华检医疗（1931.HK）

ETHK Labs Inc.

華檢醫療控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1931)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

The board (the "**Board**") of directors (the "**Directors**", each a "**Director**") of ETHK Labs Inc. (formerly known as IVD Medical Holding Limited) (the "**Company**") hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**"), which have been reviewed by the Company's audit committee (the "**Audit Committee**") and have been approved by the Board on 31 August 2026. The financial highlights of the Group for the Reporting Period together with the comparative figures for the corresponding period in 2025 are set out as follows:

	Six months ended 30 June		
	2026	2025	Change
	RMB'000	*RMB'000*	
	(Unaudited)	(Unaudited)	
Revenue	**1,353,707**	1,269,595	6.6%
Gross profit	**297,359**	279,594	6.4%
(Loss)/Profit for the period	**(182,274)**	38,326	(575.6%)
(Loss)/Profit attributable to owners of the parent	**(70,493)**	39,119	(280.2%)
Adjusted (loss)/profit for the period *(Non-GAAP, see Note)*	**(184,579)**	35,628	(618.1%)
Adjusted (loss)/profit attributable to owners of the parent *(Non-GAAP, see Note)*	**(68,727)**	36,421	(288.7%)
(Loss)/Earnings per share			
Basic and diluted (RMB cents)	**(4.39)**	2.41	(282.2%)

Note: Adjusted profit for the period and adjusted profit attributable to owners of the parent are non-GAAP financial measures and are calculated by profit for the period and profit attributable to owners of the parent excluding certain impact of non-operating items which affect the results presented in the financial statements but are not indicative of the operating performance of the Group, with the intent to provide the shareholders of the Company (the "**Shareholders**") and potential investors with useful supplementary information to assess the performance of the Group's core operations. See also the paragraph headed "Adjusted profit for the period" in this announcement for more information and calculation of these measures.

For the Reporting Period, the Group achieved a revenue of RMB1,353,707 thousand, which represented an increase of 6.6% as compared to the corresponding period of 2025 mainly as a result of the acquisition of B-Soft Co., Ltd. (hereinafter referred to as "**B-Soft**" or the "**Target Company**"). The increase in revenue was primarily attributable to the consolidation of B-Soft's revenue following the acquisition.

The Group recorded a loss for the Reporting Period of RMB182,274 thousand, which represented a decrease of RMB220,600 thousand or 575.6% as compared to the corresponding period of 2025. Such decrease was primarily attributable to (i) higher administrative expenses incurred due to labor costs for the Reporting Period; (ii) research and development expenses incurred due to the acquisition of B-Soft, which incurred significant research and development expenses as part of its business operations; (iii) higher financing costs incurred due to the increase in borrowings; and (iv) higher expected credit loss (ECL) impairment incurred due to the significant increase of trade and bills receivables.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 *RMB'000* (Unaudited)	2025 *RMB'000* (Represented) (Unaudited)
REVENUE	*4*	**1,353,707**	1,269,595
Cost of sales		**(1,056,348)**	(990,001)
GROSS PROFIT		**297,359**	279,594
Other income and gains, net	*5*	**27,481**	8,459
Selling and distribution expenses		**(86,934)**	(70,314)
Research and development expenses		**(84,420)**	(5,449)
Administrative expenses		**(193,121)**	(88,203)
Other expenses		**(38,906)**	(24,899)
Finance costs		**(60,928)**	(22,414)
Fair value (losses)/gains on financial assets at fair value through profit or loss		**(2,202)**	2,698
Share of profits/(losses) of associates		**7,778**	(6,032)
Impairment of trade and bills receivables and other receivables	*6*	**(35,881)**	(1,596)
(LOSS)/PROFIT BEFORE TAX	*6*	**(169,774)**	71,844
Income tax expense	*7*	**(12,500)**	(33,518)
(LOSS)/PROFIT FOR THE PERIOD		**(182,274)**	38,326
(Loss)/profit for the period attributable to:			
Owners of the parent		**(70,493)**	39,119
Non-controlling interests		**(111,781)**	(793)
(Loss)/profit for the period		**(182,274)**	38,326

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Represented) (Unaudited)
OTHER COMPREHENSIVE INCOME			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(73,390)**	(5,948)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:			
Fair value changes on equity investments at fair value through other comprehensive income ("**FVTOCI**")		**(114)**	–
Exchange differences on translation of the Company's financial statements		**35,995**	(5,447)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		**(37,509)**	(11,395)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		**(219,783)**	26,931
Total comprehensive (loss)/income attributable to:			
Owners of the parent		**(108,002)**	27,724
Non-controlling interests		**(111,781)**	(793)
		(219,783)	26,931
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB cents)	*9*	**(4.39)**	2.41

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the six months ended 30 June 2026

	Notes	**30 June 2026** *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**655,941**	204,818
Intangible assets		**7,126,051**	1,635,885
Investment properties		**123,774**	–
Investments in associates		**645,376**	480,596
Investment in a joint venture		**20,214**	20,214
Financial assets at fair value through profit or loss ("**Financial assets at FVTPL**")		**52,284**	2,427
Financial assets through other comprehensive income		**2,195**	–
Deferred tax assets		**137,800**	23,994
Total non-current assets		**8,763,635**	2,367,934
CURRENT ASSETS			
Inventories		**2,718,074**	2,287,967
Trade and bills receivables	*11*	**1,874,131**	452,554
Prepayments, other receivables and other assets		**253,210**	275,944
Contract assets		**64,148**	–
Financial assets at FVTPL		**20,957**	2,136
Financial assets measured at amortised cost		**143,956**	–
Pledged deposits		**417,710**	197,758
Cash and cash equivalents		**520,075**	350,924
Total current assets		**6,012,261**	3,567,283
CURRENT LIABILITIES			
Trade payables	*12*	**1,107,187**	656,213
Other payables and accruals		**469,416**	141,267
Interest-bearing bank and other borrowings		**2,256,095**	1,842,042
Tax payable		**20,410**	13,997
Total current liabilities		**3,853,108**	2,653,519
NET CURRENT ASSETS		**2,159,153**	913,764
TOTAL ASSETS LESS CURRENT LIABILITIES		**10,922,788**	3,281,698

	Notes	**30 June 2026** *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
NON-CURRENT LIABILITIES			
Other payables and accruals		**64,021**	65,400
Provisions		**928**	–
Deferred tax liabilities		**202,676**	204,941
Interest-bearing bank and other borrowings		**341,809**	–
Total non-current liabilities		**609,434**	270,341
Net assets		**10,313,354**	3,011,357
EQUITY			
Equity attributable to owners of the parent			
Share capital	*13*	**5,589**	5,589
Reserves		**2,806,942**	2,942,111
		2,812,531	2,947,700
Non-controlling interests		**7,500,823**	63,657
Total equity		**10,313,354**	3,011,357

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands and whose shares are publicly traded on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The principal activities of the Group are described in note 3 to the interim condensed consolidated financial information.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with IAS 34 Interim Financial Reporting. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

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

2.2 CHANGES TO THE GROUP'S ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of January 1, 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Application of amendments to IFRS Accounting Standards

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.

3. OPERATING SEGMENT INFORMATION

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted (loss)/profit before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest income, finance costs, as well as head office and corporate income and expenses are excluded from such measurement.

Medical equipment and consumables	Sale and manufacture of medical equipment and consumables and the provision of after-sales services related to medical equipment
Healthcare information technology	Development and sale of medical and health information systems and software and the provision of related operation, maintenance and technical services

The segment results for the six months ended 30 June 2026 are as follows:

	Medical equipment and consumables *RMB'000* *(Unaudited)*	**Healthcare information technology** *RMB'000* *(Unaudited)*	**Total** *RMB'000* *(Unaudited)*
Segment revenue:			
Gross segment revenue	**1,279,759**	**251,367**	**1,531,126**
Intersegment revenue	**(177,370)**	**(49)**	**(177,419)**
Revenue	**1,102,389**	**251,318**	**1,353,707**
Segment results	**1,680**	**(132,917)**	**(131,237)**
Reconciliation:			
Interest income and unallocated income			**27,450**
Unallocated expenses			**(5,059)**
Finance costs			**(60,928)**
Loss before tax			**(169,774)**
Income tax expenses			**(12,500)**
Loss for the period			**(182,274)**

The segment results for the six months ended 30 June 2025 are as follows:

	Medical equipment and consumables *RMB'000* *(Unaudited)*	Healthcare information technology *RMB'000* *(Unaudited)*	Total *RMB'000* *(Unaudited)*
Segment revenue:			
Gross segment revenue	1,269,595	–	1,269,595
Intersegment revenue	–	–	–
Revenue	1,269,595	–	1,269,595
Segment results	90,547	–	90,547
Reconciliation:			
Interest income and unallocated income			8,459
Unallocated expenses			(4,748)
Finance costs			(22,414)
Profit before tax			71,844
Income tax expenses			(33,518)
Profit for the period			38,326

Note: The segment results include share of profits/(losses) of joint ventures and associates.

(a) Geographical information

All of the Group's revenue is attributable to customers in Chinese mainland, Hong Kong and Macau.

(b) Information about major customers

During the six months ended 30 June 2026 and 2025, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

4. REVENUE

An analysis of revenue is as follows:

By segment	Six months ended 30 June 2026 Medical equipment and consumables *RMB'000* (Unaudited)	Healthcare information technology *RMB'000* (Unaudited)	Total *RMB'000*
Revenue from contracts with customers			
Sales of trading goods	**1,051,320**	–	1,051,320
Sales of manufactured goods	**5,838**	–	5,838
Provision of after-sales services	**45,231**	–	45,231
Sales of software products	–	112,698	112,698
Provision of information technology ("**IT**") services	–	103,962	103,962
Provision of system integration business	–	34,658	34,658
Total	**1,102,389**	251,318	1,353,707

By segment	Six months ended 30 June 2025 Medical equipment and consumables *RMB'000* (Unaudited)	Healthcare information technology *RMB'000* (Unaudited)	Total *RMB'000*
Revenue from contracts with customers			
Sales of trading goods	1,177,346	–	1,177,346
Sales of manufactured goods	4,474	–	4,474
Provision of after-sales services	87,775	–	87,775
Sales of software products	–	–	–
Provision of information technology ("**IT**") services	–	–	–
Provision of system integration business	–	–	–
Total	1,269,595	–	1,269,595

Revenue from contracts with customers

Disaggregated revenue information

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Types of goods and services		
Sales of medical equipment	**116,756**	113,963
Sales of medical consumables	**940,402**	1,067,857
Provision of after-sales services	**45,231**	87,775
Sales of software products	**112,698**	–
Provision of information technology ("**IT**") services	**103,962**	–
Provision of system integration business	**34,658**	–
Total	**1,353,707**	1,269,595
Types of customers		
Sales to hospitals and healthcare institutions	**393,486**	181,871
Sales to logistics providers	**72,006**	90,002
Sales to distributors	**865,242**	909,947
Sales to service customers	**22,973**	87,775
Total	**1,353,707**	1,269,595
Timing of revenue recognition		
Goods transferred at a point in time	**1,204,514**	1,181,820
Services transferred over time	**149,193**	87,775
Total	**1,353,707**	1,269,595

5. OTHER INCOME AND GAINS, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income		
Bank interest income	**2,853**	1,122
Government subsidies*	**15,330**	7,199
Rental income	**6,102**	–
Interest income on financial assets measured at amortised cost	**2,229**	–
Others	**936**	138
Subtotal	**27,450**	8,459
Gains		
Gain on disposal of items of property, plant and equipment	**31**	–
Total	**27,481**	8,459

* Government subsidies have been received from local government authorities in the Chinese mainland, to support subsidiaries' daily operating activities. There are no unfulfilled conditions or contingencies relating to these subsidies.

6. (LOSS)/PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of goods sold*	**947,942**	946,176
Cost of services provided*	**108,406**	43,825
Depreciation of owned assets	**23,063**	12,828
Depreciation of right-of-use assets	**14,765**	6,676
Amortisation of intangible assets	**38,871**	–
Foreign exchange differences, net***	**23,016**	24,899
Gain on disposal of items of property, plant and equipment**	**(31)**	–
Write-down of inventories to net realisable value***	**12,268**	71

* These items are included in "Cost of sales" on the face of the interim condensed consolidated statement of profit or loss and other comprehensive income.

** These items are included in "Other income and gains" on the face of the interim condensed consolidated statement of profit or loss and other comprehensive income.

*** This item is included in "Other expenses" on the face of the interim condensed consolidated statement of profit or loss and other comprehensive income.

7. INCOME TAX

Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of the 16.5% (2025:16.5%) on the estimated assessable (losses)/profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (six months ended 30 June 2025: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2025: 8.25%) and the remaining assessable profits are taxed at 16.5% (2025:16.5%).

PRC corporate income tax

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the EIT rate of the Group's PRC subsidiaries is 25% unless subject to tax exemption set out below.

Certain subsidiaries were accredited as high and new-tech enterprises (the "**HNTE**") and eligible for the preferential EIT rate of 15%.

Certain subsidiaries were qualified as small and micro enterprises and eligible for the preferential EIT rate of 20%.

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current – Chinese Mainland		
Charge for the period	**14,894**	33,568
Under-provision/(over-provision) in prior periods	**4,757**	(476)
Current – Hong Kong		
Charge for the period	**77**	625
Deferred	**(7,228)**	(199)
Total tax charge for the period	**12,500**	33,518

8. DIVIDENDS

No dividends have been declared and paid by the Company for the six months ended 30 June 2026 (Six months ended 30 June 2025: Nil).

9. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amount is based on the loss for the period attributable to ordinary equity holders of the parent of RMB70,493,000 (six months ended 30 June 2025: profit attributable to ordinary equity holders of the parent of RMB39,119,000), and the weighted average number of ordinary shares of 1,604,359,013 (six months ended 30 June 2025: 1,625,103,535) outstanding during the period.

No adjustment has been made to the basic (loss)/earnings per share presented for the six months ended 30 June 2026 and 2025 as the Group had no potentially dilutive ordinary shares in issue during these periods.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired items of owned property, plant and equipment of RMB17,310,000 (six months ended 30 June 2025: RMB16,079,000).

11. TRADE AND BILLS RECEIVABLES

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Trade receivables	**2,666,721**	463,365
Bills receivables	**17**	–
Impairment, net	**(792,607)**	(10,811)
Total	**1,874,131**	452,554

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

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Within 1 month	**626,912**	390,888
1 to 2 months	**76,491**	17,593
2 to 3 months	**59,468**	21,352
Over 3 months to within 1 years	**272,498**	22,721
1-2 years	**384,706**	–
2-3 years	**302,206**	–
Over 3 years	**151,850**	–
Total	**1,874,131**	452,554

12. TRADE PAYABLES

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

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Within 1 month	**294,359**	104,987
1 to 2 months	**12,136**	285,584
2 to 3 months	**34,099**	204,124
Over 3 months	**766,593**	61,518
Total	**1,107,187**	656,213

13. SHARE CAPITAL

Shares

	30 June 2026		31 December 2025	
	US'000	***RMB'000***	*US'000*	*RMB'000*
		(Unaudited)		(Audited)
Authorised:				
3,000,000,000 ordinary shares of US$0.0005 each	**1,500**	**10,280**	1,500	10,280
Issued and fully paid:				
1,621,488,096 ordinary shares (31 December 2025: 1,621,488,096) of US$0.0005 each	**817**	**5,589**	817	5,589

The movements in the company's issued share capital during the period ended 30 June 2026 and year ended 31 December 2025 were as follows:

	Number of ordinary shares	**Nominal value of ordinary shares** ***US$'000***	**Equivalent to** ***RMB'000***
At 1 January 2025	1,625,508,096	819	5,603
Share repurchase and cancellation *(note a)*	(4,020,000)	(2)	(14)
At 31 December 2025 (Audited), 1 January 2026 and 30 June 2026 (Unaudited)	1,621,488,096	817	5,589

Note:

(a) During the six months ended 30 June 2025, the company had repurchased 4,020,000 its own ordinary shares with an aggregate consideration RMB8,117,000 and cancelled the repurchased shares on 24 June 2025.

14. BUSINESS COMBINATION

Reference is made to the announcement of the Company dated 16 November 2025, 11 March 2026, 17 April 2026, 29 May 2026, 14 June 2026, 27 July 2026 and the circular of the Company dated 30 June 2026 in relation to the acquisition and the entrustment arrangement of B-Soft Co., Ltd. ("**B-Soft**"). B-Soft is a healthcare information technology enterprise that focuses on the research, development, sales and servicing of medical and health information systems and software; it owns a number of proprietary software technologies and products in the healthcare information technology sector.

The total consideration for the Acquisition was RMB500,000,000, settled in cash.

Since the Acquisition, B-Soft contributed approximately RMB251,318,000 to the Group's revenue for the six-month period ended 30 June 2026.

The Group accounted for the Acquisition on a provisional basis. The amounts recognised as of the date of the Acquisition for each class of assets acquired and liabilities assumed have not been disclosed, as the initial accounting for the Acquisition has not been completed as of the date of approval of these condensed consolidated financial statements. The Group will adjust the provisional amounts recognised during the measurement period, based on new information obtained about the facts and circumstances that existed as at the date of the Acquisition, and ends on 12 months from the date of the Acquisition.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group is a leading distributor of in vitro diagnostic ("**IVD**") products in the People's Republic of China (the "**PRC**"). The Group is also engaged in the research, development, manufacturing and sales of its self-branded IVD products. The Group has been able to increase its market share and profits steadily by taking advantage of its competitive and diverse product portfolio, extensive distribution network and hospital coverage.

During the Reporting Period, the Group recorded a revenue of RMB1,353,707 thousand, representing an increase of 6.6% as compared to the corresponding period of 2025. The Group recorded a loss for the Reporting Period of RMB182,274 thousand, which represented a decrease of RMB220,600 thousand or 575.6% as compared to the corresponding period of 2025.

Business segments

The Group's business can be broadly categorised into the following two reportable segments: (i) medical equipment and consumables; and (ii) healthcare information technology.

- ***Medical equipment and consumables***

  The Group's business in this segment primarily involves the sale and manufacture of medical equipment and consumables and the provision of after-sales services related to medical equipment, and is mainly divided into the following three categories:

- ***Distribution Business***

  The distribution of IVD products forms the cornerstone of the Group's business. It primarily involves the trading of IVD analysers, reagents and other consumables to customers such as distributors, hospitals and healthcare institutions and logistics providers. The Group's distribution of IVD products was primarily conducted through Vastec Medical Equipment (Shanghai) Co., Ltd. ("**Vastec**"), a subsidiary of the Company. Vastec is primarily engaged in the distribution of Sysmex Corporation's ("**Sysmex**") haemostasis products in the PRC. It has been the sole national distributor of Sysmex's haemostasis products with exclusive distribution rights in the PRC since 1997. It also procures a diversified portfolio of IVD products from other leading international brands for distribution in the PRC. As of 30 June 2026, approximately 6,438 of Sysmex haemostasis analysers have been installed by the Group and in use at hospitals and healthcare institutions accumulatively.

  Having worked together for 28 years, Vastec and Sysmex Shanghai Ltd. continue to deepen their cooperative relationship. In the Reporting Period, they jointly responded to the dynamic demands of the medical device market in the PRC, further consolidating Vastec's market position as the exclusive distributor of Sysmex's haemostasis products in Chinese Mainland, and also providing a robust business foundation for the Group in a regulatory environment characterized by changing policies.

The Group also provides 4 Thrombotic Markers *(Note)* products manufactured by Sysmex to the market. These products adopt highly sensitive chemiluminescence technology, which may facilitate early diagnosis of thrombosis and fibrinolysis. As of 30 June 2026, 97 Sysmex haemostasis immunoassay analysers which performed the 4 Thrombotic Markers have been installed by the Group at the hospitals and healthcare institutions in the PRC.

Note: 4 Thrombotic Markers refer to: 1) TAT: Thrombin-antithrombin complex 凝血酶－抗凝血酶複合物, 2) PIC: Plasmin- α 2-plasmin inhibitor complex, 纖溶酶- α 2纖溶酶抑制物複合物, 3) TM: Thrombomodulin血栓調節蛋白, 4) t-PAI-C: Tissue plasminogen activator/plasminogen activator inhibitor-1 complex 組織纖溶酶原激活物－纖溶酶原激活物抑制劑-1複合物.

In addition, the Group provides solution services to the clinical laboratories of hospitals. This has enabled the Group to establish and maintain direct relationships with local medical practitioners so as to keep the Group close to the frontline of the medical practice and the market demand of IVD products. In the first half of 2026, the Group provided solution services to seven hospitals in the PRC. Solution services contributed revenue of RMB120,355 thousand for the Reporting Period, representing an increase of 10.5% as compared to RMB108,899 thousand for the six months ended 30 June 2025. Such increase was primarily due to the increase of market demand.

Through years of operations, the Group has established an expansive distribution network across 31 provinces, municipalities and autonomous regions in the PRC with an extensive hospital coverage. As of 30 June 2026, the Group had 197 (as of 30 June 2025: 236) direct customers, including hospitals and healthcare institutions, and 1,204 (as of 30 June 2025: 1,073) distributors in its established distribution network. As of 30 June 2026, the Group also covered 1,711 Class III hospitals mainly through its sub-distribution networks in the PRC, which further enhanced the competitiveness of the Group.

- ***After-sales Services***

Apart from distributing IVD products in the PRC, the Group also derived its revenue from providing after-sales services to end customers of Sysmex's haemostasis analysers in the PRC. In 2017, Vastec entered into an after-sales services agreement with Sysmex to provide after-sales services to haemostasis analysers procured by its end customers. The after-sales services provided by Vastec generally include maintenance and repair services, installation services and end customer trainings. Vastec primarily provides its after-sales services to hospitals and healthcare institutions.

- ***Self-branded Products Business***

  The Group has also engaged in the research, development, manufacturing and sales of IVD analysers and reagents under its own brand. The Group's self-branded IVD reagents were manufactured by Suzhou DiagVita Biotechnology Co., Ltd. and Bazoe Medical Co., Ltd., and the Group's IVD analysers were produced by the Group's subsidiary, Langmai Biotechnology (Shandong) Co., Ltd. These self-developed IVD products primarily include IVD analysers and reagents primarily under the IVD testing category of point-of-care testing, mass spectrometry and microbiology.

- ***Healthcare information technology***

  Through the Acquisition of B-Soft Co., Ltd. ("**B-Soft**"), the Group entered the healthcare information technology sector during the Reporting Period. Revenue of this segment is mainly derived from the following three categories: (i) Sales of software products, (ii) Information technology ("**IT**") services and (iii) System integration business.

INDUSTRY OVERVIEW

The continual growth of the healthcare market in the PRC is driven by a combination of favourable socio-economic factors including (i) the growth of the PRC population's disposable income and spending on healthcare, (ii) the increase of the overall PRC population and the accelerated ageing population, (iii) the expansion of the PRC economy, and (iv) strong support from the PRC government on healthcare spending as well as on continuous technological innovation. The Group expects that there will be significant growth potential for the healthcare market, especially the medical device market in the PRC. The integrated distribution value chain of the Group will provide strong support for the Group's development in the future.

According to Frost & Sullivan, by 2027, the PRC IVD market at ex-factory price level is projected to reach RMB278.7 billion with a compound annual growth rate of 15.7% during 2021 to 2027. In the future, the PRC IVD market is expected to grow with the aggravating trend of an ageing population, the growth of medical expenses per capita and the progress of technological development. The haemostasis analysis and other segmented fields are expected to continue to maintain a highly concentrated competitive landscape.

At the same time, global artificial intelligence technology is accelerating its penetration into the real economy, giving rise to disruptive innovations across multiple fields. AI-driven robotic technology has become a key engine for driving industrial upgrades, with application scenarios covering intelligent manufacturing, logistics automation, service interaction, and high end equipment operation and maintenance, demonstrating cross-industry commercialization potential. The versatility of such technologies enables them to quickly adapt to diverse scenario requirements, becoming an emerging growth pole independent of traditional industries. The Group closely monitors the reshaping effects of such technological breakthroughs on the global industrial landscape and continuously evaluates their commercialization pathways in different verticals to explore the possibilities of expanding future business boundaries.

BUSINESS OUTLOOK AND DEVELOPMENT STRATEGIES

On 12 July 2019, the Company successfully commenced its listing on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), providing the Group with a good opportunity for future development. Based on continuous insights into technological innovations and market demands in the healthcare industry, the Group will further expand the boundaries of technological innovation while consolidating its core IVD business, actively exploring the strategic value of robotic technology and cutting-edge technologies to seize growth opportunities brought about by global technological changes.

Looking ahead, the Group will leverage the capital market to continue consolidating its leading position in the IVD industry in the PRC and adopt active development strategies, including but not limited to the following key directions:

Expanding product portfolio, the reach of distribution network and hospital coverage

To capitalise on the high growth potential in the IVD market, the Group aims to continuously expand its product portfolio by diversifying product categories, increasing brand coverage, and expanding the breadth of its distribution network and hospital coverage. To achieve these purposes, the Group intends to (i) establish and maintain relationship with well-known IVD manufacturers and suppliers by way of stocking sufficient target IVD products to secure more distribution rights; (ii) strengthen its relationship with hospitals in urban areas, community clinics at the provincial and municipal levels and other customers in rural areas; and (iii) establish a new department and hire more sales personnel to manage the expansion of its distribution coverage.

Enhancing the intelligence of its solution services to continue to develop its distribution business

The Group has been providing solution services to hospitals in the PRC since 2013. By being the general supplier of the clinical laboratory department in such hospitals, the Group participates in the design of laboratory layout, provides centralised procurement of IVD products, conducts real-time inventory monitoring and provides other after-sales services to clinical laboratories. Through years of operations, the Group has accumulated a wealth of operational experience and a diversified product portfolio, thus being able to promote the same to other hospitals and healthcare institutions.

The Group plans to further upgrade the technical architecture of providing solution services to hospitals by introducing data-driven operational models and automated process management tools to enhance the operational efficiency and service response capability of clinical laboratories. Including but not limited to, optimizing inventory monitoring systems using intelligent algorithms to achieve precise demand forecasting; or enhancing real-time collaboration capabilities with medical institutions through remote diagnostic platforms. Such innovative initiatives will create higher added value for customers and provide technical support for the Group to explore the mid to high-end market.

The Group plans to hire more sales personnel to manage the promotion and marketing of solution services of the Group and to stock sufficient IVD products of various brands to strengthen the Group's advantages in centralized procurement. In addition, the Group intends to continuously participate in national and local IVD symposiums and academic conferences to enhance brand awareness.

Accelerating the upgrading of research and development capabilities to promote the strategic integration of intelligent hardware and automation technology

Strong research and development capabilities are critical to securing future development and sustainable growth of the Group. The Group will continue to increase its investment in research and development, focusing on advancing technological breakthroughs in the fields of mass spectrometry, molecular diagnostics, and microbiology. The Group, in addition to actively considering further strengthening its technological reserves and research and development capabilities through equity acquisitions or additional investments in non-wholly owned subsidiaries or other local companies focusing on the research and development of mass spectrometry reagents, also plans to further adopt AI in its operations to enhance the development of the Group's IVD products. AI-driven tools and analyzes can provide valuable insights in assisting the research, testing, and data analysis of the Group's IVD product portfolio.

Meanwhile, the Group is also actively exploring the application potential of intelligent hardware development and high-precision sensing technology, including but not limited to the application potential of AI robotics technology in industrial automation, precision operations, and complex scenario services. The Group is committed to seeking companies focused on AI robotic solutions and intends to develop its AI robotics business through collaboration and capital increase, aiming to support the large-scale deployment of AI technology in the future, which marks an important step in the Group's strategic layout in the field of AI.

Acquisition of B-Soft and the synergies of the acquisition

Reference is made to the announcements of the Company dated 16 November 2025, 11 March 2026, and 27 July 2026 and the circular of the Company dated 30 June 2026 in relation to the acquisition and the entrustment arrangement of B-Soft. On 12 November 2025, Hangzhou Better Smart Investment Management Consulting Partnership (Limited Partnership)* (杭州更好智投管理諮詢合夥企業(有限合夥)) (the "**Purchaser**"), a subsidiary of the Company, entered into the share transfer agreement (the "**Share Transfer Agreement**") with Mr. Ge Hang (the "**Vendor**"), pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell 96,525,096 A shares of the Target Company (the "**Target Shares**"), representing 6.23% of the total issued share capital of the Target Company as at the date of the Share Transfer Agreement, at a consideration of RMB500,000,000 (the "**Acquisition**"). On the same day, the Purchaser entered into the first voting rights entrusted agreement (the "**First Voting Rights Entrusted Agreement**") with the Vendor, pursuant to which the Vendor has agreed to entrust its voting rights attached to 155,780,282 A shares of the Target Company (including the Target Shares), representing 10.06% of the total issued share capital of the Target Company as at the date hereof, to the Purchaser with effect from 12 November 2025. On 14 November 2025, the Purchaser and Jinfuyuan (Hainan) Private Equity Fund Management Partnership (Limited Partnership)* (錦福源(海南)私募基金管理合夥企業(有限合夥)) (the "**Private Fund**") entered into the second voting rights entrusted agreement, pursuant to which the Private Fund has agreed to entrust its voting rights attached to 40,000,000 A shares of the Target Company, representing 2.58% of the total issued share capital of the Target Company as at the date hereof, to the Purchaser with effect from 14 November 2025 (together with the entrustment of voting rights to the Purchaser under the First Voting Rights Entrusted Agreement, the "**Entrustment Arrangement**"). Completion of the Acquisition took place on 11 February 2026. Immediately following completion of the Acquisition and as at the effective date of the Entrustment Arrangement, the Purchaser held voting rights of an aggregate of 195,780,282 A shares of the Target Company, representing 12.64% of the total issued share capital of the Target Company. The Purchaser was entitled to nominate a majority of the board of directors of the Target Company, and appoint its chairman and legal representative upon completion of the Acquisition. Following the appointment of directors nominated by the Purchaser, which constitutes the majority of the board of directors of the Target Company, the Target Company became a subsidiary of the Company, and the financial results of the Target Company and its subsidiaries were consolidated into the Group's consolidated financial statements. The Acquisition and the Entrustment Arrangement were ratified by the Shareholders during the extraordinary general meeting held on 27 July 2026.

The Acquisition and the Entrustment Arrangement can create clear, actionable and commercially grounded synergies expected to enhance the combined Group's value. These synergies arise from the complementary business models, data assets, market presence and ecosystem positioning of the Group and B-Soft.

For further information in relation to the Acquisition and the Entrustment Arrangement, please refer to the circular of the Company dated 30 June 2026.

FINANCIAL REVIEW

Overview

The financial summary set out below is extracted or calculated from the unaudited financial statements of the Group for the Reporting Period, which were prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

During the Reporting Period, the Group recorded revenue of RMB1,353,707 thousand, representing an increase of RMB84,112 thousand or 6.6% as compared to the corresponding period of 2025.

During the Reporting Period, the Group recorded loss for the period of RMB182,274 thousand, representing a decrease of RMB220,600 thousand or 575.6% as compared to the corresponding period of 2025. Loss attributable to owners of the parent amounted to RMB70,493 thousand, representing a decrease of RMB109,612 thousand or 280.2% as compared to the corresponding period of 2025.

During the Reporting Period, the Group recorded adjusted loss for the period of RMB184,579 thousand, representing a decrease of RMB220,207 thousand or 618.1% as compared to the corresponding period of 2025.

	For the six months ended 30 June		
	2026	2025	Change
	RMB'000	*RMB'000*	
Operating Results			
Revenue	**1,353,707**	1,269,595	6.6%
Gross profit	**297,359**	279,594	6.4%
(Loss)/Earnings before interest, taxes, depreciation and amortization (EBITDA)	**(32,147)**	113,762	(128.3%)
(Loss)/Profit for the period	**(182,274)**	38,326	(575.6%)
(Loss)/Profit attributable to owners of the parent	**(70,493)**	39,119	(280.2%)
Adjusted (loss)/profit for the period *(Note 1)*	**(184,579)**	35,628	(618.1%)
Adjusted (loss)/profit attributable to owners of the parent *(Note 1)*	**(68,727)**	36,421	(288.7%)
Financial Ratios			
Gross profit margin (%) *(Note 2)*	**22.0%**	22.0%	0.0%
Net (loss)/profit margin (%) *(Note 2)*	**(13.5%)**	3.0%	(16.5%)
Adjusted (loss)/profit margin for the period (%) *(Note 3)*	**(13.6%)**	2.8%	(16.4%)
Return on assets (%) *(Note 2)*	**(1.8%)**	0.7%	(2.5%)
Return on equity (%) *(Note 2)*	**(2.4%)**	1.1%	(3.5%)

	For the six months ended 30 June		
	2026	2025	Change
Average turnover days of trade receivables (days) *(Note 2)*	**156**	71	85
Average turnover days of inventories (days) *(Note 2)*	**429**	397	32
Average turnover days of trade payables (days) *(Note 2)*	**151**	105	46

	30 June 2026	31 December 2025	Change
	RMB'000	*RMB'000*	
Financial Position			
Total assets	**14,775,896**	5,935,217	149.0%
Equity attributable to owners of the parent	**2,812,531**	2,947,700	(4.6%)
Cash and cash equivalents	**520,075**	350,924	48.2%
Financial Ratios			
Current ratio (times) *(Note 2)*	**1.6**	1.3	0.3
Quick ratio (times) *(Note 2)*	**0.9**	0.5	0.4
Debt to equity ratio (times) *(Note 2)*	**0.3**	0.6	(0.3)

Note 1: Adjusted profit for the period and adjusted profit attributable to owners of the parent are non-GAAP financial measures and are calculated by profit for the period and profit attributable to owners of the parent excluding certain non-operating items which the Company considers to be not indicative of the operating performance of the Group. See also the paragraph headed "Adjusted profit for the period" of this announcement for more information and calculation of these non-GAAP financial measures.

Note 2: Gross profit margin equals gross profit divided by revenue.

Net profit margin equals net profit divided by revenue.

Return on assets equals net profit divided by average total assets during the reporting period.

Return on equity equals net profit attributable to owner of the Company divided by average equity attributable to owner of the Company during the reporting period.

Average turnover days of trade receivables equal to the average of the opening and closing balances of trade receivables of the reporting period divided by revenue and multiplied by 181 days.

Average turnover days of inventories equal to the average of the opening and closing balances of inventories of the reporting period divided by cost of sales and multiplied by 181 days.

Average turnover days of trade payables equal to the average of the opening and closing balances of trade payables of the reporting period divided by cost of sales and multiplied by 181 days.

Current ratio equals total current assets divided by total current liabilities as at the end of the reporting period.

Quick ratio equals total current assets less inventories divided by total current liabilities as at the end of the reporting period.

Debt to equity ratio equals total debt divided by total equity as at the end of the reporting period. Debt means interest-bearing borrowings.

Note 3: Adjusted profit margin for the period is calculated by adjusted profit for the period (a non-GAAP financial measure, the calculation method is the same as set out in Note 1 above), divided by the revenue for the period.

Revenue

Revenue of the Group amounted to RMB1,353,707 thousand for Reporting Period, representing an increase of 6.6% compared to RMB1,269,595 thousand for the six months ended 30 June 2025 mainly as a result of the acquisition of B-Soft. The increase in revenue was primarily attributable to the consolidation of B-Soft's revenue following the acquisition.

Revenue by business segment

The table below sets out the breakdown of the Group's revenue by business segment for the periods indicated:

	For the six months ended 30 June				
	Medical equipment and consumables				
Business segment	**2026**		2025		Change
	RMB'000	***%***	*RMB'000*	*%*	
Distribution business	**1,051,320**	**77.7**	1,177,346	92.7	(10.7%)
After-sales services	**45,231**	**3.3**	87,775	6.9	(48.5%)
Self-branded products business	**5,838**	**0.4**	4,474	0.4	30.5%
Subtotal	**1,102,389**	**81.4**	1,269,595	100.0	(13.2%)
	For the six months ended 30 June				
	Healthcare information technology				
	2026		2025		Change
	RMB'000	***%***	*RMB'000*	*%*	
Sales of software products	**112,698**	**8.3**	–	–	100.0%
Information technology ("**IT**") services	**103,962**	**7.7**	–	–	100.0%
System integration business	**34,658**	**2.6**	–	–	100.0%
Subtotal	**251,318**	**18.6**	–	–	100.0%
Total	**1,353,707**	**100.0**	1,269,595	100.0	6.6%

Revenue by product type

The table below sets out the breakdown of the Group's revenue generated from distribution business and self-branded products business by product type for the periods indicated:

	For the six months ended 30 June				
Product type	**2026**		2025		Change
	RMB'000	***%***	*RMB'000*	*%*	
IVD analysers					
– Distribution business	**115,509**	**10.9**	112,896	9.5	2.3%
– Self-branded products business	**1,247**	**0.1**	1,067	0.1	17.0%
Subtotal	**116,756**	**11.0**	113,963	9.6	2.5%
IVD reagents and other consumables					
– Distribution business	**935,811**	**88.5**	1,064,450	90.1	(12.1%)
– Self-branded products business	**4,591**	**0.5**	3,407	0.3	34.7%
Subtotal	**940,402**	**89.0**	1,067,857	90.4	(11.9%)
Total	**1,057,158**	**100.0**	1,181,820	100.0	(10.5%)

Revenue by channel

The table below sets out the breakdown of the Group's revenue generated from distribution business and self-branded products business by sales channel for the periods indicated:

Sales channel	For the six months ended 30 June **2026** *RMB'000*	**%**	2025 *RMB'000*	%	Change
Distribution business					
– Distributors	**817,411**	**77.3**	906,164	76.6	(9.8%)
– Hospitals and healthcare institutions	**161,903**	**15.3**	181,180	15.4	(10.6%)
– Logistics providers	**72,006**	**6.8**	90,002	7.6	(20.0%)
Subtotal	**1,051,320**	**99.4**	1,177,346	99.6	(10.7%)
Self-branded products business					
– Distributors	**5,812**	**0.6**	3,783	0.3	53.6%
– Hospitals and healthcare institutions	**26**	**0.0**	691	0.1	(96.2%)
Subtotal	**5,838**	**0.6**	4,474	0.4	30.5%
Total	**1,057,158**	**100.0**	1,181,820	100.0	(10.5%)

Cost of sales

Cost of sales of the Group amounted to RMB1,056,348 thousand for the Reporting Period, representing an increase of 6.7% compared to RMB990,001 thousand for the six months ended 30 June 2025.

Cost of sales by business segment

The table below sets out the breakdown of the Group's cost of sales by business segment for the periods indicated:

Business segment	**For the six months ended 30 June Medical equipment and consumables**				
	2026		2025		Change
	RMB'000	***%***	*RMB'000*	*%*	
Distribution business	**833,632**	**78.9**	944,568	95.4	(11.7%)
After-sales services	**42,509**	**4.0**	43,825	4.4	(3.0%)
Self-branded products business	**2,135**	**0.2**	1,608	0.2	32.8%
Subtotal	**878,276**	**83.1**	990,001	100.0	(11.3%)

	For the six months ended 30 June Healthcare information technology				
	2026		2025		Change
	RMB'000	***%***	*RMB'000*	*%*	
Sales of software products	**76,606**	**7.3**	–	–	100.0%
Information technology ("**IT**") services	**66,193**	**6.3**	–	–	100.0%
System integration business	**35,273**	**3.3**	–	–	100.0%
Subtotal	**178,072**	**16.9**	–	–	100.0%
Total	**1,056,348**	**100.0**	990,001	100.0	6.7%

Cost of sales by product type

The table below sets out the breakdown of the Group's cost of sales for distribution business and self-branded products business by product type for the periods indicated:

Product type	For the six months ended 30 June				Change
	2026		2025		
	RMB'000	***%***	*RMB'000*	*%*	
IVD analysers					
– Distribution business	**99,219**	**11.9**	91,496	9.6	8.4%
– Self-branded products business	**1,014**	**0.1**	518	0.1	95.8%
Subtotal	**100,233**	**12.0**	92,014	9.7	8.9%
IVD reagents and other consumables					
– Distribution business	**734,413**	**87.9**	853,072	90.2	(13.9%)
– Self-branded products business	**1,121**	**0.1**	1,090	0.1	2.8%
Subtotal	**735,534**	**88.0**	854,162	90.3	(13.9%)
Total	**835,767**	**100.0**	946,176	100.0	(11.9%)

Gross profit and gross profit margin

Gross profit represents revenue less cost of sales. Gross profit of the Group amounted to RMB297,359 thousand for the Reporting Period, representing an increase of 6.4% as compared to RMB279,594 thousand for the six months ended 30 June 2025. Such increase was primarily due to the increase in gross profit margin of self-branded products business, sales of software products and IT services.

Gross profit margin is calculated as gross profit divided by revenue. Gross profit margin of the Group was 22.0% for the Reporting Period, which remains the same as 22.0% from the six months ended 30 June 2025.

Gross profit and gross profit margin by business segment

The table below sets out the breakdown of the Group's gross profit and gross profit margin by business segment for the periods indicated:

	For the six months ended 30 June Medical equipment and consumables				
Business segment	**2026**		2025		Change
	Gross profit ***RMB'000***	**Gross profit margin** ***%***	Gross profit *RMB'000*	Gross profit margin *%*	
Distribution business	**217,688**	**20.7**	232,778	19.8	(6.5%)
After-sales services	**2,722**	**6.0**	43,950	50.1	(93.8%)
Self-branded products business	**3,703**	**63.4**	2,866	64.1	29.2%
Subtotal	**224,113**	**20.3**	279,594	22.0	(19.8%)

	For the six months ended 30 June Healthcare information technology				
	2026		2025		Change
	Gross profit ***RMB'000***	**Gross profit margin** ***%***	Gross profit *RMB'000*	Gross profit margin *%*	
Sales of software products	**36,092**	**32.0**	–	–	–
IT services	**37,769**	**36.3**	–	–	–
System integration business	**(615)**	**(1.8)**	–	–	–
Subtotal	**73,246**	**29.1**	–	–	–
Total	**297,359**	**22.0**	279,594	22.0	6.4%

Gross profit and gross profit margin by product type

The table below sets out the breakdown of the Group's gross profit and gross profit margin generated from distribution business and self-branded products business by product type for the periods indicated:

	For the six months ended 30 June				
Product type	**2026**		2025		Change
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin	
	RMB'000	***%***	*RMB'000*	*%*	
IVD analysers					
– Distribution business	**16,290**	**14.1**	21,400	19.0	(23.9%)
– Self-branded products business	**234**	**18.8**	549	51.5	(57.4%)
Subtotal	**16,524**	**14.2**	21,949	19.3	(24.7%)
IVD reagents and other consumables					
– Distribution business	**201,398**	**21.5**	211,378	19.9	(4.7%)
– Self-branded products business	**3,469**	**75.6**	2,317	68.0	49.7%
Subtotal	**204,867**	**21.8**	213,695	20.0	(4.1%)
Total	**221,391**	**20.9**	235,644	19.9	(6.0%)

Other income and gains

Other income and gains of the Group amounted to RMB27,481 thousand for the Reporting Period, representing an increase of 224.9% compared to RMB8,459 thousand for the six months ended 30 June 2025. Such increase was primarily due to the increase of government subsidies and rental income.

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Other income		
Bank interest income	**2,853**	1,122
Government subsidies	**15,330**	7,199
Rental income	**6,102**	–
Interest income on financial assets measured at amortised cost	**2,229**	–
Others	**936**	138
Subtotal	**27,450**	8,459
Gains		
Gain on disposal of items of property, plant and equipment	**31**	–
Total	**27,481**	8,459

Selling and distribution expenses

Selling and distribution expenses of the Group amounted to RMB86,934 thousand for the Reporting Period, representing an increase of 23.6% compared to RMB70,314 thousand for the six months ended 30 June 2025. Such increase was primarily attributable to the acquisition of B-Soft.

Administrative expenses

Administrative expenses of the Group amounted to RMB193,121 thousand for the Reporting Period, representing an increase of 119.0% compared to RMB88,203 thousand for the six months ended 30 June 2025. Such increase was primarily due to the increase of labor costs as a result of a significant increase in the number of employees following the acquisition of B-Soft.

Research and development expenses

Research and development expenses of the Group amounted to RMB84,420 thousand for the Reporting Period, representing an increase of 1,449.3% compared to RMB5,449 thousand for the six months ended 30 June 2025. Such increase was primarily due to the acquisition of B-Soft, which incurred significant research and development expenses as part of its business operations.

Other expenses

Other expenses of the Group amounted to RMB38,906 thousand for the Reporting Period, representing an increase of 56.3% compared to RMB24,899 thousand for the six months ended 30 June 2025, which was mainly due to the increase of exchange loss.

Finance costs

Finance costs of the Group amounted to RMB60,928 thousand for the Reporting Period, representing an increase of 171.8% as compared to RMB22,414 thousand for the six months ended 30 June 2025. Such increase was primarily due to the increase of average bank borrowing amount when compared to the six months ended 30 June 2025.

Loss for the period

Loss of the Group for the period amounted to RMB182,274 thousand for the Reporting Period, representing a decrease of 575.6% as compared to the profit of RMB38,326 thousand for the six months ended 30 June 2025. Such decrease was primarily attribute to (i) higher administrative expenses incurred due to labor costs for the Reporting Period; (ii) research and development expenses incurred due to the acquisition of B-Soft; (iii) higher financing costs incurred due to the increase in borrowings; and (iv) higher expected credit loss (ECL) impairment incurred due to the significant increase of trade and bills receivables.

Adjusted (loss)/profit for the period

Certain additional non-GAAP financial measures (adjusted profit of the Group and adjusted profit attributable to owners of the parent) have been presented in this announcement. These non-GAAP financial measures exclude the impact of certain non-operating items which affect the results presented in the financial statements but are not indicative of the operating performance of the Group, with the intent to provide the Shareholders and potential investors with supplementary information to assess the performance of the Group's core operations. These unaudited non-GAAP financial measures should be considered in addition to, not as a substitute for, measures of the Group's financial performance prepared in accordance with relevant GAAP. In addition, these non-GAAP financial measures does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies. Adjusted loss of the Group for the period amounted to RMB184,579 thousand for the Reporting Period, representing a decrease of 618.1% as compared to profit of RMB35,628 thousand for the six months ended 30 June 2025. Such decrease was primarily attributable to (i) higher administrative expenses incurred due to labor costs for the Reporting Period; (ii) research and development expenses incurred due to the acquisition of B-Soft; (iii) higher financing costs incurred due to the increase in borrowings; and (iv) higher expected credit loss (ECL) impairment incurred due to the significant increase of trade and bills receivables. The following table sets out the calculation of the non-GAAP adjusted profit of the Group for the Reporting Period and the corresponding period in 2025:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
(Loss)/Profit for the period	**(182,274)**	38,326
(Loss)/Profit attributable to owners of the parent	**(70,493)**	39,119
Adjusted for non-operating items:		
Gains or losses arising from change in fair value and disposal of financial assets and liabilities	**(2,058)**	2,698
Reversal of impairment loss on individually assessed receivables	**396**	–
Government subsidies (excluding those closely related to normal operating activities)	**3,937**	–
Others	**301**	–
Less: income tax effect	**271**	–
Adjusted (loss)/profit for the period (Non-GAAP)	**(184,579)**	35,628
Less: non-controlling interest effect	**4,071**	–
Adjusted (loss)/profit attributable to owners of the parent (Non-GAAP)	**(68,727)**	36,421

Liquidity and financial resources

As of 30 June 2026, the Group had cash and cash equivalents of RMB520,075 thousand (primarily denominated in HKD, RMB and USD), as compared to RMB350,924 thousand as of 31 December 2025. The approach adopted by the Board to manage the liquidity of the Group is to ensure sufficient liquidity at any time to meet its matured liabilities so as to avoid any unacceptable losses or damage to the Group's reputation.

Capital structure

As of 30 June 2026, the Group's total equity attributable to owners of the parent was RMB2,812,531 thousand (31 December 2025: RMB2,947,700 thousand), comprising share capital of RMB5,589 thousand (31 December 2025: RMB5,589 thousand) and reserves of RMB2,806,942 thousand (31 December 2025: RMB2,942,111 thousand).

Net current assets

The Group had net current assets of RMB2,159,153 thousand as of 30 June 2026, representing an increase of RMB1,245,389 thousand or 136.3% as compared to RMB913,764 thousand as of 31 December 2025.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates primarily relates to its cash and bank balances and interest-bearing bank borrowings. The Group has not used any interest rate swaps to hedge its interest rate risk during the Reporting Period, and will consider hedging significant interest rate risk should the need arise.

Foreign currency risk

The Group faces transactional currency exposures arising from bank deposits held by operating units in currencies other than the units' functional currency. The currencies giving rise to such risk are primarily USD and HKD. For the Reporting Period, the Group recorded a net exchange loss of RMB23,016 thousand, as compared to a net exchange loss of RMB24,899 thousand for the six months ended 30 June 2025. As of 30 June 2026, the Group did not have any significant hedging arrangement to manage foreign exchange risks but has been actively monitoring and overseeing its foreign exchange risks.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the head of credit control.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings and projected cash flows from operations.

Capital expenditure

For the Reporting Period, the Group's total capital expenditure amounted to RMB25,943 thousand, which was primarily used in property, plant and equipment and intangible assets.

Charge/pledge on assets

As of 30 June 2026, the Group's bank deposits of RMB414,075 thousand were pledged to secure the Group's letter of credit in the aggregate amount of RMB264,351 thousand and the Group's bank borrowings with amount of RMB375,000 thousand. As of 30 June 2026, the amount of the Group's restricted deposits was RMB3,635 thousand, of which RMB3,572 thousand represented deposits for performance guarantees, RMB38 thousand was frozen due to litigation, and RMB25 thousand comprised other deposits.

Borrowings

The Group had bank borrowings of RMB2,597,904 thousand as of 30 June 2026 denominated in RMB, all of which bore interest at fixed rates.

Contingent liabilities and guarantees

As of 30 June 2026, the Group did not have any material contingent liabilities, guarantees or any litigation against it (as of 31 December 2025: nil).

Gearing ratio

As of 30 June 2026, the Group's gearing ratio (the gearing ratio is equivalent to total debt divided by total assets as of that day) was approximately 17.6% (as of 31 December 2025: 31.0%).

Significant investments and future plans for investment and capital assets

As of 30 June 2026, the Group had a capital commitment to a joint venture of RMB28,835 thousand (as of 31 December 2025: RMB28,835 thousand). As of 30 June 2026, the Group had a capital commitment to several subsidiaries of RMB98,769 thousand (as of 31 December 2025: nil). As of 30 June 2026, the Group did not hold any other significant investments in the equity interests of other companies. The Group does not have other plans for material investments and capital assets which have been authorised by the Board except as referred to in this announcement.

Dividend

The Board has resolved not to declare any interim dividend for the Reporting Period.

Share Award Scheme

To recognise the contributions by certain employees of the Group and to provide incentives thereto to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group, the Group has adopted the 2025 Share Award Scheme during the Reporting Period. As of 30 June 2026, no shares of the Company ("**Shares**") were granted under such scheme. Please see the circular of the Company dated 6 June 2025 for more information about the 2025 Share Award Scheme.

Employee and remuneration policy

As of 30 June 2026, the Group had 4,386 employees (as of 30 June 2025: 877 employees). Total staff remuneration expenses, including remuneration for Directors, for the Reporting Period amounted to RMB289,447 thousand (for the six months ended 30 June 2025: RMB75,403 thousand).

The Group has adopted a performance-based remuneration policy for its employees. Remuneration is determined with reference to performance, skills, qualifications and experience of the staff concerned and with reference to the Group's operating results and comparable market practices.

In addition to salary payments, other staff benefits include pension, social insurance and housing provident contribution made by the Group, performance-based compensation, bonus, share incentives through the Company's share option scheme and share award scheme. These share schemes provide flexibility to the Group in attracting and retaining personnel, and in providing incentive to employees in recognition of their contribution to the Group. As of 30 June 2026, 2,711,000 Shares were held by the trustee on trust under the 2020 Share Award Scheme.

No grants were made under the above-mentioned share award schemes of the Company during the Reporting Period.

Please refer to the Company's 2025 Annual Report – Report of the Directors "Share Schemes" and the forthcoming 2026 interim report for further information about the share schemes.

EVENTS AFTER THE REPORTING PERIOD

The Group is not aware of any material event since the end of the Reporting Period and up to the date of this announcement.

SUPPLEMENTAL INFORMATION

Purchase, sale or redemption of the Company's listed securities

Pursuant to the general mandate granted to the Directors by ordinary resolution of the Shareholders at the annual general meeting of the Company held on 30 June 2025 to repurchase Shares not exceeding 10% of the total number of issued Shares as at the date of passing of the resolution (excluding treasury shares (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**")), the Company repurchased a total of 685,000 Shares at a total consideration of approximately HKD1,459,000 on the Stock Exchange during the Reporting Period. The Company accounted for the repurchased Shares as treasury shares.

The Directors believe that such repurchase can enhance the net asset value per Share and earnings per Share and benefit the Company and the Shareholders.

Save as disclosed in this announcement, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities (including sale of treasury shares) during the Reporting Period. As of 30 June 2026, the Company held 17,199,000 treasury shares.

Material acquisitions and disposals of subsidiaries and affiliated companies

Through the Acquisition and the Entrustment Arrangement, B-Soft has become a subsidiary of the Company. For further details, please refer to the paragraph titled 'Acquisition of B-Soft and the synergies of the acquisition' in this announcement.

Save as disclosed above, the Group did not have any material acquisition and disposal of subsidiaries, associates or joint ventures during the Reporting Period.

Compliance with the model code for securities transactions by directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") in Appendix C3 to the Listing Rules regarding securities transactions by the Directors.

All Directors have confirmed, following specific enquiries by the Company, that they have complied with the Model Code throughout the Reporting Period.

Corporate governance code

During the Reporting Period, the Company has complied with the applicable code provisions as set out in Part 2 of Appendix C1 to the Listing Rules.

Review by the audit committee

The Audit Committee consists of three independent non-executive Directors, namely Mr. Zhang Jianlei (Chairman of the committee), Mr. Xu Da and Mr. Zhong Renqian.

The Company's interim results for the Reporting Period have been reviewed by the Audit Committee. Based on such review, the Audit Committee was of the opinion that the Company's unaudited interim results were prepared in accordance with applicable accounting standards. The Audit Committee does not have any disagreement with the accounting treatment adopted by the Company.

Disclosure of information

This announcement has been published on the websites of the Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) and the Company (http://www.ivdholding.com). The 2026 interim report of the Company will be available on the same websites in due course.

By Order of the Board
ETHK Labs Inc.
Lin Xianya
Executive Director

Hong Kong, 31 August 2026

As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Lin Xianya, Mr. Chan Siu Kei Ken and Ms. Yi Xiao, two non-executive directors, namely, Ms. Yao Haiyun and Mr. Liu Fei and three independent non-executive directors, namely, Dr. Zhong Renqian, Mr. Xu Da and Mr. Zhang Jianlei.

Certain figures in this announcement have been subject to rounding adjustments.

This announcement contains forward-looking statements that reflect the Company's beliefs, plans or expectations about the future or future events. These statements are based on assumptions, current estimates and projections, and are subject to risks, uncertainties and other factors which may be beyond control. The actual outcomes may differ materially and/or adversely. Nothing contained in these statements is, or shall be, relied upon as any assurance or representation as to the future or as a representation or warranty otherwise. Neither the Company nor its directors, officers, employees, agents, affiliates, advisers or representatives assume any responsibility to update these statements or to adapt them to future events or developments or to provide supplemental information in relation thereto or to correct any inaccuracies.