Starsportmed

北京天星醫療股份有限公司

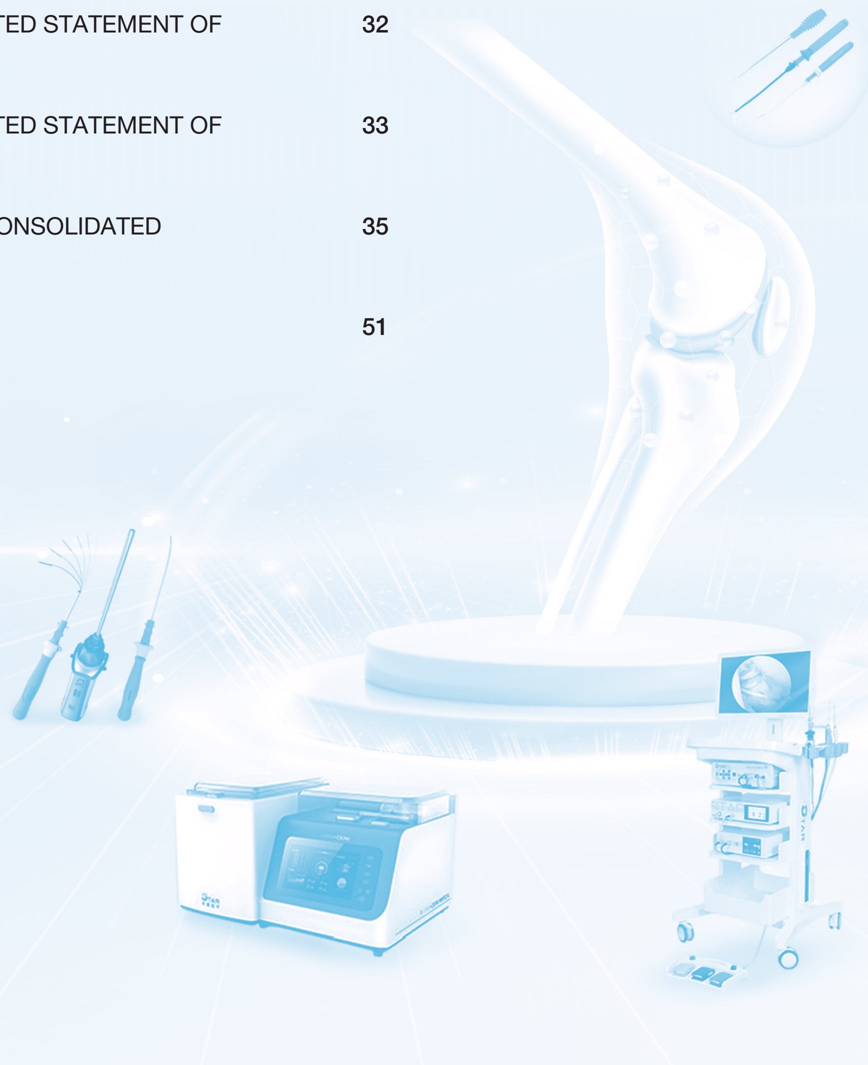
STAR SPORTS MEDICINE CO., LTD.

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

Stock Code : 1609

2026
INTERIM REPORT

CONTENTS



CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Dong Wenxing (董文興) (Chairman)

Mr. He Lu (和路)

Non-executive Directors

Mr. David Guowei Wang (王國瑋)

Mr. Zhou Quan (周琼)

Ms. Yi Lin (易琳)

Ms. Zhang Di (張迪)

Mr. Chang Xi (常喜)

Independent non-executive Directors

Mr. Lyu Zhenlin (呂振林)

Mr. Liu Baojie (劉寶傑)

Mr. Wang Chunfei (王春飛)

Mr. Deng Yu (鄧宇)

JOINT COMPANY SECRETARIES

Ms. Liang Xiaodan (梁曉丹)

Ms. Jian Xuegen (簡雪艮)

AUTHORISED REPRESENTATIVES

Mr. Dong Wenxing (董文興)

Mr. He Lu (和路)

AUDIT COMMITTEE

Mr. Wang Chunfei (王春飛) (Chairman)

Mr. Lyu Zhenlin (呂振林)

Mr. Chang Xi (常喜)

NOMINATION COMMITTEE

Mr. Deng Yu (鄧宇) (Chairman)

Mr. Wang Chunfei (王春飛)

Ms. Zhang Di (張迪)

REMUNERATION AND APPRAISAL COMMITTEE

Mr. Lyu Zhenlin (呂振林) (Chairman)

Mr. Dong Wenxing (董文興)

Mr. Liu Baojie (劉寶傑)

STRATEGY COMMITTEE

Mr. Dong Wenxing (董文興) (Chairman)

Mr. He Lu (和路)

Mr. Deng Yu (鄧宇)

COMPLIANCE ADVISER

Red Sun Capital Limited

Room 2703, 27/F, China Insurance Group Building

141 Des Voeux Road Central

Central

Hong Kong

CORPORATE INFORMATION

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

HEAD OFFICE, REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Building 1, A018, B018
No. 25, Jinghai 2nd Road
Beijing Economic and Technological Development Zone
Beijing
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKER

CMB Wing Lung Bank
14/F, CMB Wing Lung Bank Building
45 Des Voeux Road Central
Hong Kong

HONG KONG LEGAL ADVISOR

Clifford Chance
27/F, Jardine House
1 Connaught Place
Central
Hong Kong

PRC LEGAL ADVISOR

Beijing Zhong Lun Law Firm
Building 3, South Tower of CP Centre
No. 20 Jin He East Avenue
Chaoyang District
Beijing

AUDITORS

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

COMPANY'S WEBSITE

https://starsportmed.com/

STOCK CODE

01609. HK

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

The Company is a China-based medical device company specializing in clinical sports medicine solutions, and is a leading provider of sports medicine implants and instruments in the PRC dedicated to delivering full-cycle clinical solutions covering prevention, treatment and rehabilitation. In the first half of 2026, the Company continued to deepen its presence in the sports medicine field and seized the development opportunities in the industry. Leveraging its four core technology platforms (biomaterial, imaging and dynamic, intelligent medicine and regenerative medicine tissue engineering), the Company achieved solid progress in product innovation, market expansion, global deployment and other aspects.

Business Discussion and Analysis

In the first half of 2026, leveraging its first-mover advantage and superior clinical recognition in the field of sports medicine, the Company continued to consolidate and expand its leading position in the Chinese market while accelerating the expansion of its global commercial network, with all core operational indicators achieving significant improvement.

Financial performance: The Company recorded revenue of approximately RMB163,427 thousand in the first half of 2026, representing an increase of 21.6% as compared with the same period in 2025. The profit for the period in the first half of 2026 decreased by approximately RMB9,689 thousand as compared with the same period in 2025, mainly due to an increase of RMB19,006 thousand in listing expenses as compared with the same period last year. The adjusted net profit for the first half of 2026 was approximately RMB48,897 thousand, representing an increase of 24.3% as compared with the same period in 2025. The profitability has continued to increase, primarily due to the substantial increase in the sales volume of core products and the effective cost control.

Market penetration: Leveraging our well-established commercial capabilities and extensive distribution network, we continued to deepen our coverage in the domestic markets. As at 30 June 2026, more than 3,000 hospitals nationwide had adopted our products, among which over 1,000 were Class III hospitals. This marks solid progress in the Company's presence in high-end medical institutions and the process of domestic substitution continues to accelerate.

Overseas business: As the second growth engine of the Group, the internationalization strategy achieved breakthrough progress in the first half of 2026. We recorded overseas revenue of approximately RMB40,698 thousand in the first half of 2026, representing an increase of 70.6% as compared with the same period of 2025. The proportion of overseas revenue to total revenue increased to 24.9%. In terms of international registration, we secured over 200 regulatory approvals and registration certificates for medical devices in more than 60 countries and regions across Europe, Southeast Asia, the Middle East and Latin America as at 30 June 2026, fully covering the Company's core product lines. In the first half of 2026, we successfully achieved registration breakthroughs in new markets such as Myanmar and Singapore, while also obtaining multiple new product registrations in existing markets including the United Kingdom, Australia, Brazil, Vietnam and Thailand. The achievement of these milestones fully demonstrates the technological advantages of the Company's products at an internationally leading level and has laid a solid foundation for sales growth in the global market.

Our Products

We leverage four proprietary technology platforms to deliver sports medicine solutions to doctors and patients, aligning advanced technologies with clinical and consumer demands. These platforms consist of proprietary technologies and scientific advancements, which form the core infrastructure for our principal product categories such as medical implants, active surgical equipment, sports medicine surgical robot, AI-powered sports medicine prescription, as well as regenerative medicine tissue engineering devices.

Biomaterial Platform

- **Representative products and clinical value:** The products transformed from this platform are primarily used for the fixation of soft tissue and bone tissue, covering suture anchors (such as bioabsorbable suture anchors and all-suture anchors for the fixation of tendons and ligaments to bone), interference screws and sheath fixation system (such as graft fixation in anterior cruciate ligament (ACL) reconstruction), suture buttons and high-strength sutures (for ligament reconstruction and suspension fixation) and meniscus repair systems (such as all-suture meniscus repair system for meniscus injuries repair). Through precision-engineered, small-sized devices design, these products aim to ensure robust soft tissue-to-bone fixation, promote tissue healing and significantly enhance surgical outcomes and patients' recovery quality.

  In addition, we continue to advance the research, development and commercialization of the advanced medical implants, further consolidating the leading technological position of the platform.

  Self-guided separable suture anchor/pre-loaded anchor: As a pioneering innovative product in China that leads the global market, this product features an innovative "insertor-free" design, delivering upgrades across three dimensions: safety, convenience and environmental sustainability. The product is designed for use with reusable metal tools made of high-grade surgical steel, which far outperforms the traditional disposable plastic handles in respect of torsional resistance, achieving lossless and deformation-free force transmission. This provides surgeons with precise "tactile feedback" during anchor implantation, effectively lowering the risks of intra-operative handle and anchor breakage and ensuring a more stable implantation. This product features a pre-sutured design, with the suture already wound along a precise path within the pre-loading device. Surgeons do not need to manually wind the suture. By simply connecting the reusable tool to the device, surgeons can achieve anchor retrieval and direct implantation within seconds, streamlining surgical procedures and shortening operating time. By eliminating the use of disposable plastic handles, the product significantly reduces medical plastic waste per surgery, contributing to green healthcare and sustainable development. As at 30 June 2026, this product had obtained the medical device certificate and is currently being commercialized.

  Fiber-based all-suture button: It is a fully flexible suture button woven from fiber materials, designed to provide suspension fixation in arthroscopic surgeries. It adopts all-fiber design to replace traditional metal components, eliminating metal artifacts in the postoperative MRI scans and reducing complications like tissue irritation. Its design offers superior flexibility for conforming to anatomical contours, enhanced wear resistance through specialized braiding, and improved imaging compatibility, ensuring better surgical outcomes, faster recovery and improved joint stability. As at 30 June 2026, this product had obtained a medical device certificate in Chinese mainland and is currently being commercialized, with plans to obtain required certificates in the EU.

- **Market performance:** Benefiting from the platform's deep technical accumulation and product differentiation advantages, the medical implant segment centered on this platform continued to maintain stable growth during the Reporting Period, recording revenue of approximately RMB125,436 thousand, representing a year-on-year increase of 26.0%.

Imaging and Dynamic Platform

- **Representative products and clinical value:** The products transformed from this platform cover the entire workflow of arthroscopic surgery, including active equipment (such as arthroscopic camera systems, arthroscopic surgical shavers and plasma RF ablation equipment), associated medical consumables (such as disposable shaver blades and plasma electrodes) and ancillary surgical instruments (such as knee and shoulder joint basic instrument kits and meniscus tools). By providing high-definition real-time imaging, precise and efficient powered shaving as well as low-temperature plasma ablation functions, these products significantly enhance efficiency, safety and precision in surgeries, offering physicians a one-stop surgical solution ranging from "clear visualization" to "precise operation".

  Furthermore, we continue to promote the intelligent and wireless innovation of active equipment to further expand the application boundaries of this platform.

  Innovative product obtained the First (Set) Recognition in Beijing: The integrated cordless handheld shaver system (Model: WP-100) independently developed by the Company has been successfully included in the Second Batch of 2026 Beijing First (Set) Major Technical Equipment Catalog (Pharmaceuticals and Health and Other Fields) (《北京市 2026 年第二批首台(套)重大技術裝備目錄(醫藥健康等其他領域)》). This recognition marks that the technical level of the Company's innovative product has obtained municipal authoritative accreditation. It represents a key milestone in the Company's ongoing commitment to sports medicine and also provides solid support for the market promotion and clinical application of this product.

- **Market performance:** Benefiting from the continued growth in the volume of arthroscopic surgeries and the increasing market recognition of the Company's products, the surgical equipment and associated medical consumables segment centered on this platform maintained steady growth during the Reporting Period, recording revenue of approximately RMB37,815 thousand, representing a year-over-year increase of 9.0%.

Intelligent Medicine Platform

We leverage AI technologies to deliver personalized solutions across prevention, treatment and rehabilitation, using data-driven insights to enhance diagnostic precision, optimize surgical planning and tailor rehabilitation programs. This technology platform lays the foundation for our arthroscopic surgical robot, while enabling out-of-hospital products such as sports medicine prescription and rehabilitation system, thus expanding our reach into rehabilitation.

Sports medicine prescription and rehabilitation system: In the first half of 2026, we obtained medical device certificate for the sports medicine prescription and rehabilitation system and are currently advancing its commercialization. This system delivers daily, personalized rehabilitation exercise prescriptions to patients, replacing static diagrams or text instructions with real-time video guidance tailored to individual recovery needs. By employing algorithms to analyze patient movements, this system ensures rehabilitation exercises are performed correctly, while enabling physicians to remotely monitor progress via a backend interface and adjust subsequent prescriptions, enhancing rehabilitation outcomes.

Regenerative Medicine Tissue Engineering Platform

To further diversify our offerings, we established the tissue engineering platform grounded in the principles of regenerative medicine and tissue engineering. This platform is dedicated to shifting from “mechanical repair” to “natural restoration” through regenerative medicine and tissue engineering technologies, delivering fundamental repair solutions for sports-related soft tissue injuries. Our current offerings include the approved disposable PRP preparation kits and medical centrifuges. This platform advances key technologies such as degradation rate control of scaffolds and enhanced scaffold loading capacity for growth factors and seeded cells. Compared with traditional treatments, these approaches may deliver better therapeutic outcomes by promoting the repair and regeneration of damaged tissues. By promoting natural tissue restoration, our regenerative medicine tissue engineering platform supports the development of regenerative repair products for joint soft tissues that enhance recovery and long-term joint stability.

RESEARCH AND DEVELOPMENT

R&D Investment and Talent Development

- **R&D investment:** We firmly believe that sustained R&D investment is the core driving force for technological innovation and the consolidation of our market leadership. In the first half of 2026, the Company’s R&D investment amounted to RMB23,743 thousand, accounting for 14.5% of total revenue, continuously injecting momentum into long-term growth.
- **R&D team strength:** As at 30 June 2026, our R&D center had 89 professionals with extensive experience in the field of sports medicine and orthopedics, including 36 with master’s degrees or above. Our R&D department drives the full-cycle development of sports medicine products, encompassing market analysis, project initiation, design planning, development, verification and validation.

Innovation Echelon and Progress on Pipelines under Development

Our four scalable core technology platforms empower a diverse product matrix. As at 30 June 2026, we had 63 approved products, representing the largest number of certificates among China's sports medical device companies, including 27 products with Class III medical device certificates, 25 products with Class II medical device certificates and 11 products with Class I medical device certificates. Below are updates on the progress of certain core pipelines under development:

Technology platform involved	Product name	R&D focus	Current stage
Imaging and Dynamic Platform	Cordless endoscope camera system	Cordless design	Registration phase
Intelligent Medicine Platform	Arthroscopic surgical robot	Multi-modal image fusion	Registration phase
Regenerative Medicine Tissue Engineering Platform	Disposable blood and cell separation device	Cell centrifugation and separation	Testing phase
Regenerative Medicine Tissue Engineering Platform	Tendon composite reinforcement patch	Superior biomechanical performance	Design phase
Regenerative Medicine Tissue Engineering Platform	Tendon repair patch kit	Controllable degradation	Testing phase
Regenerative Medicine Tissue Engineering Platform	Regenerative meniscus repair scaffold	Enhanced tissue regeneration	Design phase
Regenerative Medicine Tissue Engineering Platform	Regenerative cruciate ligament repair scaffold	Enhanced tissue regeneration	Testing phase
Biomaterial Platform	All-suture loop fixation plate (ACL)	Fully flexible fixation	Testing phase
Biomaterial Platform	Continuous suture anchor system	Ultra-high strength repair	Design phase

Intellectual Property Protection System Construction

The Company continues to refine its intellectual property protection system. As at 30 June 2026, the domestic and overseas intellectual property layout has been advanced in an orderly manner, with details as below:

- **Trademarks:** 78 in Chinese mainland, 3 in Hong Kong, China and 2 overseas;
- **Patents:** a total of 190 registered patents, including 68 invention patents, 91 utility model patents and 31 design patents, as well as 3 overseas invention patents;
- **Other intellectual property rights:** 10 copyrights and 2 material domain names.

The continuously accumulated patent assets fully demonstrate the Company's technological innovation capabilities, help establish its industry reputation for scientific research and innovation, and provide intellectual property support for the long-term market competitiveness of its products.

FINANCIAL REVIEW

Revenue

Revenue by Product Category

	Six months ended 30 June		
	2026 (RMB'000) (Unaudited)	2025 (RMB'000) (Unaudited)	YoY growth
Medical implants	125,436	99,564	26.0%
Surgical equipment and associated medical consumables	37,815	34,703	9.0%
Others(1)	176	111	58.6%
Total	163,427	134,378	21.6%

Note:

(1) Others primarily comprised revenue from the sales of surgical utility carts and regenerative repair products for joint soft tissues.

For the six months ended 30 June 2026, the Group's revenue amounted to RMB163.4 million, representing an increase of 21.6% from RMB134.4 million in the same period last year. The increase was primarily due to our accelerated international market expansion strategy, which has significantly enhanced our overseas market coverage and business scale.

Revenue by Geographical Regions

	For the six months ended 30 June		
	2026 (RMB'000) (Unaudited)	2025 (RMB'000) (Unaudited)	YoY growth
Chinese mainland	122,729	110,528	11.0%
Other countries and regions[1]	40,698	23,850	70.6%
Total	163,427	134,378	21.6%

Note:

(1) Other countries and regions mainly include France, Spain and others.

For the six months ended 30 June 2026, the Group's revenue from overseas sales was approximately RMB40,698 thousand, representing an increase of RMB16,848 thousand as compared with the same period last year. This increase was primarily because we accelerated our international market expansion strategy, which significantly enhanced our overseas market coverage and business scale. For the six months ended 30 June 2026, our revenue from the PRC was approximately RMB122,729 thousand, representing an increase of RMB12,201 thousand as compared with the same period last year, primarily due to the increased sales of our medical implants and surgical equipment and associated medical consumables.

Cost of Sales

For the six months ended 30 June 2026, our cost of sales was approximately RMB42,131 thousand, representing an increase of RMB7,340 thousand from approximately RMB34,791 thousand for the same period in 2025, primarily due to an increase in the Company's product sales volume.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less cost of sales. For the six months ended 30 June 2026, the Group's gross profit was approximately RMB121,296 thousand, representing an increase of RMB21,709 thousand as compared with approximately RMB99,587 thousand for the same period in 2025. The growth in gross profit was primarily driven by increased sales of our medical implants and surgical equipment and associated medical consumables. Our revenue from these products increased by RMB28,984 thousand as compared with the same period last year, while the cost of sales increased by RMB7,293 thousand. Gross profit margin is calculated as gross profit divided by revenue. For the six months ended 30 June 2026, the Group's gross profit margin was 74.2%, up from 74.1% for the same period in 2025.

Other Income and Gains

For the six months ended 30 June 2026, our other income and gains were approximately RMB9,334 thousand, representing an increase of RMB2,352 thousand from approximately RMB6,982 thousand for the same period in 2025, primarily due to higher gains arising from financial assets at fair value through profit or loss during the current period.

Our other income and gains primarily consisted of (i) bank interest income; (ii) gain on holding and disposal of financial assets at fair value through profit or loss; (iii) government grants.

Selling and Distribution Expenses

The Group's selling and distribution expenses for the six months ended 30 June 2026 amounted to approximately RMB42,379 thousand, representing an increase of RMB9,126 thousand as compared with approximately RMB33,253 thousand for the same period in 2025. In terms of driving factors, the increase in the number of sales personnel is the primary reason for the rise in selling expenses. The expansion of the sales personnel has directly led to an increase in the total amount of base salaries, social insurance contributions, housing provident fund contributions and various allowances. Correspondingly, as business development and order conversion volumes have expanded, the total amount of bonuses has also increased. From a strategic perspective, the Company is still in the market expansion phase, and expanding the sales team is a necessary investment to support its business growth targets and is both forward-looking and reasonable.

Administrative Expenses

For the six months ended 30 June 2026, the Group's administrative expenses were approximately RMB32,729 thousand, representing an increase of RMB22,801 thousand as compared with approximately RMB9,928 thousand for the same period in 2025. The increase in administrative expenses during the Reporting Period was primarily due to listing expenses incurred as the Company pursued its listing on the Stock Exchange. These expenses are not recurring. Excluding such factor, the overall routine administrative and operating expenses remained stable.

Research and Development Expenses

For the six months ended 30 June 2026, the Group's research and development expenses were approximately RMB23,743 thousand, representing an increase of RMB2,599 thousand as compared with approximately RMB21,144 thousand for the same period in 2025, which was primarily due to continued increases in R&D investment during the Reporting Period.

Income Tax Expense

For the six months ended 30 June 2026, the Group's income tax expense was approximately RMB2,722 thousand, representing a decrease of RMB2,143 thousand as compared with approximately RMB4,865 thousand for the same period in 2025. This was primarily due to a decline in total profit for the period resulting from listing expenses. The reduction in income taxes for this portion aligned with the non-recurring nature of the listing expenses and constituted a reasonable chain of financial effects. The actual tax burden on the Company's day-to-day operations remained normal and stable.

Profit for the Period

As a result of the foregoing, the Group's profit for the six months ended 30 June 2026 was approximately RMB27,402 thousand, representing a decrease of RMB9,689 thousand as compared with approximately RMB37,091 thousand for the same period in 2025.

Non-IFRS Measure

To supplement our historical financial information, which is presented in accordance with IFRS, we also use adjusted profit (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company by adjusting for potential impacts of items. We believe that this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations. Our presentation of adjusted profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as analytical tools, and you should not consider them in isolation from, or as substitutes for, an analysis of our results of operations as reported under IFRS.

The following table reconciles our adjusted profit (non-IFRS measure) for the period presented in accordance with IFRS to the profit for the period.

	For the six months ended 30 June	
	2026 (RMB'000) (Unaudited)	2025 (RMB'000) (Unaudited)
Profit for the period	**27,402**	37,091
Add:		
Share award expenses	**784**	535
Listing expenses	**20,711**	1,705
Adjusted profit for the period (non-IFRS measure)	**48,897**	39,331

Notes:

(1) Share award expenses are non-cash in nature.

(2) Listing expenses represent expenses related to the Global Offering.

Liquidity and Capital Resources

The Group funds its cash requirements principally from cash generated from operating activities and equity financing. We monitor and maintain a level of cash and cash equivalents deemed adequate on an ongoing basis to support working capital requirements and mitigate the effects of fluctuations in cash flows.

As at 30 June 2026 and 31 December 2025, the Group had cash and cash equivalents of RMB819,640 thousand and RMB116,846 thousand, respectively. The Group's financial assets at fair value through profit or loss amounted to RMB302,741 thousand and RMB422,934 thousand, respectively. The Group's certificate of deposit with a maturity exceeding one year amounted to RMB10,258 thousand and RMB10,149 thousand, respectively. We believe that we will be able to fully satisfy the Company's liquidity requirements by combining operating cash flows with the net proceeds from the Global Offering.

Debt

As at 30 June 2026, our interest-bearing bank borrowings comprise entirely of secured loans with an effective annual interest rate of 5-year or longer loan prime rate minus 90 basis points. We had interest-bearing bank borrowings of RMB20,223 thousand and RMB30,723 thousand as at 30 June 2026 and 31 December 2025 respectively. The decrease was attributable to the partial repayment of borrowings in accordance with the repayment schedule during the first half of 2026. Lease liabilities increased from RMB1,901 thousand as at 31 December 2025, to RMB10,924 thousand as at 30 June 2026, primarily due to the renewal of lease contracts during the Reporting Period.

Contingent Liabilities

As at 30 June 2026, the Group did not have any material contingent liabilities (as at 31 December 2025: Nil).

Capital Expenditure

For the six months ended 30 June 2026, the Group's total capital expenditure amounted to approximately RMB40,559 thousand, primarily incurred from the construction of the Suzhou smart factory and the acquisition of production and R&D facilities.

Capital Commitments

As at 30 June 2026, the Group's capital commitments for the acquisition of property, plant and equipment amounted to RMB22,513 thousand (as at 31 December 2025: capital commitments amounted to RMB17,095 thousand).

Debt-to-Asset Ratio

The Group monitors capital using a debt-to-asset ratio which is total liabilities divided by total assets. The debt-to-asset ratio of the Group as at 30 June 2026 was 9.1% (as at 31 December 2025: 20.2%).

Foreign Currency Risks and Hedging

The Group's principal business is located within the PRC. Its foreign currency risks primarily include the risks arising from trade receivables, trade payables and foreign currency cash. Currently, the foreign currency risk mainly arises from USD, HK$ and EUR. The Group has not currently entered into any hedging arrangements to manage its foreign currency risk, but will continue to manage such risk through active monitoring.

Asset Pledges

As at 30 June 2026, certain of the Group's land use rights with a net carrying amount of RMB2,552 thousand (as at 31 December 2025: RMB2,598 thousand) were pledged to secure certain interest-bearing bank borrowings.

Significant Investments

As of the end of the Reporting Period, the Group would like to provide information in respect of its significant investments with a value of 5% or more of the Group's total assets as at 30 June 2026 and its financial assets at fair value through profit or loss pursuant to paragraph 32(4A) of Appendix D2 to the Listing Rules.

The Group reasonably and effectively utilized its own funds to subscribe for wealth management products issued by banks (without using the proceeds raised from the public offering of H Shares). The subscriptions for wealth management products issued by banks were carried out by the Company for treasury management purposes in order to maximize the utilization of its surplus cash received from its business operations, with a view to achieving balanced yields whilst maintaining high liquidity and a relatively low level of risks. As at 30 June 2026, the investment cost of significant wealth management products held by the Group was RMB190,000 thousand, with a fair value of RMB190,445 thousand, which represented 13.3% of the Group's total assets as at 30 June 2026, and the unrealized gains for the Reporting Period was RMB445 thousand.

The outstanding wealth management products as at 30 June 2026 are set out as follows:

Trustee	Name of product	Type of entrusted wealth management	Amount of entrusted wealth management *(RMB'000)*	Fair value as at 30 June 2026 *(RMB'000)*	Size of fair value relative to the Group's total assets	Commencement date of entrusted wealth management	Expiry date of entrusted wealth management	Source of funds	Annualized performance benchmark	Actual recovery
Bank of Beijing	BOB Wealth Management Jinghua Vision Spring Series Zhuoyuan Fixed Income Closed-End Product No. 404 (北銀理財京華遠見春系列卓遠固收封閉式404號理財產品)	Wealth management	110,000	110,306	7.7%	11 May 2026	14 November 2026	Own funds	1.8%-2.3%	Not yet matured and outstanding as of the end of the Reporting Period
Agricultural Bank	ABC Wealth Management "Nong Yin Jiang Xin • Ling Dong" 60-day RMB Wealth Management Product (Corporate Yue Xiang) (農銀理財農銀匠心•靈動60 天人民幣理財產品(對公悦享))	Wealth management	80,000	80,139	5.6%	26 May 2026	No fixed expiry date, with a minimum holding period of 60 days	Own funds	2.2%-3.0%	Not yet matured and outstanding as of the end of the Reporting Period
			190,000	190,445	13.3%					

Note 1: Bank of Beijing is a licensed bank incorporated under the laws of the PRC and is primarily engaged in, among others, corporate and personal banking, treasury operations, financial leasing, asset management and other financial services. The shares of Bank of Beijing are listed on the Shanghai Stock Exchange (stock code: 601169).

Note 2: Agricultural Bank is a licensed bank incorporated under the laws of the PRC and is primarily engaged in corporate banking business, personal banking business, treasury operations, and other businesses. The shares of Agricultural Bank are listed on the Stock Exchange (stock code: 01288) and the Shanghai Stock Exchange (stock code: 601288).

Note 3: For details regarding these wealth management products, please refer to the announcement of the Company dated 26 May 2026.

Significant Acquisitions and Disposals

During the Reporting Period, there were no material acquisitions or disposals of subsidiaries, associates or joint ventures of the Company.

Future Plans for Material Investments and Capital Assets

Save as those disclosed in this report and under the section headed "FUTURE PLANS AND USE OF PROCEEDS" in the Prospectus, the Group had no other plan for material investments or capital assets as of the date of this report.

EMPLOYEES, TRAINING AND REMUNERATION

As at 30 June 2026, the Group had over 400 employees. For the six months ended 30 June 2026, total employee remuneration expenses (including Directors' remuneration) amounted to approximately RMB49,038 thousand (for the six months ended 30 June 2025: approximately RMB39,258 thousand). The increase in employee remuneration was primarily driven by the increase in the number of employees and the rise in average salary per employee. The increase in the number of employees was in line with the expansion of business scale, and the rise in average salary was consistent with market trends and the optimization of the talent structure.

Remuneration was determined with reference to the performance, skills, qualifications and experience of the relevant employees, and in accordance with current industry practices. In addition to salaries, other employee benefits included social insurance and housing provident funds provided by the Group, performance-based remuneration and bonuses and the proposed share incentive scheme to be adopted. The Group enhanced employees' technical and managerial skills in their respective fields through a comprehensive training system.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

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

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 3 August 2026, the Board approved the proposed adoption of the 2026 share incentive scheme of Star Sports Medicine Co., Ltd. (北京天星醫療股份有限公司) (the "**2026 Share Incentive Scheme**") by the Company, the purposes of which were: (i) to promote the achievement of long-term sustainable development and performance goals of the Company; (ii) to attract and retain eligible persons who have made significant contributions to the long-term growth and success of the Company, and to recognize and reward eligible persons for their past contributions to the Group; (iii) to closely align the interests of the grantees with those of Shareholders, investors and the Company, thereby enhancing the cohesion of the Company and facilitating the maximization of the value of the Company; and (iv) to improve the Company's long-term incentive mechanism. The 2026 Share Incentive Scheme is subject to the passing of special resolution(s) by the Shareholders at the shareholders' meeting of the Company to approve and adopt the 2026 Share Incentive Scheme, and to authorize the Board and person(s) authorized by the Board to grant Awarded Shares to the selected participants, and to deal with the Shares (including Treasury Shares) to be issued by the Company in respect of awarded shares granted under the 2026 Share Incentive Scheme. For details, please refer to the announcement of the Company dated 3 August 2026. Save as disclosed above, there was no significant subsequent event which may affect the Group after the Reporting Period and up to the date of this report.

FUTURE OUTLOOK

Looking ahead, multiple positive trends, including aging of the domestic population, a steady rise in national disposable income, and the ongoing improvement of the universal medical security system, will continue to drive growth in national healthcare industry. In particular, the sports medicine medical device sector is poised to experience long-term and high-quality growth opportunities. As public awareness of sports and health has awakened and the demand for the diagnosis and treatment of sports-related injuries continues to rise, coupled with the ongoing implementation of various healthcare policies that empower industry development, the domestic sports medical devices market is expected to continue expanding. In light of the overall trends in the industry, the Group believes that market demand for its products will keep pace with the overall development of the national sports medicine industry, thereby achieving steady and synchronized growth.

With a focus on long-term development, the Company has set the provision of full-lifecycle solutions in sports medicine as its core objective. It continues to expand its product portfolio, refine its core technologies and strengthen its market competitiveness, thereby maintaining its position as a leading enterprise in national sports medicine sector. At the same time, the Group is actively pursuing a global expansion strategy, building capacity to tap into overseas markets and align with international industry standards, with the goal of becoming one of the world's leading companies in the research, development, and manufacturing of sports medicine medical devices. To steadily achieve its medium- and long-term development goals, the Company has formulated and implemented the following core development strategies:

Expand the Product Pipeline and Strengthen the Intellectual Property Layout

The Company is deeply committed to the field of orthopedic sports medicine and continues to expand its full product portfolio. Leveraging our proprietary core technology platform, we have successfully registered and brought to market several innovative products, with our commercial products covering multi-joint soft tissue repair and active minimally invasive surgical devices. At the same time, we are developing multiple cutting-edge projects in areas such as regenerative repair materials, cordless imaging and dynamic, AI-powered rehabilitation, AI-powered surgical robot, aesthetic medicine, ENT and brain-computer interface, creating a synergistic development model that combines mature products with an innovative pipeline to continuously enhance our capacity to provide comprehensive clinical solutions.

Intellectual property development is progressing steadily. The Company continues to step up its efforts in identifying patent opportunities and expanding its global patent portfolio. During the period, the Company secured several new domestic and international patents, owning a total of 193 registered patents at home and abroad. All core technologies are protected by invention patents. The Company has established a standardized intellectual property management system that encompasses patent applications, rights protection, and risk prevention and control. By building a comprehensive intellectual property barrier, the Company strengthens its competitive advantage through differentiation and supports long-term R&D innovation and expansion into domestic and international markets.

Continue to Deepen Global Expansion, with Brands Accelerating Their Overseas Expansion

The Company will continue to deepen its globalization strategy: first, the Company will enhance its global channel network, focus on core markets to deepen localized operations, expand into lower-tier markets, and cultivate key customers, thereby continuously broadening and deepening its global market coverage; second, the Company will accelerate global product registration and market launch, leveraging the strengths of its full sports medicine product line to steadily pursue international certifications such as FDA and CE MDR and drive the market access and commercialization of innovative products in major global markets; third, the Company will build global service capabilities by optimizing overseas supply chains and after-sales service systems, establishing regional service centers, and improving response times and service experiences for customers worldwide. The Company will continue to increase its investment in brand building and marketing efforts, steadily enhance the international brand awareness and market share of Star Sports, and drive long-term, high-quality growth in its overseas operations.

Strengthen the Development of Talent Pools to Lay A Solid Human Resources Foundation for High-Quality Development

The Company adheres to the guiding principle of “targeted recruitment and development (精準引育)” in its talent strategy. Focusing on its core businesses and cutting-edge technologies, the Company recruits high-caliber professionals with an international perspective and industry-leading experience, while continuously optimizing the structure and quality of its workforce. Meanwhile, the Company will refine the tiered and categorized talent development system and accelerate the growth of talent in key positions and the development of talent pipelines through multiple training methods, including hands-on experience gained through key projects, mentor tutoring, and specialized training. The Company will further refine its mechanisms for talent selection, development and retention, with a focus on performance and contributions, to stimulate innovation and creativity among its workforce. The Company has always regarded talent as its most valuable resource for long-term development. Through systematic talent recruitment, targeted talent development, and career-oriented retention strategies, it has laid a solid human resources foundation for the implementation of corporate strategies and sustained, high-quality development.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As of the end of the Reporting Period, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules were as follows:

Name	Nature of interest	Class of Shares	Long/short positions	Number of Shares directly and indirectly held	Approximate percentage of shareholding in the total share capital of the Company
Dong Wenxing[1]	Beneficial owner/Interest in controlled corporation	H Shares	Long positions	19,247,862	35.10%

Notes:

(1) As of the end of the Reporting Period, Mr. Dong Wenxing, Tianjin Jikang, Tianjin Puhe and Tianjin Yunkang held 15,382,400, 871,061, 1,094,401 and 1,900,000 issued Shares of the Company, respectively. The general partner of each of Tianjin Jikang, Tianjin Puhe and Tianjin Yunkang is Tianjin Bokang, which is held as to 99% by Mr. Dong. As such, by virtue of the SFO, Mr. Dong Wenxing was deemed to be interested in a total of 19,247,862 Shares of the Company, representing 35.10% of the issued Shares of the Company.

(2) As of the end of the Reporting Period, the total number of issued Shares of the Company was 54,831,344 Shares, all of which were H Shares.

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

As of the end of the Reporting Period, to the best of the Company's knowledge after reasonable inquiry, the following persons had interests or short positions in the Shares or underlying Shares of the Company that were required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, and recorded in the register that was required to be kept by the Company under Section 336 of the SFO:

Name	Nature of interest	Class of Shares	Long/short positions	Number of Shares directly and indirectly held	Approximate percentage of shareholding in the relevant class of share capital of the Company
Dong Wenxing[(1)]	Beneficial owner/Interest in controlled corporation	H Shares	Long positions	19,247,862	35.10%
Tianjin Bokang Technology Co., Ltd. (天津鉑康科技有限公司)[(1)]	Interest in controlled corporation	H Shares	Long positions	3,865,462	7.05%
Suzhou Junlian Xinkang Venture Investment Partnership (Limited Partnership) (蘇州君聯欣康創業投資合夥企業(有限合夥))[(2)]	Beneficial owner	H Shares	Long positions	4,504,897	8.22%
Lhasa Junqi Enterprise Management Co., Ltd. (拉薩君祺企業管理有限公司)[(2)]	Interest in controlled corporation	H Shares	Long positions	4,504,897	8.22%
Junqi Jiarui Enterprise Management Co., Ltd. (北京君祺嘉睿企業管理有限公司)[(2)]	Interest in controlled corporation	H Shares	Long positions	7,008,125	12.78%
Beijing Juncheng Hezhong Investment Management Partnership (Limited Partnership) (北京君誠合眾投資管理合夥企業(有限合夥))[(2)]	Interest in controlled corporation	H Shares	Long positions	7,008,125	12.78%
Legend Capital Co., Ltd. (君聯資本管理股份有限公司)[(2)]	Interest in controlled corporation	H Shares	Long positions	7,008,125	12.78%
Chen Hao (陳浩)[(2)]	Interest in controlled corporation	H Shares	Long positions	7,008,125	12.78%

Name	Nature of interest	Class of Shares	Long/short positions	Number of Shares directly and indirectly held	Approximate percentage of shareholding in the relevant class of share capital of the Company
Xiamen Defu Yuean Investment Partnership Enterprise (Limited Partnership) (廈門德福悦安投資合夥企業(有限合夥))[(3)]	Beneficial owner	H Shares	Long positions	4,938,004	9.01%
Xiamen Defu Investment Consulting Partnership (Limited Partnership) (廈門德福投資諮詢合夥企業(有限合夥))[(3)]	Interest in controlled corporation	H Shares	Long positions	4,938,004	9.01%
Jinan Defu Phase III Equity Investment Fund Partnership (Limited Partnership) (濟南德福三期股權投資基金合夥企業(有限合夥))[(3)]	Interest in controlled corporation	H Shares	Long positions	4,938,004	9.01%
Yantai Defu Phase III Equity Investment Fund Partnership (Limited Partnership) (煙台德福三期股權投資基金合夥企業(有限合夥))[(3)]	Interest in controlled corporation	H Shares	Long positions	4,938,004	9.01%
Hou Ming (侯明)[(3)]	Interest in controlled corporation	H Shares	Long positions	4,938,004	9.01%
OAP IV (HK) Limited	Beneficial owner	H Shares	Long positions	4,704,316	8.58%
OrbiMed Advisors IV Limited	Interest in controlled corporation	H Shares	Long positions	4,704,316	8.58%
OrbiMed Asia GP IV, L.P.	Interest in controlled corporation	H Shares	Long positions	4,704,316	8.58%
OrbiMed Asia Partners IV, L.P.	Interest in controlled corporation	H Shares	Long positions	4,704,316	8.58%

Notes:

(1) As of the end of the Reporting Period, Mr. Dong Wenxing, Tianjin Jikang, Tianjin Puhe and Tianjin Yunkang held 15,382,400, 871,061, 1,094,401 and 1,900,000 issued Shares of the Company, respectively. The general partner of each of Tianjin Jikang, Tianjin Puhe and Tianjin Yunkang is Tianjin Bokang, which is held as to 99% by Mr. Dong. As such, by virtue of the SFO, Tianjin Bokang was deemed to be interested in a total of 3,865,462 Shares of the Company, representing 7.05% of the issued Shares of the Company; and Mr. Dong Wenxing was deemed to be interested in a total of 19,247,862 Shares of the Company, representing 35.10% of the issued Shares of the Company.

(2) As of the end of the Reporting Period, Suzhou Junlian Xinkang Venture Investment Partnership (Limited Partnership) ("Suzhou Junlian") and BEST ALIVE LIMITED (沛昕有限公司) ("BEST ALIVE") held 4,504,897 and 2,503,228 issued Shares of the Company, respectively, while Mr. Chen Hao ultimately controlled Suzhou Junlian and BEST ALIVE through Lhasa Junqi Enterprise Management Co., Ltd., Junqi Jiarui Enterprise Management Co., Ltd., Beijing Juncheng Hezhong Investment Management Partnership (Limited Partnership) and Legend Capital Co., Ltd.. As such, by virtue of the SFO, Mr. Chen Hao was deemed to be interested in a total of 7,008,125 Shares of the Company, representing 12.78% of the issued Shares of the Company.

(3) As of the end of the Reporting Period, Xiamen Defu Yuean Investment Partnership (Limited Partnership) ("Defu Yuean Investment") directly held 4,938,004 issued Shares of the Company. Jinan Defu Phase III Equity Investment Fund Partnership (Limited Partnership) ("Jinan Defu Phase III") was the limited partner of Defu Yuean Investment, holding 38.32% partnership interest in Defu Yuean Investment. Yantai Defu Phase III Equity Investment Fund Partnership (Limited Partnership) ("Yantai Defu Phase III") was the limited partner of Defu Yuean Investment, holding 61.68% partnership interest in Defu Yuean Investment. Xiamen Defu Investment Consulting Partnership (Limited Partnership) ("Defu Investment Consulting") was the general partner of Defu Yuean Investment, Jinan Defu Phase III and Yantai Defu Phase III, while Defu Investment Consulting was ultimately controlled by Mr. Hou Ming. As such, by virtue of the SFO, each of Mr. Hou Ming, Defu Investment Consulting, Yantai Defu Phase III, Jinan Defu Phase III and Defu Yuean Investment were deemed to be interested in 4,938,004 Shares of the Company, representing 9.01% of the issued Shares of the Company.

(4) As of the end of the Reporting Period, the total number of issued Shares of the Company amounted to 54,831,344 Shares, all of which were H Shares.

Save as disclosed above, as of the end of the Reporting Period, the Company was not aware of any other person who had interests or short positions in the Shares or underlying Shares of the Company which were required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and which were required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

None of the Company or any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of Treasury Shares (within the meaning of the Listing Rules)) during the Relevant Period. As at the end of the Reporting Period, the Company did not hold any Treasury Shares.

COMPLIANCE WITH MODEL CODE REGARDING SECURITIES TRANSACTIONS

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. Upon specific enquiry by the Company, all Directors confirmed that they had complied with the requirements of the Model Code in relation to the relevant Directors' share dealings during the Relevant Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders. The Company has adopted the code provisions of the Corporate Governance Code as the basis of the Company's corporate governance practices since the Listing Date. Except for code provision C.2.1 (which provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual), the Company has complied with the applicable code provisions set out in the Corporate Governance Code during the Relevant Period. Mr. Dong Wenxing currently serves as both Chairman of the Board and chief executive officer. The Board is of the view that this arrangement will provide the Group with strong and consistent leadership and will not undermine the balance of power and authority between the Board and the management. The Company will continue to review the effectiveness of its corporate governance structure and assess whether separation of the roles of Chairman of the Board and chief executive officer is necessary.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee of the Company has reviewed the unaudited interim results and interim report of the Group for the six months ended 30 June 2026 and considered that the interim results and interim report complied with relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

The interim financial report for the six months ended 30 June 2026 is unaudited, but has been reviewed by Ernst & Young in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the Hong Kong Institute of Certified Public Accountants.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CHANGES IN INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

During the Reporting Period and as of the date of this report, there was no information of Directors and chief executive officer required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

GLOBAL OFFERING AND USE OF NET PROCEEDS

To seize industry development opportunities, improve production capacity and quality control, accelerate the development of full-cycle solutions from treatment to rehabilitation and multi-dimensional technology layout, expand domestic and international market share and enhance brand influence, and consolidate the Company's long-term competitive advantages, the Company issued H Shares on 5 May 2026 and listed on the Main Board of the Stock Exchange (stock code: 01609). A total of 8,421,850 H Shares with a nominal value of RMB1.00 each were issued through the Hong Kong Public Offering and International Offering, including 842,200 Shares under the Hong Kong Public Offering and 7,579,650 Shares under the International Offering, at an Offer Price of HK$98.50 per Share, with an aggregate nominal value of RMB8,421,850. The total proceeds raised from this issuance of H Shares of the Company amounted to HK$829.6 million and the actual net proceeds raised after deduction of issue expenses amounted to HK$788.4 million, representing a net price per Share of HK$93.62. As at 30 June 2026, the Company had utilized approximately HK$25.2 million of the proceeds raised, representing approximately 3.2% of the net proceeds raised, with approximately HK$763.3 million remaining unutilized.

There was no change in the use of proceeds as disclosed in the Prospectus. The use of proceeds raised from the H Shares of the Company is as follows:

	Approximate % of the total amount	Net proceeds available for use HK$'000	Proceeds utilized during the Reporting Period HK$'000	Proceeds unutilized as of the end of the Reporting Period HK$'000	Expected timetable for the full use of the unutilized proceeds
Smart factory project	30%	236,533	14,216	222,317	31 December 2028
Finance our research and development activities	35%	275,955	7,865	268,090	31 December 2028
Finance our global commercialization	25%	197,110	3,082	194,028	31 December 2028
Working capital and general corporate purposes	10%	78,844	–	78,844	31 December 2028
Total	**100%**	**788,442**	**25,163**	**763,279**	

Note 1: The expected timetable for the full use of unutilized proceeds was based on the estimate of the Group, which is subject to the current and future development of the market conditions.

The balance of the proceeds from the initial public offering will continue to be utilized according to the usages and proportions as disclosed in the Prospectus.

INDEPENDENT REVIEW REPORT

To the board of directors of Star Sports Medicine Co., Ltd.
(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 29 to 50, which comprises the condensed consolidated statement of financial position of Star Sports Medicine Co., Ltd. (the "Company") and its subsidiaries (the "Group") as at 30 June 2026 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong
17 August 2026

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

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Notes	Six months ended 30 June	
		2026	2025
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
REVENUE	4	163,427	134,378
Cost of sales		(42,131)	(34,791)
Gross profit		121,296	99,587
Other income and gains		9,334	6,982
Selling and distribution expenses		(42,379)	(33,253)
Administrative expenses		(32,729)	(9,928)
Research and development expenses		(23,743)	(21,144)
Other expenses		(161)	–
Impairment of financial assets, net		(1,421)	(128)
Finance costs		(73)	(160)
PROFIT BEFORE TAX	5	30,124	41,956
Income tax expense	6	(2,722)	(4,865)
PROFIT FOR THE PERIOD		27,402	37,091
Profit attributable to owners of the parent		27,402	37,091
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		27,402	37,091
Total comprehensive income attributable to owners of the parent		27,402	37,091
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted (RMB)		0.57	0.80

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		120,658	85,900
Right-of-use assets		13,748	4,500
Other intangible assets		1,037	1,186
Deferred tax assets		2,642	1,939
Certificate of deposit with a maturity exceeding one year		10,258	10,149
Prepayments, other receivables and other assets		1,099	786
Total non-current assets		149,442	104,460
CURRENT ASSETS			
Inventories	10	68,075	64,476
Trade receivables	11	72,154	40,981
Prepayments, other receivables and other assets		21,108	14,384
Financial assets at fair value through profit or loss		302,741	422,934
Cash and cash equivalents		819,640	116,846
Total current assets		1,283,718	659,621
TOTAL ASSETS		1,433,160	764,081
CURRENT LIABILITIES			
Trade payables	12	23,008	27,765
Other payables and accruals		48,475	66,586
Contract liabilities		7,991	4,222
Interest-bearing bank borrowings		3,500	12,000
Lease liabilities		3,527	1,901
Tax payable		–	5,976
Refund liabilities		17,832	12,370
Total current liabilities		104,333	130,820
NET CURRENT ASSETS		1,179,385	528,801
TOTAL ASSETS LESS CURRENT LIABILITIES		1,328,827	633,261

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

30 JUNE 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		16,723	18,723
Lease liabilities		7,397	–
Other payables and accruals		2,626	5,121
Total non-current liabilities		26,746	23,844
NET ASSETS		1,302,081	609,417
EQUITY			
Equity attributable to owners of the parent			
Share capital	13	54,831	46,409
Reserves		1,247,250	563,008
Total equity		1,302,081	609,417

Dong Wenxing
Director

He Lu
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Attributable to owners of the parent					
	Share capital RMB'000	Capital reserve* RMB'000	Share award reserve* RMB'000	Statutory surplus reserve* RMB'000	Retained profits* RMB'000	Total equity RMB'000
At 31 December 2025 (audited)	46,409	269,248	3,195	23,204	267,361	609,417
Profit for the period	–	–	–	–	27,402	27,402
Total comprehensive income for the period	–	–	–	–	27,402	27,402
Issue of shares from global offering (note 13)	8,422	656,056	–	–	–	664,478
Recognition of equity-settled share award expense (note 14)	–	–	784	–	–	784
At 30 June 2026 (unaudited)	54,831	925,304	3,979	23,204	294,763	1,302,081
At 31 December 2024 (audited)	46,409	269,248	1,988	15,519	138,076	471,240
Profit for the period	–	–	–	–	37,091	37,091
Total comprehensive income for the period	–	–	–	–	37,091	37,091
Recognition of equity-settled share award expense (note 14)	–	–	535	–	–	535
At 30 June 2025 (unaudited)	46,409	269,248	2,523	15,519	175,167	508,866

* These reserve accounts comprised the consolidated reserves of RMB1,247,250,000 (unaudited) (30 June 2025: RMB462,457,000 (unaudited)) in the interim condensed consolidated statement of financial position as at 30 June 2026.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		30,124	41,956
Adjustments for:			
Finance costs		73	160
Foreign exchange differences, net	5	(258)	(84)
Interest income		(3,419)	(3,826)
Depreciation of property, plant and equipment		5,799	4,889
Depreciation of right-of-use assets		1,676	1,863
Amortisation of intangible assets		149	149
Equity-settled share award expense	14	784	535
Impairment of trade receivables	5	1,418	129
Impairment/(reversal of impairment) of other receivables	5	3	(1)
Write-down of inventories to net realisable value	5	2,496	1,290
Fair value gains on financial assets at fair value through profit or loss	5	(1,513)	(93)
Investment income on financial assets at fair value through profit or loss and certificate of deposit with a maturity exceeding one year	5	(2,320)	–
Loss on disposal of items of property, plant and equipment		2	–
		35,014	46,967
Increase in inventories		(7,593)	(21,468)
(Increase)/decrease in trade receivables		(32,591)	11,216
(Increase)/decrease in prepayments, other receivables and other assets		(9,388)	3,256
Decrease in trade payables		(5,660)	(8,482)
Increase/(decrease) in other payables and accruals, contract liabilities and refund liabilities		14,518	(7,312)
Cash (used in)/generated from operations		(5,700)	24,177
Interest received		3,419	3,826
Income tax paid		(9,401)	(5,942)
Net cash flows (used in)/from operating activities		(11,682)	22,061

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income on financial assets at fair value through profit or loss	2,211	–
Purchases of items of property, plant and equipment	(48,744)	(28,389)
Purchases of financial assets at fair value through profit or loss	(330,499)	(160,000)
Proceeds from disposal of financial assets at fair value through profit or loss	452,205	20,000
Proceeds from time deposits with original maturities of over three months and due within one year	–	344,093
Purchases of time deposits with original maturities of over three months and due within one year	–	(120,000)
Net cash flows from investing activities	75,173	55,704
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank borrowings	(10,500)	–
New bank borrowings	–	3,723
Interest paid for interest-bearing bank borrowings	(292)	(238)
Proceeds from issue of shares	683,264	–
Lease payments	(1,931)	(1,934)
Payments of listing expenses	(32,399)	(2,084)
Net cash flows from/(used in) financing activities	638,142	(533)
NET INCREASE IN CASH AND CASH EQUIVALENTS	701,633	77,232
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	116,846	89,968
Effect of foreign exchange rate changes, net	1,161	(59)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	819,640	167,141

1. CORPORATE INFORMATION

Star Sports Medicine Co., Ltd. (the "Company") was a limited liability company established in Beijing of the People's Republic of China (the "PRC") on 31 July 2017. On 8 March 2023, the Company was converted to a joint stock limited liability company. The registered office of the Company is located at Room A018 and B018, Building 1, No. 25, Jinghai 2nd Street, Beijing Economic and Technological Development Area, Beijing.

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited on 5 May 2026.

During the period, the Company and its subsidiaries were principally engaged in the research and development and sales of innovative medical devices and equipment in the field of sports medicine. The product line covers medical implants, surgical equipment and associated medical consumables.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and impact of the amended IFRS Accounting Standards are described below:

(a) Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(b) Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) *Annual Improvements to IFRS Accounting Standards – Volume 11* set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group has only one reportable operating segment, which is the sale of sports medicine products. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Chinese mainland	122,729	110,528
Other countries/regions	40,698	23,850
Total	163,427	134,378

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

(b) Non-current assets

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Chinese mainland	136,201	91,961

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

3. OPERATING SEGMENT INFORMATION (continued)

Information about major customers

Revenue from a major customer which accounted for 10% or more of the Group's revenue during the period:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Customer A	37,203	N/A*
Customer B	N/A*	25,608
Customer C	N/A*	14,084

* Less than 10% of the Group's revenue during the period.

4. REVENUE

An analysis of revenue is as follows:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue from contracts with customers	163,427	134,378

4. REVENUE (Continued)

Revenue from contracts with customers

(a) Disaggregated revenue information

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Types of goods		
Medical implants	125,436	99,564
Surgical equipment and associated medical consumables	37,815	34,703
Others（note a)	176	111
Total revenue from contracts with customers	163,427	134,378
Geographical markets		
Chinese mainland	122,729	110,528
Other countries/regions (note b)	40,698	23,850
Total	163,427	134,378

Notes:

(a) Others primarily comprised revenue from the sales of surgical utility carts and regenerative repair products for joint soft tissues.

(b) Other countries and regions mainly include France, Spain and others.

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Timing of revenue recognition		
Goods transferred at a point in time	163,427	134,378

5. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cost of inventories sold	39,635	33,501
Foreign exchange differences, net	(258)	(84)
Fair value gains on financial assets at fair value through profit or loss	(1,513)	(93)
Investment income on financial assets at fair value through profit or loss and certificate of deposit with a maturity exceeding one year	(2,320)	–
Impairment of trade receivables	1,418	129
Impairment/(reversal of impairment) of other receivables	3	(1)
Write-down of inventories to net realisable value	2,496	1,290

6. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which subsidiaries of the Group are domiciled and operate.

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, the Company and its subsidiaries which operate in Chinese mainland are subject to income tax at a rate of 25% (30 June 2025: 25%) on their respective taxable income.

The Company was accredited as a High and New Technology Enterprise ("HNTE") under the relevant tax rules and regulations in July 2020 and the certificate was extended in October 2023 and, accordingly, was entitled to a reduced preferential corporate income tax ("CIT") rate of 15% (30 June 2025: 15%) during the period. This qualification as a HNTE will be due in October 2026 and is subject to review by the relevant tax authority in the PRC every three years.

One of the Group's PRC subsidiaries, qualified as "Small and Micro-sized Enterprises" and was entitled to preferential CIT rate of 20% (30 June 2025: 20%) during the period.

No Hong Kong profits tax has been provided because the Group did not generate any assessable profits in Hong Kong during the period.

The income tax expense of the Group for the period is analysed as follows:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Current – Chinese mainland		
Charge for the period	3,425	4,683
Deferred tax	(703)	182
Total	2,722	4,865

7. DIVIDENDS

No dividend was declared or paid by the Company during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

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

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent of RMB27,402,000 (six months ended 30 June 2025: RMB37,091,000), and the weighted average number of ordinary shares of 47,813,136 (six months ended 30 June 2025: 46,409,494) outstanding during the period.

No adjustment has been made to the basic earnings per share amounts 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.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired property, plant and equipment at an aggregate cost of RMB40,559,000 (30 June 2025: RMB7,014,000).

10. INVENTORIES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Raw materials	26,558	24,320
Work in progress	9,693	6,466
Semi-finished goods	10,549	11,887
Finished goods	23,594	18,980
Materials consigned for processing	2,158	3,529
Goods in transit	1,396	3,991
	73,948	69,173
Less: Provision for inventories	(5,873)	(4,697)
Total	68,075	64,476

11. TRADE RECEIVABLES

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	72,154	40,981

12. TRADE PAYABLES

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	22,619	27,067
1 to 2 years	54	371
2 to 3 years	134	261
Over 3 years	201	66
	23,008	27,765

13. SHARE CAPITAL

A summary of movements in the Company's share capital during the period is as follows:

	Number of ordinary shares	Share capital RMB'000
As at 1 January 2025, 31 December 2025 and 1 January 2026 (audited)	46,409,494	46,409
Shares issued upon the global offering (note a)	8,421,850	8,422
As at 30 June 2026 (unaudited)	54,831,344	54,831

Note:

(a) On 5 May 2026, the Company successfully completed the Initial Public Offering on the Main Board of The Stock Exchange of Hong Kong Limited. The Company issued 8,421,850 H shares at the offering price of Hong Kong Dollar 98.5 per share.

14. SHARE AWARD EXPENSE

(a) Tianjin Yunkang Technology Center (Limited Partnership) ("Tianjin Yunkang") restricted share incentive plan 2023

On 28 February 2023, the Company's board of directors and the partners of Tianjin Yunkang approved the restricted share incentive plan, implemented through the employee stock ownership platform, Tianjin Yunkang. According to the plan, the platform granted restricted shares, corresponding to RMB129,000 in registered capital of the platform, to 7 employees and the weighted average exercise price is RMB9.29. The agreements with these 7 employees stipulated a service period of 4 years for these employees.

The Company determined the fair value to be RMB42.70 per RMB1 registered capital unit of the platform on the grant date, based on recent third-party investor transactions and considering the terms and conditions upon which the restricted shares were granted. The aggregate fair value of the restricted shares granted on the grant date was RMB5,517,000, with a difference of RMB4,317,000 from the exercise price of RMB1,200,000. This difference, being the share award expense, is recognised over the 4-year service period stipulated in the agreements with these 7 employees as the vesting period. For the six months ended 30 June 2026, share award expense of RMB535,000 (Six months ended 30 June 2025: RMB535,000) was recognised.

(b) Tianjin Yunkang Technology Center (Limited Partnership) ("Tianjin Yunkang") restricted share incentive plan 2025

On 30 May 2025, the Company's board of directors and the partners of Tianjin Yunkang approved a restricted share incentive plan, implemented through the employee stock ownership platform, Tianjin Yunkang. On 14 July 2025, the grantees entered into the Tianjin Yunkang shares grant agreement with the Company, Tianjin Yunkang and Tianjin Bokang (as the general partner of Tianjin Yunkang). According to the plan, the platform granted restricted shares, corresponding to RMB22,000 in registered capital of the platform, to 2 employees and the weighted average exercise price is RMB9.29. The agreements with these 2 employees stipulated a service period of 4 years for these employees.

On 12 September 2025, the Company's board of directors and the partners of Tianjin Yunkang approved a restricted share incentive plan, implemented through the employee stock ownership platform, Tianjin Yunkang. According to the plan, the platform granted restricted shares, corresponding to RMB17,000 in registered capital of the platform, to 2 employees and the weighted average exercise price is RMB9.29. The agreements with these 2 employees stipulated a service period of 4 years for these employees.

The Company determined the fair value to be RMB87.88 per RMB1 registered capital unit of the platform on the grant date, based on the Market Approach – Comparable Companies Multiple Method taking into the terms and conditions upon which the awarded shares were granted. The total fair value of the restricted shares granted during the period was RMB3,046,000. For the six months ended 30 June 2026, share award expense of RMB249,000 (30 June 2025: Nil) was recognised.

15. COMMITMENTS

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Contracted, but not provided for:		
Construction of property, plant and equipment	22,513	17,095

16. RELATED PARTY TRANSACTIONS

(a) Name and relationship

Name	Relationship
普瑞純證醫療科技(廣州)有限公司 Pure Medical Technology (Guangzhou) Co., Ltd. ("Pure Medical")	Other entities in which the Company's director (Mr. Zhou Quan) serves

(b) Transactions with a related party

The Group had the following transaction with a related party during the period:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Purchases of services:		
Pure Medical	2	2

The purchases of services included receiving registration services for sports medicine products from Pure Medical. The purchases from the Pure Medical were made according to the published prices and conditions offered by the Group to its major customers.

16. RELATED PARTY TRANSACTIONS (continued)

(c) Outstanding balance with a related party:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Prepayments for services:		
Pure Medical	1	3

The outstanding balance with Pure Medical is trade related in nature, representing fees paid for the engagement of Pure Medical to draft the materials required for the registration and clinical evaluation of the Company's research and development products based on product data provided by the Company.

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

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Short-term employee benefits	1,508	1,968
Pension scheme contributions	103	152
Equity-settled share award expense	223	403
Total compensation paid to key management personnel	1,834	2,523

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, other receivables and other assets, trade payables, current portion of interest-bearing bank borrowings and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At the end of the reporting period, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

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

The fair values of the non-current portion of financial assets included in certificate of deposit with a maturity exceeding one year, prepayments, other receivables and other assets, and the non-current portion of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for financial assets included in non-current prepayments, other receivables and other assets and interest-bearing bank borrowings as at the end of the reporting period were assessed to be insignificant. The following methods and assumptions were used to estimate the fair values:

For the fair value of the financial assets at fair value through profit or loss, the method used by the management to determine the fair value is based on the type of product. For regular investment planning, management calculates the fair value of these investments using the discounted future cash flow method. For products redeemable on demand, fair value is calculated by aggregating the principal amount and interest accrued from the last income distribution date to the valuation date. For the structured deposits, fair value is derived using the Monte Carlo simulation method.

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

Fair value hierarchy

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

Assets measured at fair value:

As at 30 June 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Financial assets at fair value through profit or loss	–	302,741	–	302,741

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	Total RMB'000 (Audited)
Financial assets at fair value through profit or loss	–	422,934	–	422,934

During the six months ended 30 June 2026, there was no transfers of fair value measurements between Level 1 and Level 3 and no transfers into or out of Level 2 for the financial assets (year ended 31 December 2025: Nil).

18. EVENTS AFTER THE REPORTING PERIOD

On 3 August 2026, the Board approved the proposed adoption of the 2026 share incentive scheme of Star Sports Medicine Co., Ltd. (北京天星醫療股份有限公司) (the "2026 Share Incentive Scheme") by the Company. The 2026 Share Incentive Scheme is subject to the passing of special resolution(s) by the shareholders at the shareholders' meeting of the Company to approve and adopt the 2026 Share Incentive Scheme, and to authorise the Board and person(s) authorised by the Board to grant awarded shares to the selected participants, and to deal with the Shares (including Treasury Shares) to be issued by the Company in respect of awarded shares granted under the 2026 Share Incentive Scheme. For details, please refer to the announcement of the Company dated 3 August 2026. Save as disclosed above, no other significant events affecting the Group have occurred subsequent to 30 June 2026 and up to the date of approval of the interim condensed consolidated financial information.

19. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements was approved and authorised for issue by the board of directors on 17 August 2026.

DEFINITIONS

In this report, unless the context otherwise requires, the following expressions shall have the following meanings:

"Audit Committee"	the audit committee of the Board of the Company
"Board"	the board of directors of the Company
"PRC"	the People's Republic of China, excluding, for the purposes of this report and for geographical reference only, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company"	Star Sports Medicine Co., Ltd. (北京天星醫療股份有限公司), a limited liability company established under the laws of the PRC on 31 July 2017 and converted into a joint stock limited company on 8 March 2023, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 01609)
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules, as amended, supplemented or otherwise modified from time to time
"Director(s)"	the director(s) of the Company
"Global Offering"	has the meaning ascribed thereto under the Prospectus
"Group", "our Group", "we" or "us"	the Company and its subsidiaries (or, the Company and any of its subsidiaries or various subsidiaries, as the context requires)
"H Share(s)"	overseas-listed foreign ordinary share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which is/are listed on the Stock Exchange and traded in Hong Kong dollars
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited

DEFINITIONS

"Listing Date"	the date on which the H Shares of the Company are listed on the Main Board of the Stock Exchange, being 5 May 2026
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules, as amended, supplemented or otherwise modified from time to time
"Prospectus"	the prospectus of the Company dated 24 April 2026
"Relevant Period"	the period from the Listing Date to 30 June 2026
"Reporting Period"	for the six months ended 30 June 2026
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of the Share(s)
"subsidiary(ies)"	has the meaning ascribed thereto in section 15 of the Companies Ordinance
"Treasury Share(s)"	has the meaning ascribed thereto under the Listing Rules
"%"	per cent

Notes:

1. Certain amounts and percentage figures included in this report have been subject to rounding adjustments.
2. In the event of any discrepancy between the Chinese and English names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain subsidiaries of the Company), the Chinese version shall prevail.