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Xunfei Healthcare Technology Co., Ltd.

訊飛醫療科技股份有限公司

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

(Stock Code: 2506)

CHANGE OF USE OF PROCEEDS FROM THE H SHARE GLOBAL OFFERING

References are made to: (i) the H Share prospectus (the “**Prospectus**”) of Xunfei Healthcare Technology Co., Ltd. (the “**Company**”, together with its subsidiaries, “**our Group**”) dated December 18, 2024; and (ii) the announcement of allotment results of the Company dated December 27, 2024 (the “**Allotment Results Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

USE OF PROCEEDS FROM THE H SHARE GLOBAL OFFERING

As disclosed in the Allotment Results Announcement, after deducting underwriting commissions and other expenses, the net proceeds from the Global Offering of H Shares (the “**Net Proceeds from the Global Offering**”) were approximately HK\$507.1 million. The original intended use of the Net Proceeds from the Global Offering was disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

As of September 30, 2026, the Company had utilized approximately HK\$453.7 million of the Net Proceeds from the Global Offering, accounting for approximately 89.5% of the Net Proceeds from the Global Offering.

CHANGE OF USE OF PROCEEDS

After careful consideration and detailed assessment of our Group’s latest operational and business needs, the Board of Directors has resolved to reallocate HK\$32.3 million originally allocated for “Acquiring companies that may generate synergy with our existing capacities, such as medical device manufacturers” to “Investing in research and development to continuously reinforce our core capabilities”.

The table below sets out the intended use of the Net Proceeds from the Global Offering, the original allocation as set out in the Prospectus, the unutilized amount of the Net Proceeds from the Global Offering as of September 30, 2026, the balance of the unutilized Net Proceeds from the Global Offering after reallocation, and the expected timeline for the utilization of the unutilized Net Proceeds from the Global Offering:

Intended use of Net Proceeds	Original allocation as set out in the Prospectus and the corresponding amount of Net Proceeds	Unutilized amount of Net Proceeds as of September 30, 2026 (HK\$ in millions)	Amount of reallocated Net Proceeds (HK\$ in millions)	Balance of unutilized Net Proceeds after reallocation (HK\$ in millions)	Expected utilization timeline
Investing in research and development to continuously reinforce our core capabilities	32.3% HK\$164.0 million	—	+32.3	32.3	To be fully utilized by the end of June 2027
Further enriching our products and services through upgrading existing products and developing new products	26.6% HK\$135.0 million	0.8	N/A	0.8	To be fully utilized by the end of December 2026
Reinforcing our commercialization capabilities and expanding our service network	24.7% HK\$125.1 million	20.3	N/A	20.3	To be fully utilized by the end of December 2026
Acquiring companies that may generate synergy with our existing capacities, such as medical device manufacturers	6.4% HK\$32.3 million	32.3	-32.3	—	To be fully utilized by the end of December 2026
Working capital and other general corporate purposes	10.0% HK\$50.7 million	—	N/A	—	To be fully utilized by the end of December 2026
Total	100% <u>HK\$507.1 million</u>	<u>53.4</u>	<u></u>	<u>53.4</u>	

Note: The expected timetable for the full utilization 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 Company has placed the net proceeds that have not yet been utilized in short-term interest-bearing accounts with licensed commercial banks and/or other authorized financial institutions. The Company will comply with PRC laws regarding foreign exchange registration and remittance of proceeds.

REASONS FOR AND BENEFITS OF THE CHANGE OF USE OF PROCEEDS

The Board of Directors is of the view that as the Company's medical device product business has not yet achieved significant economies of scale, the necessity and feasibility of achieving capacity synergies through the acquisition of medical device manufacturers at this stage are insufficient. Therefore, our Group has adopted a prudent strategy regarding the potential acquisition of companies that may generate synergy with our existing capacities, in a bid to ensure that any such acquisition is made solely in the interests of the Company and its shareholders as a whole. After careful evaluation, the Company believes that there are currently no suitable acquisition targets. In the future, our Group will continue to use its best endeavours to identify acquisition targets that are in the overall interests of our Group and its shareholders. If suitable acquisition targets are identified, our Group will use its own funds and/or self-raised funds to pursue acquisitions again. The Board of Directors believes that our Group will not utilize the acquisition funds according to the original schedule or in a timely manner, and as mentioned above, making strategic acquisitions at the current stage may not be the best option. Therefore, to improve the utilization efficiency of the proceeds, the Company intends to reduce the amount of proceeds allocated to "Acquiring companies that may generate synergy with our existing capacities, such as medical device manufacturers" by HK\$32.3 million, and simultaneously increase the amount allocated to "Investing in research and development to continuously reinforce our core capabilities" by HK\$32.3 million. Specifically, the funds will be used by our technology platform team to continuously optimize our algorithms and strengthen core technologies such as machine learning. We focus on accumulating data and enhancing our capabilities in data recognition, information extraction, and analysis. We also place emphasis on hardware and software upgrades and talent cultivation. We will continue to (i) recruit research and development personnel; (ii) expand our medical knowledge base and increase our core R&D assets by purchasing information technology infrastructure components such as servers; (iii) deepen our R&D cooperation with universities and research institutions; and (iv) acquire copyrights from third parties and obtain outsourced services to optimize our resource allocation in business operations.

The Board of Directors is of the view that the change of the use of proceeds is a prudent adjustment made by the Company after taking into account objective factors such as the current market environment, the actual utilization of proceeds, and the Company's overall business development strategy. It will not adversely affect the development of the Company's existing business, and is in line with the Company's overall development strategy. It will help improve the utilization efficiency of the proceeds, further optimize the Company's financial structure, and promote the sustainable and steady development of the Company.

The expected timeline for the utilization of the unutilized Net Proceeds from the Global Offering is based on the best estimates of the Directors and is subject to change depending on the evolution of market conditions. The Board of Directors confirms that, save as disclosed in this announcement, there are no other changes to the use of the Net Proceeds from the Global Offering.

The Board of Directors is of the view that the aforementioned change of the use of the Net Proceeds from the Global Offering will enable the Company to deploy its financial resources more effectively, efficiently meet the funding needs of its business, and create returns for shareholders, and therefore is in the overall interests of the Company and its shareholders. The Board of Directors confirms that there has been no change in the nature of our Group's business (as described in the Prospectus), and is of the view that the proposed reallocation of the unutilized Net Proceeds from the Global Offering will not have any material adverse impact on our Group's operations. The Board of Directors will continue to review and evaluate the utilization plan for our Group's unutilized Net Proceeds from the Global Offering, and may revise or adjust such plan as and when necessary in response to changing market conditions, to enhance our Group's business performance.

The Company will, in the future, provide updates to its shareholders on the progress of the utilization of the unutilized Net Proceeds from the Global Offering through disclosures in its annual reports and interim reports. The Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

OTHER MATTERS

Pursuant to the Articles of Association of the Company and relevant laws and regulations, the proposed change of the use of proceeds is subject to the approval by the shareholders by way of an ordinary resolution at the general meeting of the Company. A circular containing, among other things, details of the resolution regarding the change of the use of proceeds from the Global Offering of H Shares and the notice of the extraordinary general meeting will be published on the websites of the Company (<https://www.iflyhealth.com/>) and the Stock Exchange (www.hkexnews.hk) in due course, and will be made available in due course to shareholders who have expressed their wish to receive a printed copy.

By order of the Board
Xunfei Healthcare Technology Co., Ltd.
Dr. Tao Xiaodong
Executive Director

Hong Kong, October 23, 2026

As at the date of this announcement, the Board of the Company comprises: (i) Dr. Tao Xiaodong as executive director; (ii) Dr. Liu Qingfeng, Mr. Zhao Zhiwei and Mr. Duan Dawei as non-executive directors; and (iii) Prof. Wang Yang, Prof. Zhao Huifang and Mr. Tan Ching as independent non-executive directors.