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)

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

The board (the "**Board**") of directors (the "**Directors**") of Shanghai Conant Optical Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2026, together with the comparative figures for the corresponding period in 2025.

In this announcement, "we", "us", "our" and "ours" refer to the Company and, where the context requires, the Group.

SUMMARY

- Revenue for the six months ended 30 June 2026 was approximately RMB1,167.1 million, representing an increase of approximately 7.6% YoY, of which revenue generated from the XR business amounted to approximately RMB50.5 million, representing a YoY growth of 1,475.3%.

- Gross profit for the six months ended 30 June 2026 was approximately RMB500.4 million, representing an increase of approximately 12.6% YoY.

- Profit attributable to owners of the parent for the six months ended 30 June 2026 was approximately RMB301.2 million, representing an increase of approximately 10.4% YoY. Profit attributable to owners of the parent adjusted for foreign exchange impact amounted to approximately RMB345.7 million for the six months ended 30 June 2026, representing an increase of approximately 27.6% YoY.

- Earnings per share for the six months ended 30 June 2026 was approximately RMB0.63, representing an increase of approximately 6.8% YoY. Adjusted earnings per share for the six months ended 30 June 2026 amounted to approximately RMB0.72, representing an increase of approximately 24.1% YoY.

- The Board has proposed the payment of an interim dividend of RMB0.20 per share (tax inclusive) for the six months ended 30 June 2026.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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	*3*	**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	*3*	**(8,520)**	29,209
Distribution and selling expenses		**(64,552)**	(53,819)
Administrative expenses		**(89,619)**	(93,673)
Impairment losses on financial assets		**6,354**	(3,239)
Other expenses		**(1,366)**	(1,648)
Finance costs	*5*	**(3,678)**	(3,027)
Share of profits and losses of:			
A joint venture		**–**	85
An associate		**(432)**	(1,317)
PROFIT BEFORE TAX	*4*	**338,549**	316,851
Income tax expenses	*6*	**(37,372)**	(43,986)
PROFIT FOR THE PERIOD		**301,177**	272,865
Attributable to:			
Owners of the parent company		**301,177**	272,865
Owners of the parent company upon adjustment		**345,700**	271,015
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT COMPANY			
Basic and diluted	*8*	**RMB0.63**	RMB0.59
ADJUSTED EARNING PER SHARE			
Basic and diluted		**RMB0.72**	RMB0.58

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*
	Notes	***(Unaudited)***	*(Unaudited)*
PROFIT FOR THE PERIOD		**301,177**	272,865
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign business 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		**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**	–
Deferred-tax assets		**19,907**	18,551
Time deposits		**53,176**	52,501
Prepayments for acquisition of property, plant and equipment		**72,377**	33,832
Financial assets at fair value through profit or loss		**180,000**	–
Total non-current assets		**1,410,974**	992,593
CURRENT ASSETS			
Inventories	*9*	**607,744**	602,404
Trade receivables	*10*	**636,940**	403,008
Amounts due from related parties		**846**	1,063
Prepayments, deposits and other receivables		**131,567**	68,410
Financial assets at fair value through profit or loss		**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			
Trade payables	*11*	**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		**498,270**	479,925
Reserves		**3,341,301**	2,263,324
TOTAL EQUITY		**3,839,571**	2,743,249

NOTES TO FINANCIAL STATEMENTS

1.1 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 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.

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.

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 derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount 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.

1.2 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.

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

The application of the 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.

2 OPERATING SEGMENT INFORMATION

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.

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June			
	2026		2025	
	RMB'000	**% of total**	*RMB'000*	% of total
	(Unaudited)	**revenue**	*(Unaudited)*	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

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	*(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.

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.

3 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

Disaggregated revenue information

	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
Customised 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

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

		For the six months ended 30 June	
		2026	2025
		RMB'000	*RMB'000*
	Notes	***(Unaudited)***	*(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 gain 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

(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.

4. 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*
	Notes	***(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 expense		**2,687**	5,374
		235,572	196,326
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.

5. 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 defined benefit obligations	**15**	16
	3,678	3,027

6. INCOME TAX EXPENSE

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 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 High and New Technology Enterprise is subject to review by the relevant PRC authorities every three years.

Under PRC income tax rules and regulations, other subsidiaries located in the PRC mainland 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 the State of 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%).

	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 – 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

7. 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 Board has proposed the payment of an interim dividend of RMB0.20 per share (tax inclusive) for the six months ended 30 June 2026 to the shareholders of the Company, with the total expected amount of RMB99,654,000, as detailed in the section headed "Interim Dividend" under Management's Discussion and Analysis below.

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

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.

9. INVENTORIES

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

10. TRADE RECEIVABLES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Trade receivables	**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 relate 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 are non-interest-bearing.

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:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	*(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

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

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
As At the Beginning of Year/Period	**35,888**	58,545
Impairment Losses Reversed	**(6,354)**	(22,352)
Exchange Adjustments	**72**	–
Write-off of uncollectible accounts	**–**	(305)
At End of Year/Period	**29,606**	35,888

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 are 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 Loss *(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 Loss *(RMB'000)*	6,571	6,629	2,249	2,223	1,063	17,153	35,888

11. TRADE PAYABLES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Trade payables	**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:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	*(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 the basis of a 90-day term.

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 customized 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 for the six months ended 30 June 2026, increased by 7.6% YoY from RMB1,084.2 million for the same period in 2025, reaching RMB1,167.1 million, which includes approximately RMB50.5 million from our XR business, a surge of 1,475.3% YoY. 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 enhancing operational efficiency of production and management, thus contributing to our profit growth. Our net profit, excluding foreign exchange impact, 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, along with a steady increase in the proportion of total 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 "**Hong Kong Stock Exchange**") in 2021, the Company has been continuously committed to enhancing its overall competitiveness across multiple dimensions, including R&D capabilities, production and operational efficiency, as well as brand and market presence. These initiatives have yielded phased results, supporting steady growth for the Company.

In the first half of this year, despite certain disruptions in raw materials for 1.74-refractive-index lenses, the Company's 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 Mainland China, the Americas, accelerated in the first half of this year. The Company has also made notable progress in optimising its customer structure in the Asian markets excluding China, achieving sequential revenue growth in this market and a significant improvement in profit margin compared with the second half of last year. Benefiting from the Company's ongoing efforts to optimise its business model and a significant increase in revenue contribution from the XR business, the Company's profit margin was further enhanced in the first half of this year.

After nearly three years of sustained investment and iteration, the Company has built a comprehensive and irreplicable 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.

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 glasses 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 Lens 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 manufacturing 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 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 glasses manufacturers on over 40 projects, and has signed long-term R&D or procurement framework agreements with key customers, covering multiple technical roadmaps for optical waveguides and vision care solutions for smart glasses. 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 with integration and assembly services; and the other for undertaking the full process of customised myopia lenses, lens integration, and module assembly, while jointly exploring a new retail model for offline smart vision testing terminals; In addition, the Company is in the final stage of mass production preparation for a key project with an international customer. R&D 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 legacy business operation on the following 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 in Japan commenced operation 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 from optical labs to other stages of production, 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 glasses, 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 functional lenses and customized 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 strengthen the Group's overall technological barriers to competition.

In the XR business, the second half of 2026 will mark a critical period for its commercial scaling, with initiatives centering on three 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 manufacturing base for XR smart glasses. The Company will devote full efforts to ensuring the mass production launch of key smart glasses projects for global key customers, completing equipment installation and capacity ramp-up; the Company will also continue to secure turnkey customised vision care solutions and large-volume orders from several domestic customers, steadily delivering integrated services including R&D, manufacturing and integration of lens, 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 glasses customers both domestically and internationally, and expand collaborative projects for new-type optical waveguides and lightweight AI glasses.

(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 lens integration, and electrochromic optical modules, adapting to the needs of next-generation lightweight, all-day wearable smart glasses, and continuously enriching its one-stop customised vision care solution portfolio.

Looking across the global smart glasses 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 capacity layout, and comprehensive industrial chain support, 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 of the Group in the medium-to long-term. Alongside the deepening of customer relationships and business synergies, the Company has strong grounds to believe that the Group is in a process of strategic transformation into a global leading precision optics platform.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenue

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

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 optimization of our product portfolios.

By product type, revenue of standardised lenses decreased by 5.7% YoY, and revenue of functional lenses and customized lenses grew by 11.9% YoY and 37.4% YoY respectively. 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 same period in 2026, with the proportion of total revenue rising from 62% in the same period last year to 68% in the first half of this year. Due to high base effect, revenue from ODM business decreased by 7.2% from RMB407.8 million for the six months ended 30 June 2025 to RMB378.3 million for the same period in 2026, with the proportion of total revenue decreasing from 38% in the same period last year to 32% in 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 an increase of revenue, 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 benefited from the rapid revenue growth of the our own brand business and the customised lenses segment. 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 same period in 2026. The gross profit margin of our ODM business increased from 36.3% for the six months ended 30 June 2025 to 37.5% for the same period in 2026.

Other Income and Gains and Losses

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

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 sales and distribution expenses was mainly attributable to (i) Increasing expenditure related to the expansion of XR business; and (ii) increase in other marketing expenses in proportion to revenue growth.

General and Administrative Expenses

The 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 same period in 2026, primarily because (i) Some investment in R&D were capitalized, resulting in a decrease in R&D expenses this year; and (ii) the effect of our cost reduction and efficiency improvement efforts.

Other Expenses

Other expenses decreased by 17.1% from RMB1.6 million for the six months ended 30 June 2025 to RMB1.4 million for the same period in 2026, primarily due to a decrease in rental cost.

Impairment of Financial Assets

The reversal of impairment of financial assets increased by RMB9.6 million to RMB6.4 million (the impairment loss on financial assets for the six months ended 30 June 2025 was 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 capacity.

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 recognition of tax-deductible losses from associated enterprises acquired this year.

Profit for the Period

As mentioned 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 of the relevant date) decreased slightly from 3.6 times as at 31 December 2025 to 3.3 times as at June 30, 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 of 31 December 2025 to RMB1,438.3 million as of 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 multiplied by 100%) increased from 9.5% as at 31 December 2025 to 16.7% as at 30 June 2026, primarily 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 June 30, 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, construction costs 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 Board recommends the payment of an interim dividend of RMB0.20 per ordinary share (tax inclusive) for the six months ended June 30, 2026 (the "**Proposed Interim Dividend**") (for the six months ended June 30, 2025: RMB0.15). The above mentioned proposed interim dividends distribution for the year 2026 is subject to obtaining approval from shareholders of the Company. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

An announcement containing further details as to, amongst others, the payment currency and applicable foreign exchange rate, the relevant record date and book closure period in connection with the proposed cash dividend will be disclosed in due course.

Pledge of Assets

As at 30 June 2026, the Group's property, plant and equipment with the carrying amount of RMB42.1 million (RMB124.4 million as at 31 December 2025), investment properties with the carrying amount of RMB0 million (RMB12.9 million as at 31 December 2025) and leased land with the carrying amount 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 Company subscribed to wealth management products offered by Huatai International, namely Huatai International Financial Products and Citigroup Financial Products. On 30 January 2026 and 2 July 2026, the Company redeemed wealth management products from Huatai International in the amounts of US$10,000,000 and US$20,000,000, respectively. The total unaudited accrued interest income resulting from the redemption amounted to approximately US$652,009.

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

Significant Acquisitions and Major Investment Plans in the Future

On 19 January 2026, Asahi Lite (a direct wholly-owned subsidiary of the Group) and Goertek Optical entered into a JV agreement for the establishment of a JV entity, of which Asahi Lite contributed US$0.3 million, representing 30% of the registered capital of the JV entity. The JV entity will be established for research and development, production, and sales of prescription lenses for smart glasses, waveguide (WG) Eyepieces (including WG components with and without myopia correction), and corresponding optoelectronic components of eyepieces with electrochromic and eyetracking functions applied in the AI/AR/VR/MR glasses field.

In order to strengthen the Company's strategic positioning in the smart glasses sector, enhance synergies across the industrial chain, and deepen cooperation with industry-leading companies in the industry, the Company invested RMB180 million to participate in the latest round of financing for Lingban Technology (Hangzhou) Co., Ltd. (hereinafter referred to as "**Lingban Technology**") in March 2026 to subscribe for its ordinary shares. This investment will represent no more than 5% of Lingban Technology's total equity upon completion of this financing round. The funds for this investment will be sourced from the Company's internal resources.

The Company entered a share transfer agreement in April 2026 to acquire the remaining 51% equity interests in Jiangsu Blue Optics Lens Co., Ltd. (an associate of the Company, in which the Company indirectly held a 49% equity interests during the result period) (hereinafter referred to as "**Jiangsu Blue Optics**") at a consideration of RMB72.0 million. Upon completion of the acquisition, Jiangsu Blue Optics will be indirectly wholly-owned by the Company. We are currently undertaking major upgrades and renovations to its existing facilities to support the production lines in Phase II and Phase III project. We plan to develop it into a state-of-art high precision manufacturing base to support mass production projects in the future.

Significant Events after the Reporting Period

Dividend distribution

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

Capital reduction

On 30 July 2026, a special resolution was passed by the Shareholders to reduce the registered capital of the Company from RMB506,925,000 to RMB498,269,800, as a result of the repurchase and cancellation by the Company of an aggregate of 8,655,200 H Shares, and the registered capital of the Company has been reduced accordingly with effect therefrom.

Proposed issue of Medium Term Note in the PRC

on 10 August 2026, the Board has resolved to propose the registration and issuance of science and technology innovation medium term notes (科技創新債券) (the "**Medium Term Notes**") in the national inter-bank bond market in the PRC in order to broaden the financing channels of the Company, optimise its debt structure and provide financial support to the Company's research and development and technology innovation activities. The issue is subject to a special resolution to be approved by the Shareholders at an extraordinary general meeting to be held on 26 August 2026. As at the date of this results announcement, the Medium Term Notes have yet to be issued. For details, please refer to the circular of the Company dated 10 August 2026.

Except as disclosed in this announcement, 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 announcement.

Company Profile

The Company was incorporated in the PRC as a joint stock limited company on 20 June 2018. The Company's H shares have been listed on the Hong Kong Stock Exchange since 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.

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 announcement have been rounded. Any discrepancies between the total amounts and the sum of the amounts set out in the tables are due to rounding.

Miscellaneous

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 Hong Kong Stock Exchange (the "**Listing Rules**") as its own governance code. The Board 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.

Mr. Fei Zhengxiang ("**Mr. Fei**") is the Chairman of the Board and the General Manager of the Company, and has been managing the Group's business and overseeing the Group's overall operations since 2006. The Board considers that the combination of the roles of Chairman of the Board 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 Board, can ensure a balance of power and authority. As at the date of this announcement, the Board comprises six executive Directors (including Mr. Fei), two non-executive Directors and four independent non-executive Directors. The Board believes that this structure does not impair the balance of power and authority between the Board and the management of the Company due to the following reasons:

i. Decisions to be made by the Board require approval by at least a majority of the Directors, thus providing sufficient checks and balances within the Board;

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

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

The Board 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 Board and General Manager in due course.

Compliance with the Model Code for 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.

Purchase, Sales or Repurchase of the Company's Listed Securities

As at 30 June 2026, the Company 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 were cancelled.

On 3 February 2026, an aggregate of 27.0 million placing shares were allotted and issued to the placee at the placing price of HKD52.00 per placing share. As at 30 June 2026, the total number of issued H shares of the Company was 498,269,800.

Audit Committee and Review of Financial Statements

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 announcement, 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 Board.

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.

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 Board 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	Proceeds as stated in the Prospectus Original allocation of net proceeds *(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 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 utilized)
To enhance the Group's R&D capabilities	94.2	94.2	94.2	–	Not applicable (Fully utilized)
To enhance the sales and marketing efforts of the Group	48.8	11.9	11.9	–	Not applicable (Fully utilized)
Working capital and general corporate purposes	47.3	47.3	47.3	–	Not applicable (Fully utilized)
To enhance the production efficiency and processing technology of the Group	38.4	38.4	38.4	–	Not applicable (Fully utilized)
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 utilized)
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 Board 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 (Hong Kong) Co., Limited) 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	**Proceeds as stated in the Prospectus Original allocation of net proceeds** *(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 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 customised 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	**Proceeds as stated in the Prospectus Original allocation of net proceeds** *(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 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

Intended purpose of proceeds	Proceeds as stated in the Prospectus Original allocation of net proceeds *(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 proceeds
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	

Publication of the Interim Results Announcement and Interim Report

This interim results announcement is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.conantoptical.com). The interim report of the Company for the six months ended 30 June 2026, which contains all the information required under the Listing Rules, will be dispatched to shareholders in due course and will also be published on the websites above.

By order of the Board
Shanghai Conant Optical Co., Ltd.
Chairman
Fei Zhengxiang

Hong Kong, 17 August 2026

As at the date of this announcement, the Board comprises Mr. Fei Zhengxiang, Mr. Zheng Yuhong, Mr. Xia Guoping, Mr. Chen Junhua, Mr. Wang Chuanbao and Ms. Cao Xue as executive Directors; Ms. Zhao Xiaoyun and Mr. Tian Kehan as non-executive Directors; and Dr. Xiao Fei, Mr. Chen Yi, Dr. Wu Ying and Mr. Jin Yiting as independent non-executive Directors.