Group is in a process of strategic transformation, steadily advancing toward its goal of building a precision optics platform.

Revenue

Our revenue is primarily derived from the sales of our resin spectacle lenses. Our revenue increased by 7.6% from RMB1,084.2 million for the six months ended 30 June 2025 to RMB1,167.1 million for the six months ended 30 June 2026.

We sell our products primarily to customers in the PRC, other Asian countries (e.g., India and Japan), the United States, and Europe (e.g., the Netherlands, Germany and Italy). Compared to the first half of 2025, our sales increased in most regions in the first half of 2026. This was mainly attributable to: (i) the significant business growth in China and the Americas; (ii) the continued upgrading of our products and services and the optimisation of our product portfolios.

Broken down by product type, our revenue from standardised lenses recorded a YoY decrease of 5.7%, whilst revenue from functional lenses and customized lenses recorded YoY increases of respectively 11.9% and 37.4%. Broken down by business model, our own-brand business increased by 17% from RMB676.4 million for the six months ended 30 June 2025 to RMB788.9 million for the six months ended 30 June 2026, with its proportion of revenue increasing from 62% in the same period of last year to 68% in the first half of this year. Affected by the high base effect, revenue from our ODM business decreased by 7.2% from RMB407.8 million for the six months ended 30 June 2025 to RMB378.3 million for the six months ended 30 June 2026, and its proportion of revenue also dropped from 38% for the same period of the previous year to 32% for the first half of this year.

Cost of Sales

Our cost of sales increased by 4.2% from RMB640.0 million for the six months ended 30 June 2025 to RMB666.8 million for the six months ended 30 June 2026, primarily due to a corresponding increase in line with revenue growth, though the increase was smaller than that of revenue.

Gross Profit and Gross Profit Margin

In light of the above, our gross profit increased by 12.6% from RMB444.3 million for the six months ended 30 June 2025 to RMB500.4 million for the same period in 2026. Our overall gross margin increased from 41.0% for the six months ended 30 June 2025 to 42.9% for the same period in 2026, primarily benefiting from the rapid growth in revenue from our own-brand business and customised lens segment. In addition, the gross profit margin of our own-brand business increased from 43.8% for the six months ended 30 June 2025 to 45.5% for the six months ended 30 June 2026. The gross profit margin of our OEM business increased from 36.3% for the six months ended 30 June 2025 to 37.5% for the six months ended 30 June 2026.

Other Income, Gains and Losses

Our other net loss increased by RMB37.7 million to RMB8.5 million (other income and gains for the six months ended 30 June 2025 were RMB29.2 million). The change from other income and gains to other net losses was primarily due to exchange losses of RMB57.0 million incurred in the current period.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 20.0% from RMB53.8 million for the six months ended 30 June 2025 to RMB64.6 million for the same period in 2026. The increase in selling and distribution expenses was mainly attributable to (i) increased investment in the expansion of the XR business; and (ii) corresponding increases in other marketing expenses in line with revenue growth.

General and Administrative Expenses

Our general and administrative expenses decreased by 4.3% from RMB93.7 million for the six months ended 30 June 2025 to RMB89.6 million for the six months ended 30 June 2026, primarily because (i) some R&D investments will form substantive assets, resulting in a decrease in R&D expenses this year; and (ii) the effect of our cost reduction and efficiency improvement efforts.

Other Expenses

Our other expenses decreased by 17.1% from RMB1.6 million for the six months ended 30 June 2025 to RMB1.4 million for the six months ended 30 June 2026, primarily due to the decrease in rental and property management costs.

Impairment of Financial Assets

The reversal of impairment losses on financial assets was RMB6.4 million (the impairment losses on financial assets for the six months ended 30 June 2025 were RMB3.2 million). The reversal of impairment of financial assets was mainly due to the improved creditworthiness of debtors of accounts receivable.

Finance Costs

Our finance costs increased by 21.5% from RMB3.0 million for the six months ended 30 June 2025 to RMB3.7 million for the same period in 2026, primarily due to increased bank loan interest resulting from the Company's appropriate expansion of financing scale.

Income Tax Expenses

Our income tax expenses decreased by 15.0% from RMB44.0 million for the six months ended 30 June 2025 to RMB37.4 million for the same period in 2026, mainly attributable to the inclusion of tax-deductible losses of associates acquired this year.

Profit for the Period

In light of the above, our profit for the period increased by 10.4% from RMB272.9 million for the six months ended 30 June 2025 to RMB301.2 million for the same period in 2026. Our net profit excluding foreign exchange factors increased by 27.6% from RMB271.0 million for the six months ended 30 June 2025 to RMB345.7 million for the same period in 2026.

Capital Structure

Our total assets increased by 43.7% from RMB3,545.0 million as at 31 December 2025 to RMB5,092.1 million as at 30 June 2026. Our total liabilities increased by 56.2% from RMB801.8 million as at 31 December 2025 to RMB1,252.6 million as at 30 June 2026. The debt-to-asset ratio increased from 22.6% as at 31 December 2025 to 24.6% as at 30 June 2026.

The current ratio (i.e., current assets divided by current liabilities as at the relevant date) decreased slightly from 3.6 times as at 31 December 2025 to 3.3 times as at 30 June 2026.

Working Capital and Sources of Funds

The Group adopts prudent funding and financial policies to optimise our financial position. We regularly monitor funding requirements to support our business operations and conduct ongoing reviews of working capital. Our cash is primarily used to meet the requirements for working capital and capital expenditure. For the six months ended 30 June 2026, we primarily funded working capital through internal resources as well as bank and other borrowings. Our cash and cash equivalents increased by 128.3% from RMB630.0 million as at 31 December 2025 to RMB1,438.3 million as at 30 June 2026, mainly due to the proceeds received from the placement and issuance of new shares in February 2026.

The debt-to-equity ratio (calculated by dividing total borrowings by total equity and multiplying by 100%) increased from 9.5% as at 31 December 2025 to 16.7% as at 30 June 2026 due to an increase in total borrowings.

As at 30 June 2026, the Group's interest-bearing and other borrowings amounted to RMB639.5 million (as at 31 December 2025: RMB261.6 million), representing 51.1% of total liabilities as at that date (as at 31 December 2025: 32.6%). Of the Group's total borrowings as at 30 June 2026, RMB556.3 million shall be repaid within one year. As at 30 June 2026, the Group's bank borrowings amounted to RMB639.5 million (as at 31 December 2025: RMB261.6 million), all of which bear interest at fixed rates.

With the exception of bank and other loans amounting to RMB4.2 million as at 30 June 2026 (31 December 2025: RMB4.5 million) that are denominated in JPY, all of the Group's bank and other borrowings as at 30 June 2026 are denominated in RMB. The Group's borrowings and cash and cash equivalents are primarily denominated in RMB, JPY, USD, THB and HKD.

As at 30 June 2026, RMB639.5 million (as at 31 December 2025: RMB261.6 million) of the Group's total banking facilities of RMB1,484.0 million (as at 31 December 2025: RMB850.0 million) has been drawn down.

Capital Expenditure

Our capital expenditure increased by 138.4% from RMB88.8 million for the six months ended 30 June 2025 to RMB211.7 million for the same period in 2026. Our capital expenditure was primarily used for the purchase of automation equipment, production and measurement equipment related to our XR business, engineering project construction in Thailand, and other long-term asset items. We primarily fund our capital expenditure through cash flows generated from operating activities and proceeds from the placement and issuance of new shares.

Contingent Liabilities

As at 30 June 2026, the Group did not have any material contingent liabilities, guarantees, or any significant pending litigation or claim against any member of the Group that might have a material adverse effect on our business, financial position or results of operations.

Interim Dividend

The BOD recommends the payment of an interim dividend of RMB0.20 per ordinary share (tax inclusive) for the six months ended 30 June 2026 (the "**Proposed Interim Dividend**") (for the six months ended 30 June 2025: RMB0.15). As the shareholders of the Company have approved the Interim Dividends at the 4th extraordinary general meeting of the Company held on 21 September 2026, the Proposed Interim Dividend will be paid to shareholders whose names appear on the register of members of the Company on 2 October 2026 (Friday).

The Proposed Interim Dividend will be declared in RMB and will be paid in HKD at the average exchange rate of RMB against HKD as published by the People's Bank of China for the five business days preceding the date of the EGM. The Proposed Interim Dividend is expected to be paid to shareholders no later than 23 October 2026 (Friday).

Pledge of Assets

As at 30 June 2026, the Group's property, plant and equipment with the carrying value of RMB42.1 million (RMB124.4 million as at 31 December 2025), investment properties with the carrying value of RMB0 million (RMB12.9 million as at 31 December 2025) and leased land with the carrying value of RMB2.8 million (RMB5.2 million as at 31 December 2025) have been pledged as guarantee for general banking facilities granted to the Group. Several of our subsidiaries have provided joint and several guarantees to secure the Company's bank loans of RMB310.0 million as at 30 June 2026.

Foreign Exchange Risks and Hedging

The Group has a significant portion of its overseas sales and raw material procurement settled primarily in USD or JPY, with certain transactions also settled in RMB, EUR and other currencies. As a result, the Group is exposed to the risks of fluctuation in foreign exchange rates. To proactively address foreign exchange risks, the Group continues to strengthen its foreign exchange risk management, closely monitors the trends of major currencies and the exposure of foreign currency assets, liabilities, income and expenditure, and mitigates the impact of exchange rate fluctuations on its operating results by optimising foreign currency collection and payment arrangements, enhancing the currency matching between foreign currency income and expenditure, and rationally arranging settlement timings. The Group will also continue to assess appropriate risk management and hedging instruments based on market conditions, foreign exchange exposure and business needs, and, where necessary, take corresponding measures to keep foreign exchange risks within a reasonable range.

Significant Investments

During the first half of 2026, the Group had significant investments exceeding 5% but less than 25% of its total assets. As at 30 June 2026, the Group held RMB1,024.2 million (as at 31 December 2025: RMB788.5 million) as financial assets measured at fair value through profit or loss. These financial assets include investments in various funds or wealth management products managed or issued by certain large and well-known financial institutions or commercial banks in the PRC. As at 30 June 2026, the value of such investments from any single financial institution or bank exceeded 5% but was less than 25% of the Group's total assets.

On 25 June 2025, the Group subscribed for wealth management products issued by Huatai International, namely the "Huatai International Financial Product" and the "Citigroup Financial Product". On 30 January 2026 and 2 July 2026, the Group redeemed wealth management products issued by Huatai International with a value of USD 10,000,000 and USD 20,000,000, respectively. The total unaudited accrued interest income arising from the redemptions was approximately USD 652,009.

The Group intends to use USD 20,000,000 of the redemption proceeds to subscribe for new low-risk wealth management products in order to continuously utilise idle funds to enhance returns. The remaining principal and redemption proceeds will be used for the development of the XR glasses-related business in accordance with the original intended purpose.

Significant Acquisitions and Major Investment Plans in the Future

Asahi Lite (a direct wholly-owned subsidiary of the Group) entered into a joint venture agreement with Goertek Optical on 19 January 2026 to establish a joint venture company (GoerView Technology (Hong Kong) Co., Limited). Asahi Lite contributed USD 300,000 of the capital, representing 30% of the registered capital of the joint venture company. The joint venture company will be committed to the R&D, production, and sales of smart eyewear lenses applied in the field of XR glasses, optical waveguide (WG) eyepieces (including optical waveguide components), and eyepiece-related optoelectronic components with electrochromic and eye-tracking functions.

The joint venture entity will have an initial registered capital of US$1 million (approximately HK$7.8 million), of which Asahi Lite and Goertek Optical have agreed to subscribe US$0.3 million (approximately HK$2.34 million) and US$0.7 million (approximately HK$5.46 million), respectively, representing 30.0% and 70.0% of the joint venture's registered capital. Following the initial capital contribution and prior to 30 June 2026, the capital of the joint venture will be further increased by US$2 million (approximately HK$15.6 million), with Goertek Optical contributing US$1.4 million (approximately HK$10.92 million) and Asahi Lite contributing US$0.6 million (approximately HK$4.68 million); upon completion of the said additional capital injection, Asahi Lite and Goertek Optical shall continue to hold 30.0% and 70.0% of the joint venture's registered capital respectively. On the other hand, both joint venture partners cannot transfer their respective equity interests for a period of 10 years from the incorporation of the joint venture; after the said 10-year period, if any joint venture partner intends to transfer or dispose of its equity interests to a third party, the selling shareholder should give written notice to the other shareholder, who has the first right of refusal to purchase the interest in the joint venture within 90 days from the day of responding to the written notice; if the other shareholder refuses to exercise its first right of refusal, the selling shareholder may transfer its equity interests in the joint venture to any third party within 6 months from the date of the other shareholder's refusal.

To strengthen the Group's strategic positioning in the field of smart eyewear, enhance synergy across the industrial chain, and deepen the collaboration with industry-leading enterprises, the Group, in March 2026, made a capital injection of RMB180 million into Hangzhou Lingban Technology Ltd. by subscribing for ordinary shares of this company. Following this capital injection, the Group holds no more than 5% of its total share capital. This investment was funded from the Company's internal resources.

As a unicorn company in China's human-computer interaction and AR sectors, Lingban Technology's Rokid brand of smart glasses is deeply rooted in the industry for ten years and maintains a strong position at the forefront of the domestic consumer-grade smart glasses market. The Company has already engaged in a business cooperation with Lingban Technology. Leveraging the Group's global production capacity and rapid delivery capabilities, the collaboration between the two parties is expected to deepen further. Against the backdrop of the country's vigorous development of "new quality productive forces" and "AI+", the Board of Directors believes that, drawing on the Company's technological accumulation of more than two decades and its experience gained from in depth cooperation with leading domestic and international smart glasses manufacturers in recent years, the Company will further consolidate its leading position in the smart glasses sector and create long term value for shareholders. However, the Board also wishes to remind the shareholders and potential investors of the Company that this investment represents a limited equity stake in Lingban Technology, and the Company will not acquire control of its business, nor will it exercise significant influence over it.

In April 2026, the Group acquired the remaining 51% equity interest in Jiangsu Blue Optics Co., Ltd. (in which the Group's associates had indirectly held a 49% equity interest prior to the acquisition) for a consideration of RMB72 million. Upon completion of the acquisition, Jiangsu Blue Optics Co., Ltd. became an indirect wholly-owned subsidiary of the Company. The Group is currently undertaking extensive upgrades and renovations to the existing facilities of Blue Optics Production Base in Jiangsu Province to support the production lines for Phase II and Phase III projects. We plan to develop it into a state-of-the-art high-precision manufacturing base to support future large-scale production projects. The Company anticipates that sales volume and revenue from its XR business will achieve significant growth from 2026 onwards, becoming a key driver of value of the Company in the future.

Significant Events after the Reporting Period

Dividend distribution

Based on the approval at the Annual General Meeting held on June 11, 2026, the Company, on 11 August 2026, distributed the final dividend for 2025 in full at RMB0.20 per ordinary share (tax inclusive), totalling RMB99,654,000.

Reduction of Registered Capital

On 30 July 2026, the shareholders adopted a special resolution to reduce the registered capital of the Company from RMB506,925,000 to RMB498,269,800 due to the repurchase and cancellation of a total of 8,655,200 H shares by the Company. The registered capital of the Company was reduced accordingly as from that date.

Proposed Issuance of Medium-term Notes in the PRC

On 10 August 2026, the BOD resolved to propose that the Company register and issue science and technology innovation medium-term notes (the "**Medium-term Notes**") in the national inter-bank bond market of the PRC, so as to broaden the financing channels of the Company, optimise its debt structure, and provide financial support for the R&D and technological innovation activities of the Company. The issuance has been approved by way of a special resolution at the EGM held on 26 August 2026. As of the date of this interim report, the Medium-term Notes have not been issued. For details, please refer to the circular of the Company dated 10 August 2026.

Except as disclosed in this report, there have been no significant events after 30 June 2026 that have materially affected our operating and financial results as at the date of this report.

Corporate Information

The Company was incorporated in the PRC as a joint stock limited company on 20 June 2018. The Company's H shares were listed on the Stock Exchange on 16 December 2021.

Employees

As at 30 June 2026, we employed a total of 3,231 employees, based in the PRC, Japan and the United States.

The ability to recruit and retain an experienced and skilled workforce is critical to our business development and growth. Remuneration paid to our employees generally comprises basic salaries and discretionary bonuses. Basic salaries for our employees are generally determined based on their ranks, positions, qualifications, experience and performance. Discretionary bonuses are annually paid, depending on the performance of individual employees. In order to incentivise, attract and retain employees, we conduct annual reviews of the remuneration packages offered to employees to determine whether any adjustments to basic salaries and bonuses are necessary. For the six months ended 30 June 2026, our employee benefit expenses (including Directors' and chief executives' remuneration), salaries, wages and other allowances amounted to approximately RMB235.6 million. The Group has offered various training opportunities, including orientation programmes for new employees, management capabilities training and technical training.

Share Award Schemes

On 27 November 2023, the Board proposed the adoption of the 2023 restricted share unit scheme of the Company (the "**Share Award Scheme 2023**") to (i) recognise the contributions made by certain employees of the Group, Directors and Supervisors of the Company (the "**Eligible Participants**"), to incentivise and retain the Eligible Participants whose contributions are beneficial to the continuous operation and development of the Group; (ii) attract talent for the further development of the Group and enhance talent competitiveness; and (iii) align the interests of the Eligible Participants with the value of the Group and motivate employees to achieve the long-term development goals of the Group. On 18 December 2023, the Share Award Scheme 2023 was approved for implementation at the first EGM of 2023.

On 12 December 2024, the Board proposed the adoption of the 2025 restricted share unit scheme of the Company (the "**Share Award Scheme 2025**") for the purpose of retaining and attracting talents by rewarding the Eligible Persons for their past, present or expected contribution and loyalty to the Group and aligning their interests with those of the Shareholders through the grant of award. On 20 January 2025, the Share Award Scheme 2025 was approved for implementation at the first EGM of 2025.

On 3 April 2025, 2,374,860 shares were granted to 154 eligible Directors, Supervisors and employees, representing approximately 0.49% of the total share capital of the Company as at the date of grant. The Company received a total consideration of RMB10,241,000 at a subscription price of HKD 4.58 per share.

The granted shares will vest upon the achievement of the 2025 annual performance targets, service conditions and applicable individual performance conditions by the participants. Details related to such conditions are set out in the circular of the Company dated 3 April 2025.

On 3 July 2025, 255,980 shares were granted to 2 eligible employees, representing approximately 0.05% of the total share capital of the Company as at the date of grant. The Company received a total consideration of RMB1,068,000 under the 2023 Share Award Scheme at a subscription price of HKD 4.58 per share. In 2025, all vesting conditions for the 2 eligible employees had been fulfilled. Accordingly, the share-based payment reserve of RMB7,482,000 has been transferred to share premium, and the relevant consideration of RMB1,068,000 received from the participants for the granted shares has been transferred to equity.

All shares granted were derived from the treasury shares repurchased by the trustee of the Share Award Schemes on the market since 2024. From the beginning of 2024 to the 30 June 2026, the trustee has purchased an aggregate of 14,987,000 H Shares from the open market of the Stock Exchange and held such shares on trust platforms as incentives under Employee Share Award Scheme.

As at 30 June 2026, a total of 2,630,840 Restricted Share Units (the "**RSUs**") were granted to the participants as follows:

	Number of RSUs granted	Purchase Price	Number of RSUs vested
Director/Supervisor			
Mr. Zheng Yuhong	85,200	4.58	0
Mr. Chen Junhua	85,200	4.58	0
Mr. Xia Guoping	85,200	4.58	0
Mr. Wang Chuanbao	70,000	4.58	0
Ms. Cao Xue	42,000	4.58	0
Mr. Xu Jingming	60,000	4.58	0
Ms. Li Yan	15,000	4.58	0
Mr. Tang Baohua	6,300	4.58	0
Other participants			
Other 148 Employees	2,181,940	4.58	255,980
Total	2,630,840	4.58	255,980

Share Awards granted to the five highest paid employees

The followings are the number of RSUs granted to the five highest paid employees:

Mr. Fei Zhengxiang	0
Mr. Zheng Yuhong	85,200
Mr. Chen Junhua	85,200
Mr. Xia Guoping	85,200
Mr. Wang Chuanbao	70,000

Participants of the Schemes

Eligible Persons who may participate in the 2023 Share Award Scheme and the 2025 Share Award Scheme (together, the "**Schemes**") include any individual, being those who the Board or its delegate (the "**Delegatee**") consider, in their sole discretion, to have significantly contributed or will significantly contribute to the development of the Group, are as below:

(a) employees;

(b) directors (including executive, non-executive and independent non-executive directors);

(c) supervisors;

(d) senior management; and

(e) key operating team members of any member of the Group.

Maximum Entitlement of Each Participant under the Schemes

There is no maximum entitlement of each of the participants under the Schemes, and the Board will observe any relevant requirements under the Listing Rules when granting RSUs to the participants.

Scheme Mandate Limits

Under the 2023 Share Award Scheme, the Company shall not make further grant which will result in the aggregate number of H Shares granted in relation to RSUs to exceed 3.0% of the total number of issued H Shares as at the date of approval of the 2025 Share Award Scheme by the resolutions of the Shareholders. Under the 2025 Share Award Scheme, the Company shall not make further grant which will result in the aggregate number of H Shares granted in relation to RSUs to exceed 3.0% (distinctive of and excluding the 3.0% scheme limit in relation to the 2023 Share Award Scheme) of the total number of issued H Shares as at the date of approval of the 2025 Share Award Scheme by the resolutions of the Shareholders.

Period Within Which the RSUs May Be Exercised By the Grantee Under the Schemes

The Board or the Delegatee may from time to time while the Schemes are in force and subject to all applicable laws, rules and regulations, determine the exercise period for the RSUs upon granting.

The Vesting Period of the RSUs to be Granted Under the Schemes

The Board or the Delegatee may from time to time while the Schemes are in force and subject to all applicable laws, rules and regulations, determine such vesting periods for the RSUs upon granting.

Pursuant to the granting documents, the Share awards granted to the holders of the scheme will be granted by the Board in four installments respectively, to holders who are proposed by the Board or an authorized person and who are qualified. Of which, the vesting proportion and timing are as follows:

1. Upon the grant of the first tranche of the Restricted Share Unit Awards, the tranche of Awards will vest on a reasonable date after each of the performance indicators in 2025 have been recognized, and the proportion of Shares that will vest shall be 20% of the total number of award shares granted to Selected Participants;

2. Upon the grant of the second tranche of the Restricted Share Unit Awards, the tranche of Awards will vest on a reasonable date after each of the performance indicators in 2026 have been recognized, and the proportion of Shares that will vest shall be 20% of the total number of award shares granted to Selected Participants;

3. Upon the grant of the third tranche of the Restricted Share Unit Awards, the tranche of Awards will vest on a reasonable date after each of the performance indicators in 2027 have been recognized, and the proportion of Shares that will vest shall be 30% of the total number of award shares granted to Selected Participants; and

4. Upon the grant of the fourth tranche of the Restricted Share Unit Awards, the tranche of Awards will vest on a reasonable date after each of the performance indicators in 2028 have been recognized, and the proportion of Shares that will vest shall be 30% of the total number of award shares granted to Selected Participants.

The Price and Fair Value of the RSUs

The proposed purchase price for the first tranche of restricted share units granted was HK$4.58 per share, while the closing price of the shares immediately prior to the date of grant (i.e. 3 April 2025 and 3 July 2025) were HK$27.40 and HK$37.15 per share respectively.

The fair value of the restricted share units granted as on the dates of grant (i.e. 3 April 2025 and 3 July 2025 respectively) were HK$21.47 and HK$32.22 per Share. Such fair value was determined based on the closing price of the Shares as at the date of grant respectively.

As 30 June 2026, a total of 255,980 restricted share units have been vested in 2025.

The movements in the number of awarded shares that were unexercised during the year are as follows:

As at 30 June 2026

		Number of awarded shares				
Category of awardees	Date of grant	Unexercised as at 1 January 2026	Granted during the year	Vested during the year	Cancelled/ lapsed during the year	Unexercised as at 30 June 2026
Directors of the Company	3 April 2025	367,600	–	–	–	367,600
Supervisors of the Company	3 April 2025	81,300	–	–	–	81,300
Employees	3 April 2025	1,925,960	–	–	–	1,925,960
		2,374,860	–	–	–	2,374,860

No Material Changes

Since the publication of the Group's audited financial statements for the year ended 31 December 2025 on 28 April 2026, there have been no material changes in the Group's business.

Material Litigation

The Company was not involved in any material litigation or arbitration for the six months ended 30 June 2026. The Directors are not aware of any material pending or threatened litigation or claim against the Company for the six months ended 30 June 2026.

Rounding of Amounts

Certain amounts and percentage figures in this report have been rounded. Any discrepancies between the total amounts and the sum of the amounts set out in the tables are due to rounding.

Other Information

INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

As at 30 June 2026, so far as known to the Directors, the interests and short positions of the Directors, Supervisors and chief executives of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long Positions in Shares of the Company

Name of Director/ Supervisor/ Chief Executive	Nature of interest	Number and class of shares	Approximate percentage of shareholding in relevant class of shares (%)[1]	Approximate percentage of shareholding in total share capital of the Company (%)[1]
Mr. Fei	Beneficial owner	212,740,030 H shares	42.70	42.70

Note:

1. Calculated based on the total number of 498,269,800 shares in issue as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, none of the Directors, Supervisors or 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 Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2026, so far as is known to the Directors based on their understanding and the notifications made to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, and as recorded in the register required to be kept under Section 336 of the SFO (in respect of interests and short positions in the shares reported on disclosure of interests forms received), the following persons had interests or short positions in the shares or underlying shares (unless otherwise stated):

Interests and Short Positions in Shares

Name of shareholder	Capacity	Number of shares held as at 30 June 2026	Percentage of issued share capital as at 30 June 2026[1]
Mr. Fei	Beneficial owner	212,740,030(L)	42.70%
Goertek (Hong Kong) Co., Limited ("**Goertek HK**")[2]	Beneficial owner	96,125,000(L)	19.30%
Goertek Inc. [2]	Interests held by controlled corporation	96,125,000(L)	19.30%

(L) = Long position

Notes:

1. Calculated based on the total number of 498,269,800 shares in issue as at 30 June 2026.

2. Goertek Inc. holds 100% of the issued share capital of Weifang Goertek Trading Co., Ltd., and Weifang Goertek Trading Co., Ltd. ("**Goertek Trading**") holds 100% of the issued share capital of Goertek HK. Therefore, under the SFO, Goertek Inc. is deemed to be interested in the 96,125,000 shares beneficially held by Goertek HK.

Save as disclosed above, as at 30 June 2026, the Directors were not aware of any person (not being a Director or chief executive of the Company) who had any interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

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

As at 30 June 2026, the Company had repurchased an aggregate of 23.6 million shares of its listed securities, including 15.0 million shares that were repurchased through a trust institution for the purpose of an employee equity incentive plan, and 8.6 million shares that were repurchased by the Company itself. As at 30 June 2026, all of the 8.6 million shares repurchased by the Company itself had been cancelled.

With reference to the announcement of 4. Placing of New Shares under General Mandate dated 27 January 2026, on 27 January 2026 (before trading hours), the Company entered into the Placing Agreement with the Placing Agents, pursuant to which the Company has conditionally agreed to place, and the Placing Agents have conditionally agreed, as agents of the Company, on a several (but not joint nor joint and several) basis to procure not less than six (6) Placees to subscribe for 27,000,000 Placing Shares at the Placing Price of HK$52.00 per Placing Share (the 27,000,000 Placing Shares represent: (a) approximately 5.63% of the existing issued share capital of the Company as at the date of the announcement; and (b) approximately 5.33% of the issued share capital of the Company as enlarged by the allotment and issuance of the Placing Shares).

On 3 February 2026, an aggregate of 27.0 million placing shares were allotted and issued to the placees at the placing price of HKD 52.00 per placing share. With further reference to the announcement of 5. Completion of Placing under General Mandate dated 3 February 2026, the net proceeds from the Placing are expected to be utilised as follows: approximately 40% for the construction of mass-production lines of XR supporting business and the acquisition of measurement and testing equipment; approximately 20% for the continuous build-up of research and development capabilities and the construction of a precision optical support centre for XR smart glasses business; approximately 20% for the expansion of XR-related production capacity and smart manufacturing capability at the Company's Thailand plant; and approximately 20% as general working capital to optimise the Company's capital structure and provide funding supports for potential mergers and acquisitions.

For details of the use of the proceeds as at 30 June 2026, please refer to "Future Plans and Purpose of Proceeds (3)" below.

As disclosed in the Company's announcement dated 8 May 2026, the Company repurchased a total of 2,628,500 H Shares on the Stock Exchange as at 30 April 2026, which were subsequently cancelled in full on 8 May 2026; as a result, the total number of the issued H Shares of the Company was reduced to 504,296,500 H Shares.

During the period from 4 May 2026 to 5 June 2026, the Company continued to make a series of repurchases of its H Shares on the Stock Exchange pursuant to the April 2026 Share Repurchase Scheme, repurchasing a total of 6,026,700 H Shares (the "May to June Share Repurchase"), representing approximately 1.195% of the Company's total issued H Shares. Pursuant to a resolution passed by the Board on 15 June 2026, all 6,026,700 H Shares repurchased by the Company under the May to June Share Repurchase were cancelled in full on 15 June 2026. The total proceeds utilised for the May to June Share Repurchase amounted to approximately HK$268.31 million (excluding transaction costs).

Upon the cancellation of the aforementioned 6,026,700 H Shares, the total number of H Shares of the Company in issue was reduced from 504,296,500 H Shares to 498,269,800 H Shares.

As at 30 June 2026, the total number of issued H shares of the Company was 498,269,800.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining a high standard of corporate governance to safeguard the interests of its shareholders and enhance corporate value and accountability. The Directors acknowledge the importance of implementing good corporate governance in management and internal procedures to realise effective accountability. The Company has adopted the Corporate Governance Code (the "**Corporate Governance Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own governance code. The BOD considers that the Company, for the six months ended 30 June 2026, has complied with all the provisions of the Corporate Governance Code, except for the deviation from Section C.2.1 as described below.

Deviation from Section C.2.1 of Part 2 of the Corporate Governance Code

Mr. Fei Zhengxiang ("**Mr Fei**") is the Chairman of the BOD and the General Manager of the Company, and has been managing the business of the Group and overseeing the overall operations of the Group since 2006. The BOD considers that the combination of the roles of Chairman of the BOD and General Manager in Mr. Fei is beneficial to the management and business development of the Group, and will provide the Group with robust and consistent leadership. The Company believes that the senior management team, composed of experienced and high-calibre individuals together with the BOD, can ensure a balance of power and authority. As at the date of this Interim Report, the Board comprises six executive Directors (including Mr. Fei), two non-executive Directors and four independent non-executive Directors. The BOD believes that this structure does not impair the balance of power and authority between the BOD and the management of the Company due to the following reasons:

i. Decisions to be made by the BOD require approval by at least a majority of the Directors, thereby ensuring a sufficient check and balance of power on the BOD;

ii. Mr. Fei and the other Directors are aware of and undertake to perform their fiduciary duties as Directors, which require them, among other things, to act in the interests of and in the best interests of the Company and to make decisions for the Company accordingly;

iii. The BOD comprises experienced and high-calibre individuals and meets regularly to discuss matters affecting the Company's operations, ensuring checks and balances within the BOD; and

iv. The Company's overall strategy and other major business, financial and operational policies are formulated jointly after detailed discussions between the BOD and the senior management.

The BOD will continue to review and consider, in light of the overall situation of the Group, the appropriate separation of the roles of Chairman of the BOD and General Manager in due course.

SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct for securities transactions by the Directors and the supervisors of the Company (the "**Supervisors**"). Upon specific enquiries made with all the Directors and Supervisors, the Company has acknowledged that the Directors and Supervisors have complied with the provisions of the Model Code for securities transactions by Directors and Supervisors for the six months ended 30 June 2026. For the six months ended 30 June 2026, the Company was not aware of any non-compliance with the guidelines of the Model Code by the Directors, Supervisors and relevant employees.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL DOCUMENTS

The Company has established an audit committee (the "**Audit Committee**") in accordance with Section 3.21 of the Listing Rules and the Corporate Governance Code, and has specified its scope of authority in writing. As at the date of this Interim Report, the Audit Committee comprises three independent non-executive Directors, i.e., Mr. Chen Yi (chairman of the Audit Committee, who possesses appropriate professional qualifications and expertise in accounting and related financial management), Dr. Xiao Fei and Dr. Wu Ying. The primary duties of the Audit Committee are to review and supervise the Group's financial reporting process and internal control systems, monitor the audit process, review and monitor the Group's existing and potential risks, and perform other duties and responsibilities delegated by the BOD.

The Audit Committee has reviewed the Company's condensed and consolidated interim results for the six months ended 30 June 2026 that are left unaudited, and acknowledged that they have been prepared in accordance with applicable accounting principles, standards and requirements, with adequate disclosure made.

CHANGES IN THE INFORMATION OF THE DIRECTORS AND SUPERVISORS PURSUANT TO SECTION 13.51B(1) OF THE HONG KONG LISTING RULES

During the reporting period and until the latest practicable date, there were no changes in the Directors and Supervisors of the Company.

FUTURE PLANS AND PURPOSE OF PROCEEDS

(1) The Company's H shares were listed on the Hong Kong Stock Exchange in December 2021, while the Company raised net proceeds of approximately HKD473.5 million from the Global Offering (the "**Global Offering**"). To enhance the efficiency in the use of the net proceeds and balance the use thereof more reasonably, and to cater to the business development needs of the Company and in light of changes in external factors, the BOD resolved on 29 November 2022 to apply approximately HKD36.9 million (equivalent to approximately RMB30.0 million, representing approximately 7.8% of the net proceeds) of the net proceeds to repay the Group's existing borrowings from banks. For further details regarding the change in use of proceeds from the Global Offering, please refer to the Company's announcement dated 29 November 2022 (the "**Announcement on Change of the Purpose of Proceeds**").

As at 30 June 2026, the Group utilised all of the net proceeds of approximately HKD473.5 million in accordance with the intended uses set out in the Prospectus and the Announcement on Change of the Purpose of Proceeds, and such proceeds have been fully used. Details regarding the purpose of proceeds from the global offering are set out below:

Intended purpose of proceeds	Original allocation of net proceeds as set out in the Prospectus (HKD million)	Revised allocation of net proceeds[1] (HKD million)	Actual utilisation of net proceeds as at 30 June 2026 (HKD million)	Unutilised proceeds as at 30 June 2026 (HKD million)	Expected timeline for utilisation of unutilised net proceeds
To increase the production capacity of the Group's Shanghai production base (as defined in the Prospectus) and Jiangsu production base (as defined in the Prospectus)	219.7	219.7	219.7	–	Not applicable (Fully utilised)
To enhance the Group's R&D capabilities	94.2	94.2	94.2	–	Not applicable (Fully utilised)

Intended purpose of proceeds	Original allocation of net proceeds as set out in the Prospectus (HKD million)	Revised allocation of net proceeds[1] (HKD million)	Actual utilisation of net proceeds as at 30 June 2026 (HKD million)	Unutilised proceeds as at 30 June 2026 (HKD million)	Expected timeline for utilisation of unutilised net proceeds
To enhance the sales and marketing efforts of the Group	48.8	11.9	11.9	–	Not applicable (Fully utilised)
Working capital and general corporate purposes	47.3	47.3	47.3	–	Not applicable (Fully utilised)
To enhance the production efficiency and processing technology of the Group	38.4	38.4	38.4	–	Not applicable (Fully utilised)
To repay the Group's borrowings from banks that are primarily used to finance its working capital in support of its business operations	25.1[3]	62.0[2]	62.0	–	Not applicable (Fully utilised)
Total	473.5	473.5	473.5	–	

Note:

1. For the avoidance of doubt, any discrepancies between the total amounts and the sum of the amounts set out in the tables are due to rounding.

2. The BOD resolved on 29 November 2022 to apply approximately HKD36.9 million (equivalent to approximately RMB30.0 million, representing approximately 7.8% of the net proceeds) of the net proceeds to repay the Group's existing borrowings from banks. For further details regarding the change in purpose of proceeds from the global offering, please refer to the Announcement on Change of the Purpose of Proceeds.

3. The net proceeds under the original allocation for the planned purpose (i.e., approximately HKD25.1 million), have been fully utilised for the repayment of the Group's borrowings from banks (as set out in the Prospectus).

(2) In early January 2025, we completed the issuance of new H shares to the placee (i.e., Goertek HK) and raised net proceeds of approximately HKD827.9 million. The net proceeds will be gradually and ultimately applied to the R&D, design and manufacturing of lenses and visual solutions for smart eyewear, and to drive the Group's future development of XR products. As at 30 June 2026, the Company had utilised approximately HKD406.1 million of the net proceeds, representing 49.1% of the proceeds raised, while the remaining unutilised net proceeds amounted to approximately HKD421.8 million. Details of the purpose of net proceeds are set out below:

Intended purpose of proceeds	Original allocation of net proceeds as set out in the Prospectus (HKD million)	Actual utilisation of net proceeds as at 30 June 2026 (HKD million)	Unutilised proceeds as at 30 June 2026 (HKD million)	Expected timeline for utilisation of unutilised net proceeds
R&D, design and manufacturing of lenses and visual solutions for smart eyewear and XR headsets	827.9	406.1	421.8	By 31 December 2026

(3) In early February 2026, we completed the issuance of new H shares to the placee and raised net proceeds of approximately HKD1,400 million. The net proceeds are intended to be applied as below:

(i) Approximately 40% of the net proceeds from the placing will be used for the construction of mass production lines for XR-related supporting businesses and the acquisition of measurement and inspection equipment, thereby facilitating future mass production projects that may potentially enter the commercialisation stage.

(ii) Approximately 20% of the net proceeds will be used to continuously enhance R&D capabilities and to establish a precision optical supporting centre for the XR smart eyewear business. This centre will serve as a core technology platform for developing specialised materials (such as ingots) and optical module components required for XR smart eyewear. It will connect the entire chain from basic materials to end-applications, aiming to provide core optical solutions for XR smart eyewear.

(iii) Approximately 20% of the net proceeds will be used to expand the XR-related production capacity and smart manufacturing capabilities of the Company's Thailand Plant. The Company plans to adopt fully-automated and flexible production lines to enhance the capacity and efficiency of custom-made lenses. The Company also intends to deploy AI-based visual inspection systems and online IoT monitoring systems to achieve end-to-end digitalisation of the production process, thereby further improving the yield rate and operational efficiency.

(iv) Approximately 20% of the net proceeds will be used as general working capital to optimise the Company's capital structure and to provide reserve funds for potential mergers and acquisitions, thereby consolidating the Company's leading position in the industry.

As at 30 June 2026, the Company had utilised approximately HKD661.6 million of the net proceeds, representing 47.3% of the proceeds raised, while the remaining unutilised net proceeds amounted to approximately HKD738.4 million. Details of the purpose of net proceeds are set out below:

Intended purpose of proceeds	Original allocation of net proceeds as set out in the Prospectus (HKD million)	Actual utilisation of net proceeds as at 30 June 2026 (HKD million)	Unutilised proceeds as at 30 June 2026 (HKD million)	Expected timeline for utilisation of unutilised net proceeds
To construct mass production lines for XR supporting businesses and acquire measurement and inspection equipment	560.0	372.1	187.9	By 31 December 2027
To continuously enhance R&D capabilities and to establish a precision optical supporting centre for the XR smart eyewear business	280.0	9.5	270.5	By 31 December 2027
XR-related production capacity and smart manufacturing capabilities at the Thailand Plant	280.0	–	280.0	By 31 December 2027
General working capital	280.0	280.0	–	Not applicable
Total	1,400	661.6	738.4	

Consolidated Income Statement

For the six months ended 30 June 2026

	Notes	For the six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	4	**1,167,117**	1,084,235
Cost of sales		**(666,755)**	(639,955)
Gross profit		**500,362**	444,280
Other income and gains and losses	4	**(8,520)**	29,209
Selling and distribution expenses		**(64,552)**	(53,819)
General and administrative expenses		**(89,619)**	(93,673)
Impairment gains (losses) under expected credit loss ("**ECL**") model, net of reversal		**6,354**	(3,239)
Other expenses		**(1,366)**	(1,648)
Finance costs	6	**(3,678)**	(3,027)
Share of profit/(loss) of:			
A joint venture		**–**	85
An associate		**(432)**	(1,317)
PROFIT BEFORE TAX	5	**338,549**	316,851
Income tax expenses	7	**(37,372)**	(43,986)
PROFIT FOR THE PERIOD		**301,177**	272,865
Attributable to:			
Owners of the parent company		**301,177**	272,865
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT COMPANY			
Basic and diluted	9	**RMB0.63**	RMB0.59

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**301,177**	272,865
OTHER COMPREHENSIVE (EXPENSE) INCOME		
Other comprehensive (expense) income to be reclassified to profit or loss in subsequent periods:		
Exchange differences arising on translation of foreign operations	**(8,083)**	8,042
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**293,094**	280,907
Attributable to:		
Owners of the parent company	**293,094**	280,907

Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	11	**1,046,511**	775,645
Investment properties		**12,188**	12,856
Right-of-use assets		**5,177**	40,781
Other intangible assets		**2,712**	3,130
Investment in a joint venture		**–**	148
Investment in an associate		**–**	55,149
Development expenditures		**18,926**	–
Long-term prepayments		**72,377**	33,832
Deferred-tax assets		**19,907**	18,551
Time deposits		**53,176**	52,501
Financial assets at fair value through profit or loss ("**FVTPL**")		**180,000**	–
Total non-current assets		**1,410,974**	992,593
CURRENT ASSETS			
Inventories	10	**607,744**	602,404
Accounts and notes receivable	12	**636,940**	403,008
Amounts due from related parties		**846**	1,063
Prepayments, deposits and other receivables		**131,567**	68,410
Financial assets at FVTPL		**844,197**	788,537
Cash and cash equivalents		**1,438,308**	629,996
Pledged bank deposits		**21,557**	59,000
Total current assets		**3,681,159**	2,552,418
CURRENT LIABILITIES			
Accounts and notes payable	13	**185,972**	188,200
Other payables and accruals		**271,228**	171,071
Contract liabilities		**78,625**	57,064
Interest-bearing bank and other borrowings		**556,278**	261,602
Lease liabilities		**74**	3,616
Deferred income		**1,995**	1,700
Amounts due to related parties		**–**	1,321
Tax payable		**12,649**	26,590
Total current liabilities		**1,106,821**	711,164
NET CURRENT ASSETS		**2,574,338**	1,841,254
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,985,312**	2,833,847

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Retirement benefit obligations		**7,320**	10,484
Lease liabilities		**–**	33,795
Deferred-tax liabilities		**49,709**	42,557
Deferred income		**5,465**	3,762
Interest-bearing bank and other borrowings		**83,247**	–
Total non-current liabilities		**145,741**	90,598
NET ASSETS		**3,839,571**	2,743,249
EQUITY			
Equity attributable to owners of the parent company			
Share capital	14	**498,270**	479,925
Reserves		**3,341,301**	2,263,324
TOTAL EQUITY		**3,839,571**	2,743,249

Consolidated Statement of Changes In Equity

For the six months ended 30 June 2026

	Attributable to owners of the parent company						
	Share capital RMB'000 Note 14	Share premium* RMB'000	Treasury shares* RMB'000	Statutory surplus reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Retained profit* RMB'000	Total RMB'000
As at 1 January 2025	426,600	286,725	(106,523)	226,130	(28,103)	780,728	1,585,557
Profit for the period	–	–	–	–	–	272,865	272,865
Other comprehensive income for the period:	–	–	–	–	8,042	–	8,042
Total other comprehensive income for the period	–	–	–	–	8,042	272,865	280,907
Repurchase of listed securities of the Company	–	–	(46,624)	–	–	–	(46,624)
Issue of shares	53,325	714,096	–	–	–	–	767,421
Share-based payments	–	5,374	–	–	–	–	5,374
Shares recognised as distribution	–	–	–	–	–	(76,788)	(76,788)
As at 30 June 2025	479,925	1,006,195	(153,147)	226,130	(20,061)	976,805	2,515,847

	Attributable to owners of the parent company						
	Share capital RMB'000 Note 14	Share premium* RMB'000	Treasury shares* RMB'000	Statutory surplus reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Retained profit* RMB'000	Total RMB'000
As at 1 January 2026	**479,925**	**1,015,264**	**(139,969)**	**310,350**	**(31,919)**	**1,109,598**	**2,743,249**
Profit for the period	–	–	–	–	–	301,177	301,177
Other comprehensive expense for the period:	–	–	–	–	(8,083)	–	(8,083)
Total other comprehensive (expense) income for the period	–	–	–	–	(8,083)	301,177	293,094
Repurchase of listed securities of the Company	–	–	(349,804)	–	–	–	(349,804)
Cancellation of listed securities of the Company	(8,655)	(341,149)	349,804	–	–	–	–
Issue of shares	27,000	1,222,999	–	–	–	–	1,249,999
Share-based payments	–	2,687	–	–	–	–	2,687
Shares recognised as distribution	–	–	–	–	–	(99,654)	(99,654)
As at 30 June 2026	**498,270**	**1,899,801**	**(139,969)**	**310,350**	**(40,002)**	**1,311,121**	**3,839,571**

* These reserve accounts comprise the total consolidated reserves of RMB3,341,301,000 (as at 30 June 2025: RMB2,035,922,000) in the consolidated statement of financial position as at 30 June 2026.

Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**338,549**	316,851
Adjustments for:		
Depreciation of property, plant and equipment	**69,203**	32,542
Amortisation of prepaid land use rights	**88**	88
Depreciation of right-of-use assets	**351**	1,567
Amortisation of intangible assets	**480**	238
Depreciation of investment properties	**666**	666
Recognition of deferred income in profit or loss	**(961)**	(1,055)
Share of profit in a joint venture	**–**	(85)
Share of loss in an associate	**432**	1,317
Loss (gain) from disposing of items of property, plant and equipment	**25**	(28)
Loss (gain) on fair value changes of financial assets at FVTPL	**601**	(1,956)
Impairment (gains) losses, net of reversal of financial assets	**(6,354)**	3,239
Recognised impairment of inventories	**(6,179)**	(5,781)
Gain on remeasurement of the pre-existing investment in an associate to acquisition-date fair value	**(17,920)**	–
Gain on disposal of a joint venture	**(1,752)**	–
Finance costs	**3,678**	3,027
Bank interest income	**(13,384)**	(9,702)
	367,523	340,928
Decrease in inventories	**839**	15,607
Increase in receivables	**(227,578)**	(65,332)
Decrease/(Increase) in amounts due from related parties	**217**	(1,315)
Increase in prepayments, deposits and other receivables	**(63,157)**	(31,511)
Increase in long-term prepayments	**(38,545)**	(5,742)
Decrease in accounts and notes payable	**(2,228)**	(81,603)
Increase in other payables and accruals	**503**	14,490
Increase/(Decrease) in contract liabilities	**21,561**	(2,513)
(Decrease)/Increase in amounts due to related parties	**(1,321)**	113
Cash from operating activities	**57,814**	183,122
Interest received	**13,384**	9,702
Interest paid	**(3,678)**	(3,027)
Tax paid	**(40,813)**	(32,310)

	For the six months ended 30 June 2026 RMB'000 (Unaudited)	For the six months ended 30 June 2025 RMB'000 (Unaudited)
Net cash flows generated from operating activities	**26,707**	157,487
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of financial assets at FVTPL	**1,303,431**	313,258
Disposal of items of property, plant and equipment	**3**	28
Placement of pledged bank deposits and time deposits	**37,443**	(1,500)
Purchase of items of property, plant and equipment	**(169,948)**	(85,654)
Purchase of other intangible assets	**(682)**	(3,146)
Acquisition of financial assets at FVTPL	**(1,545,271)**	(694,574)
Acquisition of investment in an associate	**(57,668)**	–
Proceeds on disposal of an interest in a joint venture	**1,901**	–
Net cash flows used in investing activities	**(430,791)**	(471,588)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repurchase of listed securities of the Company	**(349,804)**	(80,315)
Effect of exchange rates on interest-bearing bank borrowings	**280**	(340)
New borrowings raised	**526,205**	91,186
Repayment of interest-bearing bank and other borrowings	**(213,532)**	(175,000)
Payment of lease liabilities	**(752)**	(1,852)
Issue of shares	**1,249,999**	767,421
Net cash flows generated from financing activities	**1,212,396**	601,100
NET INCREASE IN CASH AND CASH EQUIVALENTS	**808,312**	286,999
Cash and cash equivalents at beginning of the period	**629,996**	499,070
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**1,438,308**	786,069
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as stated in the statement of financial position	**1,438,308**	786,069

Notes to Financial Statements

30 June 2026

1. CORPORATE AND GROUP INFORMATION

Shanghai Conant Optical Co., Ltd. (the "**Company**") was incorporated and registered in the People's Republic of China (the "**PRC**" or "**China**") on 20 June 2018. The address of its registered office is 4th Floor, Building 35, No. 1-42, Lane 83, Hongxiang North Road, Lin-gang Special Area, China (Shanghai) Pilot Free Trade Zone.

For the six months ended 30 June 2026, the Company and its subsidiaries (collectively referred to as the "**Group**") were principally engaged in the business of manufacturing and selling resin spectacle lenses.

The controlling shareholder of the Group is Mr Fei Zhengxiang (the "**Controlling Shareholder**").

2.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") (which include all standards and interpretations, International Accounting Standards ("**IASs**") and Standing Interpretations Committee Interpretations) approved by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements have been prepared under the historical cost convention, except for investment properties, derivative financial instruments and financial assets measured at fair value through profit or loss, which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

2.1 BASIS OF PREPARATION (Continued)

Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2026. A subsidiary is an entity (including a structured entity) that is directly or indirectly controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.1 BASIS OF PREPARATION (Continued)

Basis of Consolidation (continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it de-recognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the book value of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Except as described below for the new accounting policies resulting from the application of amendments to IFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2025.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

Application of Amendments to IFRS Accounting Standards

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

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

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

3. INFORMATION ABOUT OPERATING SEGMENTS

The Group is principally engaged in the manufacturing and sales of resin spectacle lenses.

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. The information reported to the directors of the Company, being the chief operating decision maker, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information, and the directors have reviewed the financial results of the Group as a whole. Therefore, no further operating segment information is presented.

3. INFORMATION ABOUT OPERATING SEGMENTS (Continued)

Geographical Information

(a) Revenue from external customers

	For the six months ended 30 June			
	2026		2025	
	RMB'000 (Unaudited)	% of total revenue	RMB'000 (Unaudited)	% of total revenue
The Mainland China	**409,958**	**35.1**	359,151	33.1
Asia (excluding the Mainland China)	**256,461**	**22.0**	295,423	27.3
America	**294,725**	**25.3**	220,120	20.3
Europe	**173,622**	**14.9**	170,518	15.7
Oceania	**24,953**	**2.1**	26,464	2.4
Africa	**7,398**	**0.6**	12,559	1.2
	1,167,117	**100.0**	1,084,235	100.0

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

(b) Non-current assets

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
The Mainland China	**883,329**	717,205
Japan	**46,886**	53,924
Thailand	**227,676**	150,412
	1,157,891	921,541

The non-current asset information of continuing operations above is based on the locations of the assets and excludes time deposits, deferred tax assets and financial assets at fair value through profit or loss.

3. INFORMATION ABOUT OPERATING SEGMENTS (Continued)

Information about major customers

For the six months ended 30 June 2026, revenue of approximately RMB76,326,000 (for the six months ended 30 June 2025: RMB100,243,000) was derived from a single customer, including sales to a group of entities which are known to be under common control with that customer.

4. REVENUE, OTHER INCOME AND GAINS AND LOSSES

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**1,167,117**	1,084,235

4. REVENUE, OTHER INCOME AND GAINS AND LOSSES (Continued)

Information about disaggregated revenue

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Type of goods or services		
Standardised lenses	**483,102**	512,505
Functional lenses	**427,589**	382,266
Customized lenses	**254,100**	184,872
Others	**2,326**	4,592
	1,167,117	1,084,235
Geographical markets		
The Mainland China	**409,958**	359,151
Asia (excluding the Mainland China)	**256,461**	295,423
America	**294,725**	220,120
Europe	**173,622**	170,518
Oceania	**24,953**	26,464
Africa	**7,398**	12,559
Total revenue from contracts with customers	**1,167,117**	1,084,235

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
Goods transferred at a point in time	**1,167,117**	1,084,235

4. REVENUE, OTHER INCOME AND GAINS AND LOSSES (Continued)

Information about disaggregated revenue (continued)

An analysis of other income and gains and losses is as follows:

	Notes	For the six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Other income			
Government grants and subsidies			
Related to income	(i)	**4,984**	4,923
Related to assets	(ii)	**961**	1,055
Gross rental income from operating leases of investment properties		**5,743**	6,921
Bank interest income		**13,384**	9,702
Others		**2,211**	3,160
		27,283	25,761
Other gains and losses			
Foreign exchange differences, net		**(56,967)**	1,492
Fair value (losses) gains on financial assets at fair value through profit or loss		**(601)**	1,956
Gain on disposal of investment in a joint venture		**1,752**	–
Net gains on termination of right-of-use assets and lease liabilities		**2,093**	–
Gain on remeasurement of the pre-existing investment in an associate to acquisition-date fair value		**17,920**	–
		(35,803)	3,448
		(8,520)	29,209

4. REVENUE, OTHER INCOME AND GAINS AND LOSSES (Continued)

Information about disaggregated revenue (continued)

(i) Government grants and subsidies related to income were mainly received in recognition of the Group's contribution to local economic growth. Such grants related to income are recognised in profit or loss when received. There are no unfulfilled conditions or contingencies relating to these grants.

(ii) The Group received certain government grants for investment in production bases. Such grants related to assets are recognised in profit or loss over the useful lives of the relevant assets.

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*	**666,755**	639,955
Research and development costs	**44,335**	48,500
Depreciation of property, plant and equipment	**69,203**	32,542
Depreciation of right-of-use assets	**351**	1,567
Depreciation of investment properties	**666**	666
Amortisation of intangible assets	**480**	238
Lease payments not included in the measurement of lease liabilities	**180**	544
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages, salaries and other allowances	**187,366**	147,639
Pension scheme contributions and social welfare	**45,519**	43,313
Share-based payment expenses	**2,687**	5,374
	235,572	196,326

5. PROFIT BEFORE TAX (Continued)

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Foreign exchange differences, net	**56,967**	(1,492)
Fair value of financial instruments	**601**	(1,956)
Impairment of accounts receivable and other receivables	**(6,354)**	3,239
Write-down of inventories to net realisable value	**(6,179)**	(5,781)
Direct operating expenses arising from investment properties that generated rental income (including repairs and maintenance)	**61**	63

* For the six months ended 30 June 2026, employee benefit expense of RMB121,607,000 (six months ended 30 June 2025: RMB125,970,000) and write-down of inventories to net realisable value of RMB(6,179,000) (six months ended 30 June 2025: RMB(5,781,000)) are included in cost of inventories sold disclosed above.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank borrowings	**3,586**	2,458
Interest on lease liabilities	**77**	553
Interest on retirement benefit obligations	**15**	16
	3,678	3,027

7. INCOME TAX EXPENSES

Jiangsu Conant Optics Co., Ltd. is required to re-apply for recognition as a High and New Technology Enterprise in 2026, and therefore whether it is entitled to the HNTE preferential enterprise income tax rate of 15% for the six months ended 30 June 2026 (six months ended 30 June 2025: 15%) is subject to review and approval by the relevant PRC authorities.

Shanghai Conant Optics Co., Ltd. was recognised as a High and New Technology Enterprise in 2024, and therefore was entitled to the preferential enterprise income tax rate of 15% for the six months ended 30 June 2026 (six months ended 30 June 2025: 15%). The status of HNTE is subject to review by the relevant PRC authorities every three years.

Under PRC income tax rules and regulations, other subsidiaries located in the Mainland China are subject to enterprise income tax at the statutory tax rate of 25%.

For the six months ended 30 June 2026, Hong Kong profits tax was provided at the rate of 8.25% on the first HKD2 million of assessable profits arising in Hong Kong and 16.5% on assessable profits over HKD2 million.

Pursuant to the relevant tax laws, for the six months ended 30 June 2026, the subsidiary incorporated in the United States was subject to federal corporate income tax at the rate of 21% (six months ended 30 June 2025: 21%) on federal taxable income, and Georgia corporate income tax at the rate of 5.75% (six months ended 30 June 2025: 5.75%) on its taxable income in Georgia.

According to Japanese rules and regulations, the subsidiary incorporated in Japan is subject to corporate income tax, inhabitant tax and enterprise tax. For the six months ended 30 June 2026, the effective statutory tax rate for these taxes was 34.26% (six months ended 30 June 2025: 34.26%).

7. INCOME TAX EXPENSES (Continued)

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current – The Mainland China	**23,681**	39,013
Current – Hong Kong	**–**	290
Current – Japan	**7,404**	5,434
Current – the United States	**491**	273
Deferred tax expenses	**5,796**	(1,024)
Total tax charge for the period	**37,372**	43,986

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e. statutory rate) to the effective tax rate are as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit before tax	**338,549**	316,851
Tax calculated at statutory tax rate of 25%	**84,637**	79,213
Effect of different tax rates applicable to subsidiaries	**(40,885)**	(32,079)
Effect of 5% withholding tax on distributable profits of the Group's subsidiaries	**–**	290
Effect of performance of joint ventures and associates	**108**	308
Non-deductible expenses for tax purposes	**226**	189
Additional deduction for R&D expenses	**(8,932)**	(5,793)
Deductible temporary differences not recognised	**386**	349
Tax losses not recognised	**1,832**	1,483
Others	**–**	26
Tax charge at the Group's effective tax rate	**37,372**	43,986

8. DIVIDENDS

For the six months ended 30 June 2026, a final dividend for 2025 of RMB0.20 per ordinary share (tax inclusive), amounting to a total of RMB99,654,000, was proposed to shareholders of the Company and approved at the annual general meeting on 11 June 2026, and was paid on 11 August 2026.

The BOD recommended the payment of an interim dividend at RMB0.20 per ordinary share (tax inclusive) for 2026 to shareholders of the Company for the six months ended 30 June 2026, which is expected to be RMB99,654,000 in total. Details are set out in "Interim Dividend" under Management Discussion and Analysis above.

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

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue of 481,243,000 shares for the six months ended 30 June 2026 (six months ended 30 June 2025: 466,218,000 shares).

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2025 and 2026.

10. INVENTORIES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Raw materials	**335,756**	255,234
Finished goods	**261,154**	335,134
Work in progress	**10,834**	12,036
	607,744	602,404

11. PROPERTY, PLANT AND EQUIPMENT

	Total RMB'000
As at 1 January 2026	
Net book value	**775,645**
Addition	**384,020**
Disposal	**(40,891)**
Depreciation accrued for the period	**(69,203)**
Foreign exchange difference	**(3,060)**
As at 30 June 2026	**1,046,511**

12. ACCOUNTS AND NOTES RECEIVABLE

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Accounts receivable	**665,595**	438,896
Impairment	**(29,606)**	(35,888)
	635,989	403,008
Notes receivable	**951**	–
	636,940	403,008

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally three months. Most customers have a maximum credit limit.

The Group seeks to maintain strict control over its outstanding receivables and reconciles balances with customers on a monthly basis. Overdue balances are reviewed regularly by the sales and financial departments. In view of the aforementioned and the fact that the Group's accounts receivable relates to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral over its accounts receivable balances. To protect against customer default risks, the Group has purchased insurance against relevant credit risks. Accounts receivable shall be non-interest-bearing.

12. ACCOUNTS AND NOTES RECEIVABLE (Continued)

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

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 3 months	**572,279**	344,981
3 to 6 months	**44,040**	42,921
6 to 12 months	**18,574**	13,947
1 to 2 years	**1,096**	1,159
	635,989	403,008

Changes in the provision for impairment of accounts receivable are as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
As at the beginning of year/period	**35,888**	58,545
Impairment losses reversed	**(6,354)**	(22,352)
Foreign exchange adjustment	**72**	–
Write-off of non-recoverable amounts	**–**	(305)
As at the end of year/period	**29,606**	35,888

Notes receivable are bank acceptance bills unconditionally accepted by banks within the maturity period, and no provision for impairment loss on notes receivable has been made.

12. ACCOUNTS AND NOTES RECEIVABLE (Continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit loss. Provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by geographical region, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, accounts receivable shall be written off if past due for more than three years and not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's accounts receivable using a provision matrix:

As at 30 June 2026 (Unaudited)

	Within 3 months	3 to 6 months	6 to 12 months	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	**0.5%**	**3.0%**	**20.0%**	**68.7%**	**100.0%**	**100.0%**	**4.5%**
Total book value (RMB'000)	**575,035**	**45,401**	**23,218**	**3,501**	**1,738**	**16,702**	**665,595**
Expected credit losses (RMB'000)	**2,756**	**1,361**	**4,644**	**2,405**	**1,738**	**16,702**	**29,606**

As at 31 December 2025 (Audited)

	Within 3 months	3 to 6 months	6 to 12 months	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	1.8%	13.6%	19.0%	71.1%	100.0%	100.0%	8.2%
Total book value (RMB'000)	356,873	48,859	11,821	3,127	1,063	17,153	438,896
Expected credit losses (RMB'000)	6,571	6,629	2,249	2,223	1,063	17,153	35,888

13. ACCOUNTS AND NOTES PAYABLE

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Accounts payable	**130,893**	188,200
Notes payable	**55,079**	–
	185,972	188,200

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

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 3 months	**119,693**	165,217
3 to 6 months	**2,606**	20,156
6 to 12 months	**8,343**	1,882
Over 1 year	**251**	945
	130,893	188,200

Accounts payable are non-interest-bearing and are normally settled on a 90-day term.

14. SHARE CAPITAL

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Issued and fully paid:		
498,270,000 shares (30 June 2025: 479,925,000 ordinary shares)	**498,270**	479,925

15. CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any material contingent liabilities (for six months ended 30 June 2025: nil).

16. COMMITMENTS

As at 30 June 2026, the Group did not have any material commitments (for six months ended 30 June 2025: nil).

17. RELATED-PARTY TRANSACTIONS

Significant related-party transactions

Transactions with related parties during the period are as follows:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Lease payments paid:		
Jiangsu Blue Optics	**1,327**	1,852
Spouse of Mr. Fei Zhengxiang	**141**	141
	1,468	1,993

17. RELATED-PARTY TRANSACTIONS (Continued)

Outstanding balances with related parties

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Amounts due from related parties:		
Related to trade:		
Goertek Inc.	**445**	609
Goertek Optical Technology Co., Ltd.	**401**	446
Jiangsu Blue Optics	**–**	8
Amounts due to related parties:		
Related to trade:		
Jiangsu Blue Optics	**–**	1,321

Trade-related amounts with related parties of the Group are unsecured, interest-free and have a credit term of 30 days.

18. FAIR VALUE OF FINANCIAL INSTRUMENTS AND FAIR VALUE HIERARCHY

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

	Carrying value		Fair value	
	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)	**As at 30 June 2026 RMB'000 (Unaudited)**	As at 31 December 2025 RMB'000 (Audited)
Financial assets				
Financial assets measured at fair value through profit or loss	**1,024,197**	788,537	**1,024,197**	788,537
Financial liabilities				
Interest-bearing bank and other borrowings	**639,525**	261,602	**639,525**	261,602

The management has assessed that the fair values of cash and cash equivalents, accounts and notes receivable, amounts due from related parties, financial assets included in prepayments and other receivables, accounts payable, financial liabilities included in other payables and accruals, amounts due to related parties and lease liabilities approximate to their carrying values largely due to the short-term maturities of these instruments.

The Group's corporate finance team is responsible for determining the policies and procedures for measuring the fair value of financial instruments. The Corporate Finance Team reports directly to the BOD of the Company. At each reporting date, the Corporate Finance Team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation.

18. FAIR VALUE OF FINANCIAL INSTRUMENTS AND FAIR VALUE HIERARCHY (Continued)

The fair values of the financial assets and liabilities are included at an amount at which the instruments can be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions are used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. As at 30 June 2026, the Group's own non-performance risk for interest-bearing bank and other borrowings was assessed to be immaterial.

The fair values of listed equity investments are based on market quotation.

The Group invests in unlisted investments, i.e., the wealth management products issued by banks in the Chinese Mainland. The Group has estimated the fair value of financial assets measured at fair value through profit or loss by using a discounted cash flow valuation model based on the expected interest rate per annum of instruments with similar terms and risks.

18. FAIR VALUE OF FINANCIAL INSTRUMENTS AND FAIR VALUE HIERARCHY (Continued)

Fair value hierarchy

The following table sets out 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 the following inputs			
	Quotation 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 measured at fair value through profit or loss	–	**180,000**	**844,197**	**1,024,197**

As at 31 December 2025

	Fair value measurement using the following inputs			
	Quotation 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 measured at fair value through profit or loss	–	788,537	–	788,537

18. FAIR VALUE OF FINANCIAL INSTRUMENTS AND FAIR VALUE HIERARCHY (Continued)

Fair value hierarchy (Continued)

Assets measured at fair value: (Continued)

For the six months ended 30 June 2026

Bank/ Financial Institution/ Company	Type/ Description of Product	Investment Cost (RMB)	Fair Value as of 30 June 2026 (RMB)	Fair Value as a percentage of the Group's total assets as of 30 June 2026
Bank of Beijing	Non-guaranteed floating return financial product	94,000,000.00	94,183,179.86	1.85%
Guotai Haitong Securities	Non-guaranteed floating return financial product	70,000,000.00	71,060,000.00	1.40%
Bank of Hangzhou	Non-guaranteed floating return financial product	25,000,000.00	25,067,467.31	0.49%
Jiangsu Qidong Rural Commercial Bank	Non-guaranteed floating return financial product	59,000,000.00	59,015,427.24	1.16%
Industrial Bank (China)	Non-guaranteed floating return financial product	53,500,000.00	53,681,094.85	1.05%
Bank of Ningbo	Non-guaranteed floating return financial product	82,000,000.00	82,164,954.15	1.61%
Shanghai Rural Commercial Bank (SHRCB)	Non-guaranteed floating return financial product	78,000,000.00	78,114,106.93	1.53%
Bank of Shanghai	Non-guaranteed floating return financial product	60,000,000.00	60,176,907.69	1.18%
Industrial and Commercial Bank of China (ICBC)	Non-guaranteed floating return financial product	10,000,000.00	10,012,430.39	0.20%
China CITIC Bank	Non-guaranteed floating return financial product	70,000,000.00	70,111,929.94	1.38%
Huatai Financial Holdings (Hong Kong) Limited	Credit-linked note	102,264,000.00	102,102,141.60	2.01%
Huatai Financial Holdings (Hong Kong) Limited	Non-guaranteed floating return financial product	143,696,000.00	138,507,387.94	2.72%
Hangzhou Lingban Technology Co., Ltd.	Equity investment	180,000,000.00	180,000,000.00	3.53%
Total			1,024,197,027.90	20.11%

18. FAIR VALUE OF FINANCIAL INSTRUMENTS AND FAIR VALUE HIERARCHY (Continued)

Fair value hierarchy (Continued)

Assets measured at fair value: (Continued)

For the Year ended 31 December 2025

Bank/ Financial Institution/ Company	Type/ Description of Product	Investment Cost (RMB)	Fair Value as of 31 December 2025 (RMB)	Fair Value as a percentage of the Group's total assets as of 31 December 2025
Bank of Beijing	Non-guaranteed floating return financial product	53,000,000.00	53,530,055.00	1.51%
Guotai Haitong Securities	Non-guaranteed floating return financial product	30,000,000.00	30,123,000.00	0.85%
Bank of Hangzhou	Non-guaranteed floating return financial product	60,000,000.00	60,109,375.00	1.70%
Jiangsu Qidong Rural Commercial Bank	Non-guaranteed floating return financial product	50,000,000.00	50,156,061.11	1.41%
Bank of Jiangsu	Non-guaranteed floating return financial product	15,000,000.00	15,080,162.50	0.43%
Bank of Ningbo	Non-guaranteed floating return financial product	20,000,000.00	20,022,999.44	0.56%
Shanghai Rural Commercial Bank (SHRCB)	Non-guaranteed floating return financial product	65,000,000.00	65,397,679.65	1.84%
Bank of Shanghai	Non-guaranteed floating return financial product	20,000,000.00	20,112,000.00	0.57%
China Construction Bank (CCB)	Non-guaranteed floating return financial product	88,000,000.00	89,004,261.00	2.51%
China CITIC Bank	Non-guaranteed floating return financial product	65,000,000.00	65,285,475.56	1.84%
Huatai Financial Holdings (Hong Kong) Limited	Credit-linked note	179,620,000.00	176,850,168.56	4.99%
Huatai Financial Holdings (Hong Kong) Limited	Non-guaranteed floating return financial product	143,696,000.00	142,865,387.94	4.03%
Total			788,536,625.76	22.24%

19. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Dividend distribution

The Company, on 11 August 2026, distributed the final dividend for 2025 in full at RMB0.20 per ordinary share (tax inclusive), totalling RMB99,654,000.

Reduction of Registered Capital

On 30 July 2026, the shareholders adopted a special resolution to reduce the registered capital of the Company from RMB506,925,000 to RMB498,269,800 due to the repurchase and cancellation of a total of 8,655,200 H shares by the Company. The registered capital of the Company was reduced accordingly as from that date.

Proposed Issuance of Medium-term Notes in the PRC

On 10 August 2026, the BOD resolved to propose that the Company register and issue science and technology innovation medium-term notes (the "**Medium-term Notes**") in the national inter-bank bond market of the PRC, so as to broaden the financing channels of the Company, optimise its debt structure, and provide financial support for the R&D and technological innovation activities of the Company. Relevant issuance was duly adopted by way of a special resolution at the EGM held on 26 August 2026. As of the date of this results announcement, the Medium-term Notes have not been issued. For details, please refer to the circular of the Company dated 10 August 2026.

Except as disclosed in the context above, there have been no significant events after 30 June 2026 that have materially affected our operating and financial results as at the date of this Interim Report.