

# Guanze Medical Information Industry (Holding) Co., Ltd.

(Incorporated in the Cayman Islands with limited liability)

**Stock Code: 2427**



Interim Report  
**2025**



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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Meng Xianzhen (*Chairman and Chief Executive Officer*)  
Mr. Guo Zhenyu

### Non-executive Director

Ms. Meng Cathy

### Independent non-executive Directors

Dr. Zhao Bin  
Dr. Chang Shiwang  
Dr. Wong Man Hin Raymond

## BOARD COMMITTEES

### Audit Committee

Dr. Wong Man Hin Raymond (*Chairman*)  
Dr. Zhao Bin  
Dr. Chang Shiwang

### Remuneration Committee

Dr. Chang Shiwang (*Chairman*)  
Mr. Meng Xianzhen  
Dr. Zhao Bin

### Nomination Committee

Dr. Zhao Bin (*Chairman*)  
Ms. Meng Cathy (Appointed on 30 June 2025)  
Dr. Chang Shiwang  
Mr. Meng Xianzhen (*Chairman*)  
(Ceased to be chairman and member on 30 June 2025)

## COMPANY SECRETARY

Mr. Zhang Senquan

## AUTHORISED REPRESENTATIVES

Mr. Meng Xianzhen  
Mr. Zhang Senquan

## HONG KONG LEGAL ADVISOR

Jingtian & Gongcheng LLP

## COMPLIANCE ADVISOR

Yue Xiu Capital Limited  
(A licensed corporation to carry on type 6 (advising on corporate finance) regulated activity under the SFO)  
Room 17-37, 49/F  
Sun Hung Kai Centre  
30 Harbour Road  
Wanchai, Hong Kong

## PLACE OF LISTING AND STOCK CODE

The Stock Exchange of Hong Kong Limited  
Stock Code: 2427

## COMPANY'S WEBSITE

[www.guanzegroup.com](http://www.guanzegroup.com)

## HEAD OFFICE IN THE PRC

Room 501-A, Block 10  
Strategic Emerging Industry Base  
Jinan High-tech Zone  
No. 2966 Chunhui Road  
Jinan High-tech Zone  
Shandong Province  
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2908, Level 29  
Infinitus Plaza  
199 Des Voeux Road Central  
Sheung Wan  
Hong Kong

## REGISTERED OFFICE

The offices of Vistra (Cayman) Limited  
P.O. Box 31119 Grand Pavilion  
Hibiscus Way  
802 West Bay Road  
Grand Cayman KY1-1205  
Cayman Islands

## AUDITOR

Moore CPA Limited  
Certified Public Accountants  
Registered Public Interest Entity Auditor  
1001-1010, North Tower,  
World Finance Centre, Harbour City,  
19 Canton Road, Tsim Sha Tsui,  
Kowloon, Hong Kong

## CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Vistra (Cayman) Limited  
P.O. Box 31119 Grand Pavilion  
Hibiscus Way  
802 West Bay Road  
Grand Cayman KY1-1205  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

## PRINCIPAL BANKER

Industrial and Commercial Bank of China Limited  
(Shanghai Pilot Free Trade Zone branch)



# Management Discussion and Analysis

The board (the “**Board**”) of directors (the “**Directors**”) of Guanze Medical Information Industry (Holding) Co., Ltd. (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 (the “**Period**”).

## SUMMARY

The Company is a comprehensive medical imaging solutions provider, principally engaged in providing medical imaging film products and medical imaging cloud services in Shandong Province of the People’s Republic of China (“**Mainland China**” or the “**PRC**”, excluding Hong Kong, Macau and Taiwan for purpose of this report). The Company is a holding company of the Group which was incorporated in the Cayman Islands as an exempted company with limited liability on 11 December 2020 to prepare for the listing of the shares of the Company (the “**Shares**”) on the main board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 29 December 2022. We are a provider in Shandong Province which provides medical imaging film products together with medical imaging cloud services.

## BUSINESS REVIEW

We have been the distributor of international medical imaging film products since 2016. Leveraging on our established customer base in the medical imaging market in Shandong Province and with a view to increasing our profitability, we have provided our self-branded medical imaging film products to our customers in Shandong Province since 2018. Having established a market position in the medical imaging film products market in Shandong Province and by riding on the increasing demand for medical imaging informatisation and medical imaging cloud platform, we tapped into the medical imaging cloud services market by providing hospitals and healthcare institutions with medical imaging cloud services in 2017.

### 1. Sales of medical imaging film products and software

We are engaged in the sales of (i) medical imaging films procured from international brands; and (ii) medical imaging films and software under our own “冠澤慧醫” (Guanze Huiyi) brand to hospitals and healthcare institutions. In the course of the sales of medical imaging films, depending on our customers’ needs, we will provide them with the corresponding self-service film output printer and/or medical image printer to them free of charge. Occasionally, we also provide medical image data distribution system (including CDs) without charging our customers. The types of medical imaging films distributed or provided by us primarily include medical dry laser films, thermal films and medical printing films. In 2025, we commenced to sell the medical imaging software to the customers and recorded the revenue of approximately RMB10.7 million during the Period (for the six months ended 30 June 2024: RMB6.3 million). The increase due to increase in digitization in the hospital.

For the Period, the revenue from the sales of medical imaging film products was RMB19.2 million (for the six months ended 30 June 2024: RMB27.3 million). Our revenue decreased by 29.7% when compared with the same period of last year. The decrease was mainly due to the decrease in the price of medical imaging film for some customers.

# Management Discussion and Analysis (continued)

## 2. Provision of medical imaging cloud services

We offer four types of medical imaging cloud services including (i) digital medical imaging cloud storage platform; (ii) digital medical image platform; (iii) regional imaging diagrams platform; and (iv) PACS system, in the course of the sales of medical imaging films. We procure software which offer the above services from our software suppliers. We also engage our software suppliers for updates on the software including adding new functions and clearing bugs for at least four times a year. Our Group is responsible for installing the software to the existing information technology systems of our customers. To connect the software and the existing information technology systems of our customers, we are also required to (i) formulate an application programme interface (API) and (ii) install a hard drive called front-end processor on-site.

For the Period, the revenue from provision of medical imaging cloud services decreased by 68.8% to approximately RMB2.0 million from approximately RMB6.4 million for the six months ended 30 June 2024.

## OUR STRATEGIES

We intend to adopt the following strategies to further develop our business:

- expand our customer base and further consolidate our market presence in Shandong Province by expanding to the eastern part of Shandong Province;
- enhance the delivery of our medical imaging cloud services through strategic acquisition, obtaining the medical device registration certificate and upgrade of our hardware and software;
- horizontally expand our value chain by broadening our product offerings;
- continue to promote our brands and increase market awareness by participating in exhibitions; and
- self-build cloud film server.

## IMPACT OF POLICY AND UNCERTAINTIES

Our business operation, financial results and our cashflow may be adversely affected if the “Two Invoice System” is fully implemented in medical imaging films industry in Shandong Province. As part of the measures for the PRC healthcare system reform, the State Council together with seven other central government departments (including the NHFPC and the State Administration of Food and Drug) jointly issued the Notice on Opinions on the Implementation of the Two Invoice System in Drug Procurement by Public Medical Institutions (for Trial Implementation) (《關於在公立醫療機構藥品採購中推行兩票制的實施意見(試行)》) on 26 December 2016. Pursuant to the above notice, public medical institutions are required to implement the “Two Invoice System” for drug procurements gradually and other medical institutions are encouraged to promote the same with an aim to promote the “Two Invoice System” across the nation by 2018.

# Management Discussion and Analysis (continued)

## OUTLOOK

2024 is the first year of the wide commercial application of large language model (LLM) and Generative AI. Against this background, the healthcare sector also gradually moved towards the crossroad of digital and intelligent development. With China's policies such as "Development Plan on the New Generation of Artificial Intelligence" (《新一代人工智能發展規劃》) and "Development Plan of Medical Equipment Industry" (《醫療裝備產業發展規劃》) explicitly supporting the application of AI in medical care, the penetration rate of AI tools purchase in the Class III-A hospitals rapidly increase. Given the shortage of doctor resources in grassroots hospitals, AI-assisted diagnosis can compensate gaps in the capacity, which is in line with the national strategy of "hierarchical diagnosis and treatment". Smart healthcare has emerged as a new direction for the future formulation of national healthcare industry development policies.

Smart healthcare utilizes AI technologies to facilitate the sharing, ecosystem integration and interaction of big medical data among doctors, patients, medical institutions and medical technology providers. AI, machine learning, natural language processing and deep learning enable stakeholders in smart healthcare and medical professionals to identify needs and solutions more rapidly and accurately. They can make informed medical or business decisions in a fast manner based on data patterns and enhance interactions between patients, medical staff, medical institutions and medical devices through the development of health record information platforms and the use of advanced IoT technologies, moving clinical diagnostics towards more intelligent and information-based processes. Our Group plans to utilize the technological knowledge, expertise and experience of start-ups, as well as the AI-assisted diagnostic software they are developing or have developed. This AI-assisted diagnostic software supports medical personnel during the diagnostic process by detecting and confirming through medical imaging, as well as providing diagnostic recommendations. We believe that there is significant potential in AI-assisted diagnostic software, not only because it aligns with the new direction of healthcare development policies but also due to the anticipated increase in patients in Shandong Province, coupled with expected improvements in diagnostic efficiency.

The original data, including patients' digital medical images and diagnostic reports, is stored on our digital imaging cloud platform and/or within the existing consultation IT systems of our hospital and medical institution clients. This data serves as a database for establishing a smart healthcare AI system capable of automatic processing of vast amounts of medical data, reducing the workload on doctors and nurses, while improving the quality and efficiency of medical services and enhancing the medical experience for patients. We believe the development of software built upon our medical imaging cloud services will complement our existing range of medical cloud services, expand our product offerings and increase our revenue in long term, thereby strengthening our position as a one-stop provider of medical imaging solutions.

## THE GROUP'S BUSINESS DEVELOPMENT STRATEGY

As a listed medical imaging solution provider, we must be vigilant of the current situation that we face. We will seize opportunities to overcome challenges and improve the equipment of related medical devices at the same time. We endeavour to keep an open mind towards transformation in order to clearly recognize the state of affairs so as to formulate effective development strategies. In summary, we are committed to the following:

# Management Discussion and Analysis (continued)

## (a) Strengthening operational risk management

Firstly, we will strengthen the business training for relevant staff to enable a good awareness of risk management, and supervise all processes such as storage, sales, and installation of medical devices. Secondly, the medical device recall system must be prepared in advance, and corresponding coping strategies must be in place. We must carry out risk management at the institutional level, to improve the comprehensive mechanism and the response mechanism for issues.

## (b) Creating a strong brand strategy

Brand strategy is an inseparable focus of marketing activities and business operations, and an intangible asset. Branding can provide businesses and customers with more value than the products.

## (c) Strengthening financial risk control

We will focus on capital operation risk control, including inventory management, based on sales. When preparing production budgets, we will evaluate and analyze market conditions and sales conditions to avoid increasing inventory backlogs due to blind production. We will guard ourselves against capital recovery risks and strengthen working capital risk management and control, etc.

## TECHNOLOGICAL INNOVATION

The healthcare systems in developed countries started the shift from traditional medical imaging films to digital films over the past two decades, and digitization in medical imaging has since gradually become a global trend. The shift to digital films is mainly to facilitate digital storage, access, and transmission of medical imaging data for purposes such as remote consultation and diagnosis. Presently, medical imaging results along with patient information are usually stored in the databases of medical institutions and can be accessed online by physicians and patients through portals, where the patients can still request hard copies of their medical imaging examination results for purposes such as transferring between medical institutions.

According to “Opinions of the General Office of the State Council on Promoting the Development of “Internet + Medical Health” (國務院辦公廳關於促進“互聯網+醫療健康”發展的意見) promulgated by the General Office of the State Council in 2018 and “Notice on Accelerating the Mutual Recognition of the Examination Results” (國家衛生健康委辦公廳關於加快推進檢查檢驗結果互認工作的通知) (the “**Notice**”) published by the National Health Commission in 2021, the PRC government called for the construction of the national and regional health platform, through the establishment of medical institutions examination database including “medical imaging cloud films” serving as the source of database, in order to promote the sharing of examination data, and to achieve the interconnection and mutual recognition of examination data between medical institutions in the same region.

The Group has strong research and development capabilities. Following the trend of growing demand for medical imaging informatization and medical imaging cloud services, the Group has chosen to vigorously develop medical imaging cloud services business in face of the immense market opportunities while traditional medical imaging films is being transformed. Currently, the business has shown a good momentum of development. As cloud computing technology further matures and the continuous improvement of healthcare institutions’ acceptance of cloud computing, medical imaging cloud will maintain rapid growth in the next few years, and medical core business systems will gradually migrate to the cloud. In the future, we will strive to help the medical imaging centers of cooperative healthcare institutions to realize functions such as image cloud storage, remote consultation, quality control, multi-disciplinary consultation, and big data applications, so that the general public can enjoy high-quality examinations and accurate diagnoses. We believe that our research and development capabilities are the cornerstone of our long-term competitiveness and the driving force for our future growth and development.

# Management Discussion and Analysis (continued)

## FINANCIAL REVIEW

The revenue of the Group was derived from the: (i) sales of medical imaging film products and software; and (ii) provision of medical imaging cloud services in Mainland China during the Period.

### Revenue

For the Period, the total revenue decreased by 20.3% to approximately RMB31.9 million (for the six months ended 30 June 2024: RMB40.0 million). The decrease was primarily attributable to the decrease in revenue from the sales of medical imaging film products:

#### (i) Sales of medical imaging film products

For the Period, revenue generated from sales of medical imaging film products decreased by approximately RMB8.1 million, or 29.7%, to approximately RMB19.2 million (for the six months ended 30 June 2024: RMB27.3 million). The decrease was primarily attributable to the decrease in the selling price of medical imaging film products to certain customers.

#### (ii) Sales of software

For the Period, revenue generated from the sales of software increased by RMB4.4 million or 69.8%, to approximately RMB10.7 million (for the six months ended 30 June 2024: RMB6.3 million). The increase was due to the increase in digitization in the hospital.

#### (iii) Provision of medical imaging cloud services

For the Period, revenue generated from the provision of medical imaging cloud services decreased by approximately RMB4.4 million, or 68.8%, to approximately RMB2.0 million (for the six months ended 30 June 2024: RMB6.4 million).

### Cost of Sales

For the Period, cost of sales increased by 1.6% to approximately RMB18.5 million (for the six months ended 30 June 2024: RMB18.2 million), which was mainly due to the substantial decrease in per unit cost of imaging film product and increase of 12% on sale quantity.

### Gross Profit and Gross Profit Margin

For the Period, the gross profit decreased by RMB8.5 million to approximately RMB13.4 million (for the six months ended 30 June 2024: RMB21.9 million), which was primarily due to the significant decrease in revenue.

For the Period, the gross profit margin decreased by approximately 12.7 percentage points to approximately 42.0% (for the six months ended 30 June 2024: 54.7%), which was primarily caused by the decrease in the average selling price of medical imaging film products.

### Other Income and Gains and Losses

For the Period, other income and gains and losses increased by approximately RMB4.8 million to approximately RMB6.1 million (for the six months ended 30 June 2024: RMB1.3 million). The increase was mainly attributable to the increase in government grants by approximately RMB5.6 million to approximately RMB6.1 million during the Period (for the six months ended 30 June 2024: RMB0.5 million).



# Management Discussion and Analysis (continued)

## **Selling and Distribution Expenses**

For the Period, selling and distribution expenses decreased by approximately RMB2.7 million to approximately RMB5.7 million (for the six months ended 30 June 2024: RMB8.5 million), which was mainly attributable to the decrease in channel expenses by approximately RMB3.1 million to approximately RMB2.9 million during the Period as a result of the decrease in sales of medical imaging film products through distributors (for the six months ended 30 June 2024: RMB6.0 million).

## **Administrative Expenses**

For the Period, administrative expenses decreased by approximately RMB0.1 million to approximately RMB6.8 million (for the six months ended 30 June 2024: RMB6.9 million), which remained stable.

## **Finance Costs**

For the Period, finance costs was approximately RMB0.3 million (for the six months ended 30 June 2024: RMB0.3 million).

## **Income Tax Expense**

For the Period, income tax expenses decreased by approximately RMB1.8 million, or 62.1%, to approximately RMB1.1 million (for the six months ended 30 June 2024: RMB2.9 million) as a result of a overprovision of tax and a defer tax income occurred during the Period.

## **Profit/Loss for the Period and Net Profit Margin**

As a result of the cumulative effect of the above factors, the Group recorded profit for the Period of approximately RMB3.4 million (loss for the six months ended 30 June 2024: RMB0.1 million), with a net profit margin of approximately 10.7% for the Period (for the six months ended 30 June 2024: net loss margin of 0.3%).

## **Liquidity and Financial Resources**

As at 30 June 2025, the Group recorded net current assets of approximately RMB194.9 million (31 December 2024: RMB202.0 million). The cash and cash equivalents balances increased by approximately RMB5.8 million to approximately RMB34.0 million (31 December 2024: RMB28.2 million).

For the Period, the net cash from operating activities was approximately RMB15.6 million (for the six months ended 30 June 2024: RMB9.7 million). The net cash from operating activities was mainly from the operating income during the Period.

For the Period, the net cash used in investing activities was approximately RMB7.0 million (for the six months ended 30 June 2024: RMB13.7 million). The net cash used in investing activities was mainly attributable to the purchase and prepayment of property, plant and equipment. For the Period, the net cash used in financing activities was approximately RMB2.9 million (for the six months ended 30 June 2024: net inflow of RMB31.5 million). The net cash used in financing activities was mainly attributable to repayments of bank loans.

As of 30 June 2025, the Group maintained a healthy liquidity position. The Board expects that the bank loans will be settled by funding from internal resources or extended as it becomes due. All principal banks will continue to provide funding to the Group for its business operation.

# Management Discussion and Analysis (continued)

## **Prepayment, Other Receivables and Other Assets**

The prepayments, other receivables and other assets mainly represented the prepayment provided to the suppliers for procuring the self-branded medical imaging film products, deposits and other receivables. As at 30 June 2025, the prepayments, other receivables and other assets of the Group increased by approximately RMB14.4 million to approximately RMB43.1 million (31 December 2024: RMB28.7 million). The increase was mainly due to the prepayments paid to suppliers during the Period.

## **Bank Borrowings**

As of 30 June 2025, the Group had outstanding interest-bearing bank loans of RMB15.0 million (31 December 2024: RMB17.7 million). Our bank loans bear interest at rates ranging from 3.1% to 3.9% per annum.

## **Contingent Liabilities**

As at 30 June 2025, the Group had no significant contingent liabilities (31 December 2024: nil).

## **Capital Commitments**

As at 30 June 2025, the Group had no significant capital commitments (31 December 2024: nil).

## **Foreign Exchange Exposure**

The sales and purchases of the Group were denominated in Renminbi. The cash and cash equivalents of the Group were mainly denominated in Renminbi and Hong Kong dollars. The borrowings were denominated in Renminbi. Since the Group's exposure to fluctuations in foreign exchange rates was minimal, the Group has not implemented any foreign currency hedging policy at the moment. However, the management will closely monitor the foreign exchange exposure of the Group and will consider hedging the foreign exchange exposure if it becomes significant to the Group.

## **Pledge of Assets**

As at 30 June 2025, certain of the Group's buildings with a net carrying amount of approximately RMB8.1 million were pledged to secure some of the Group's interest-bearing bank borrowings (31 December 2024: RMB8.6 million).

## **Gearing Ratio**

As at 30 June 2025, the Group's gearing ratio decreased by 1.1% to 5.7% (31 December 2024: 6.8%), which was mainly due to the decrease in interest-bearing bank borrowings. The gearing ratio is calculated by dividing total debt (including interest-bearing bank and other borrowings) by total equity at the end of the respective periods.

## **Material Investments**

The Group did not make any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of 30 June 2025) during the Period or have future plans for material investments or capital assets as at the date of this report.

## **Material Acquisitions and Disposals**

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies during the Period.

# Management Discussion and Analysis (continued)

## Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: nil).

## Employees and Remuneration Policies

The Group had a total of 58 (31 December 2024: 57) employees as at 30 June 2025. The Group's remuneration policies were in line with relevant legislation, market conditions and the performance of our employees. The remuneration of employees was determined based on their performance, skills, knowledge, experience and market trend. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustment commensurate with the pay level in the industry.

The Group offers training programs on topics such as industry trends, technology, management and professional skills, and other areas tailored to the needs of our employees for career advancement and overall employee quality improvement.

## Pension Scheme

The Group participates in the central pension schemes as defined by the laws of the countries in which it has operations. The subsidiaries established and operated in Mainland China are required to provide certain staff pension benefits to their employees under existing regulations of the PRC. Pension scheme contributions are provided at rates stipulated by PRC regulations and are made to a pension fund managed by government agencies, which are responsible for administering the contributions for the subsidiaries' employees. During the Period, there was no forfeited contribution (by the Group on behalf of its employees who leave the Group prior to vesting fully in such contributions) available to be utilized by the Group to reduce the contributions payable in the future years or to reduce the Group's existing level of contributions to the defined contribution retirement plan.

## RECENT DEVELOPMENT AND EVENTS AFTER THE PERIOD

Save for as disclosed in this report, no material events have occurred since the end of the Period and up to the date of this report.

Subsequent to the Period and up to the date of this report, we have continued to focus on our medical imaging film products and software business and there had not been any material change to our business model, revenue structure and cost structure. We continue to explore opportunities for our business through participating in different exhibitions.

Our Directors confirmed that, after the Period and up to the date of this report,

- (a) there had been no material adverse change in the market conditions or the industry and environment in which we operate that materially and adversely affect our financial and operating position;
- (b) there was no material adverse change in the operation and financial position or prospects of our Group; and
- (c) no event had occurred that would materially and adversely affect the information shown in the interim condensed consolidated financial statements set out in this report.

# Corporate Governance and Other Information

## USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The Company issued 192,850,000 Shares in the global offering at a price of HK\$0.53 per Share. The net proceeds from the global offering (the “**Net Proceeds**”) received by the Company amounted to approximately HK\$76.8 million (equivalent to approximately RMB68.6 million).

Save as disclosed in this report, there has been no change in the intended use of the Net Proceeds as disclosed in the prospectus issued by the Company dated 15 December 2022 (the “**Prospectus**”). A summary of the planned applications of the Net Proceeds up to 30 June 2025 is set out below:

	Approx. % of the Net Proceeds	Unutilized amount brought forward from Net Proceeds 31 December 2024	Utilized amount during the Period	Utilized amount up to 30 June 2025	Unutilized amount at 30 June 2025	Expected timeline for full utilization
		RMB' million	RMB' million	RMB' million	RMB' million	
Expanding customer base and consolidating market presence	46.4%	31.8	—	—	31.8	—
Enhancing medical imaging cloud services	37.3%	25.6	20.4	—	5.2	20.4
Broadening product offerings	2.7%	1.9	1.3	—	0.6	1.3
Promoting brands and increasing market awareness	2.5%	1.7	0.7	0.7	1.7	—
Upgrading information technology systems	2.5%	1.7	1.4	—	0.3	1.4
Working capital and other general corporate purposes	8.6%	5.9	—	—	5.9	—
Total	100.0%	68.6	23.8	0.7	45.5	23.1

Note: Please refer to the section headed “Change in Use of Net Proceeds from the Global Offering” below.

As at 30 June 2025, the amount of unutilized Net Proceeds amounted to approximately RMB23.1 million. The unutilized Net Proceeds were placed in interest-bearing deposits with authorized financial institutions or licensed banks in Hong Kong and the PRC.

## CHANGE IN USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The original intended use of Net Proceeds, which amounted to approximately HK\$76.8 million (equivalent to approximately RMB68.6 million), was disclosed in the section headed “Future Plan and Use of Proceeds” in the Prospectus and was expected to be fully utilized by December 2025. As at 30 June 2025 and the date of this report, the Group has utilized approximately RMB45.5 million of the Net Proceeds and the unutilized portion of the Net Proceeds amounted to approximately RMB23.1 million.



# Corporate Governance and Other Information

Given the fact that, the Group cannot find proper companies in relation to acquiring (i) a company which possesses the technical knowhow of developing PACS system and medical imaging cloud storage platform; and (ii) a startup company in AI healthcare industry, which possesses the technical know-how of building an AI system relating to providing a medical diagnosis recommendation by analyzing the historical medical images. Management considers to extend the expected timeline on the mentioned acquisition project from December 2025 to December 2027.

Also, after a series of investigations, the project of high-pressure injector is not a good fit product for the Group and the Company does not have an urgent need to upgrade its information technology system. The Company intends to reallocate the resource to working capital and other general corporate purposes for better utilization of the fund.

After having carefully considered the current business environment and development needs of the Group, on 27 August 2025, the Board has resolved to change the use of unutilized portion of the Net Proceeds in the manner as set out below:

	Net Proceeds RMB' million	Utilized amount of Net Proceeds up to 30 June 2025 RMB' million	Unutilized amount of Net Proceeds as at 30 June 2025 RMB' million	Revised allocation of Unutilized amount of Net Proceeds RMB' million	Expected timeline for full utilization
Expanding customer base and consolidating market presence	31.8	31.8	—	—	N/A
Enhancing medical imaging cloud services					
— Acquisition of companies	20.4	—	20.4	20.4	December 2027
— others	5.2	5.2	—	—	N/A
Broadening product offerings					
— Registering our self-branded high pressure injector	1.3	—	1.3	—	N/A
— other	0.6	0.6	—	—	N/A
Promoting brands and increasing market awareness	1.7	1.7	—	—	N/A
Upgrading information technology systems	1.7	0.3	1.4	—	N/A
Working capital and other general corporate purposes	5.9	5.9	—	2.7	December 2026
<b>Total</b>	<b>68.6</b>	<b>45.5</b>	<b>23.1</b>	<b>23.1</b>	

# Corporate Governance and Other Information (continued)

## SHARE SCHEME

### Share Option Scheme

Neither the Company nor its subsidiaries has any share option scheme up to date of this report.

### Share Award Scheme

A share award scheme (the “**Share Award Scheme**”) was adopted by the Company on 2 December 2023 (the “**Adoption Date**”). The purposes of the Share Award Scheme are to recognize and reward the contribution of eligible participants as defined in the rules of the Share Award Scheme to include any employees of the Group (excluding any Director(s) and connected person(s) of the Company) (the “**Eligible Participant(s)**”), to motivate Eligible Participants to optimize their performance and efficiency for the benefit of the Group, to recognise and reward the Eligible Participants for their performance and contributions, and to retain them for their continual contribution to the operation and development of the Group.

The Board may, from time to time, at its absolute discretion select any Eligible Participants as selected participants (the “**Selected Participant(s)**”) to participate in the Share Award Scheme to be awarded Shares, and is entitled to impose any conditions as it deems appropriate with respect to the entitlement of the Selected Participants to the award of Shares. The grant of Shares awarded under the Share Award Scheme (the “**Awarded Shares**”) to Selected Participants shall be satisfied solely by the purchase of existing Shares through the trustee of the Share Award Scheme (the “**Trustee**”), funded by the Company, on the secondary market.

The vesting date in respect of any award of Shares shall be determined in accordance with the rules relating to the Share Award Scheme or the conditions imposed by the Board. The maximum number of Shares under the Share Award Scheme (i) to be purchased by the Trustee; and (ii) to be awarded by the Board, in aggregate shall be no more than 47,500,000 Shares representing 5% of the total number of issued Shares as at the Adoption Date. The maximum number of Shares which may be awarded to a Selected Participant under the Share Award Scheme shall not exceed 9,500,000, being 1% of the total number of issued Shares as at the Adoption Date. There is no service provider sublimit being defined under the Share Award Scheme. No purchase price is payable by the grantees for Shares awarded under the Share Award Scheme.

The Share Award Scheme shall be valid and effective for a period of 10 years from the Adoption Date subject to early termination as may be determined by the Board, after which no award shall be granted but the provision of the Share Award Scheme will in all other respects remain in full force and effect until all awards that are granted before the expiry of the Share Award Scheme are vested and transferred to the relevant Selected Participants.

There were three grants of Awarded Shares under the Share Award Scheme to Selected Participants in 2024. During the Period, certain Selected Participants under previous grants resigned. As a result, 2,390,000 Awarded Shares granted under the previous grants to these employees lapsed pursuant to the Share Award Scheme during the Period.

# Corporate Governance and Other Information (continued)

On 30 June 2025, based on the recommendation of the remuneration committee of the Company, the Board (including all independent non-executive Directors) resolved to further grant a total of 2,296,000 Awarded Shares under the Share Award Scheme to 13 Selected Participants, who were employees of the Group, (the “**Fourth Grant**”) at nil consideration. The Awarded Shares had been accepted by the 13 Selected Participants in accordance with terms of the Fourth Grant. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, none of the Selected Participants of the Fourth Grant is a connected person of the Company. Expenses arising from equity settled share-based payments in relation to Awarded Shares granted to employees of the Group during the Period were RMB0.6 million. For the related accounting standard and policy adopted, please refer to those presented in the Group’s annual consolidated financial statements as contained in its annual report for the year ended 31 December 2024.

A summary of grants of Awarded Shares under the Fourth Grant during the Period is set out below:

	Fourth Grant
Date of grant:	30 June 2025
Grantees:	13 Selected Participants, being employees of the Group
Number of Awarded Shares granted:	2,296,000 Awarded Shares
Consideration:	Nil
Vesting date:	29 June 2030, being 5 years from the date of grant (inclusive)
Performance target:	No performance target attached to the Awarded Shares granted
Percentage of issued Shares at the date of grant:	0.24%
Closing price of the Share on the last trading day before the date of grant:	HK\$0.39 per Share
Fair value of Awarded Shares at the date of grant:	HK\$895,440

# Corporate Governance and Other Information (continued)

Details of movements of Awarded Shares of the Group during the Period are as follows:

Category of participants	Date of grant	Vesting date	Number of Awarded Shares					Unvested as at 30 Jun 2025	Fair value of Awarded Shares at the date of grant <sup>(Note 1)</sup>
			Unvested as at 1 Jan 2025	Movements during the Period					
				Granted	Vested	Lapsed	Cancelled		
Employees	6 Jan 2024	5 Jan 2029	6,096,000	—	—	(988,000)	—	5,108,000	3,422,360
Employees	1 Apr 2024	31 Mar 2029	6,600,000	—	—	(1,402,000)	—	5,198,000	3,638,600
Employees	26 Jul 2024	25 Jul 2029	706,000	—	—	—	—	706,000	522,440
Employees	30 Jun 2025	29 Jun 2030	—	2,296,000	—	—	—	2,296,000	895,440
Total			13,402,000	2,296,000	—	(2,390,000)	—	13,308,000	8,478,840

Notes:

1. The fair value of the Awarded Shares is determined based on the closing market price of the Shares as at the date of grant.
2. No Awarded Shares were granted and to be granted in excess of the 1% individual limit.

The number of Shares available for grant under the Share Award Scheme as of 1 January 2025 and 30 June 2025 were 32,406,000 Shares and 30,110,000 Shares respectively.

The Company was informed by the Trustee that an aggregate of 13,918,000 Shares had been purchased on the market as of 30 June 2025 (the “**Shares Purchased**”) for the purpose of the Share Award Scheme. The purchase of existing Shares by the Trustee was financed with funds provided by the Company in accordance with the Share Award Scheme. Total consideration paid for the Shares Purchased was HK\$11,515,610 with average consideration of approximately HK\$0.83 per Share. Details of the Shares Purchased are set out in the announcements of the Company dated 2 February 2024, 8 May 2024, 6 June 2024 and 8 July 2024. The 13,308,000 Shares out of the Shares Purchased are held by the Trustee for the purpose of satisfying Awarded Shares granted to Selected Participants at the date of this report and regarded as being held in public hands under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

Rule 17.07(3) of the Listing Rules is not applicable to the Share Award Scheme as it involves no issuance of new Shares in respect of awards granted under the Share Award Scheme during the Period.

Subsequent to the end of the Period and up to the date of this report, there is no further Awarded Share granted or lapsed under the Share Award Scheme.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save as disclosed in the section headed “Share Award Scheme” above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Period.



# Corporate Governance and Other Information (continued)

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

As at 30 June 2025, the interests and short positions of the Directors and the chief executive in the Shares, underlying shares and debentures and share options of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which had been 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 taken under such provisions of the SFO), or which were recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules (the “Model Code”), were as follows:

### Long position in the Company

Name of Director	Nature of interest	Number of Shares held/interested	Percentage of the issued share capital of the Company (Note 2)
Mr. Meng Xianzhen	Interest in a controlled corporation (Note 1)	699,799,575	73.66%

Notes:

- (1) Mr. Meng Xianzhen directly owns the entire issued share capital of Meng A Capital Limited (“Meng A Capital”) which in turn owns 699,799,575 Shares, representing 73.66% of the Company's issued share capital. Therefore, Mr. Meng Xianzhen is deemed to be interested in all the Shares held by Meng A Capital for purpose of SFO.
- (2) The percentage is calculated on the basis of 950,000,000 Shares in issue as at 30 June 2025.

### Long position in the associated corporation

Name of Director	Name of associated corporation	Nature of interest	Percentage of interest in associated corporation
Mr. Meng Xianzhen	Shandong Guanze (Note 1)	Beneficial owner (Note 2)	1.10%

Notes:

- (1) Shandong Guanze refers to Guanze Zhihui Medical Technology (Shandong) Co., Ltd.\* (冠澤智慧醫療科技(山東)有限公司).
- (2) Mr. Meng Xianzhen owns 1.10% of Shandong Guanze which owns 99% of Guanze International Trading (Shanghai) Co., Ltd.\* (冠澤國際貿易(上海)有限公司) (“Shanghai Guanze”).
- (3) Shanghai Guanze owns 100% of Jinan Guanze Medical Equipment Co., Ltd.\* (濟南冠澤醫療器材有限公司) (“Jinan Guanze”).
- (4) Shandong Guanze, Shanghai Guanze and Jinan Guanze are indirect non-wholly owned subsidiaries of the Company.

\* for identification purposes only

# Corporate Governance and Other Information (continued)

Save as disclosed above, as at 30 June 2025, none of the Directors, chief executive and their associates had any interests or short positions in any Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was 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 taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 30 June 2025, the register of substantial shareholders of the Company (the "Shareholders") maintained by the Company pursuant to Section 336 of the SFO showed that other than the interests disclosed above in respect of certain Directors and chief executive, the following Shareholders had interests or short positions in the Shares or underlying shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which are recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

### Long positions in Shares

Name of Shareholder	Capacity/ nature of interest	Number of Shares held	Percentage of the issued share capital of the Company (Note 3)
Meng A Capital (Note 1)	Beneficial owner	699,799,575	73.65%
Ms. Yang Duanling	Interest of spouse (Note 2)	699,799,575	73.65%

Notes:

- (1) Meng A Capital is a company incorporated in the British Virgin Islands and directly wholly-owned by Mr. Meng Xianzhen.
- (2) Ms. Yang Duanling is the spouse of Mr. Meng Xianzhen, who is interested in 699,799,575 Shares. Therefore, Ms. Yang Duanling is deemed to be interested in all Shares in which Mr. Meng Xianzhen is interested for the purpose of the SFO.
- (3) The percentage is calculated on the basis of 950,000,000 Shares in issue as at 30 June 2025.

Save as disclosed above, as at 30 June 2025, the Directors are not aware of any other person (who were not Directors or chief executives of the Company) or corporation having an interest or short position in the Shares or the underlying shares of the Company or its associated corporation(s) which would fall to be disclosed to the Company and the Stock Exchange under provision of Divisions 2 and 3 of Part XV of the SFO or which would be required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

# Corporate Governance and Other Information (continued)

## CHANGE OF COMPOSITION OF THE NOMINATION COMMITTEE

Reference is made to the announcement of the Company dated 30 June 2025 in relation to the Change of Composition of Nomination Committee, the following changes in the composition of the nomination committee of the Company (the “**Nomination Committee**”) were made, with effect from 30 June 2025:

1. Mr. Meng Xianzhen, an executive Director, ceased to act as the chairman of the Nomination Committee;
2. Ms. Meng Cathy, a non-executive Director, was appointed as a member of the Nomination Committee; and
3. Dr. Zhao Bin, an independent non-executive Director, was appointed as the chairman of the Nomination Committee.

Following the above changes, the Nomination Committee comprises one non-executive Director (namely Ms. Meng Cathy) and two independent non-executive Directors (namely Dr. Zhao Bin, being the chairman of the Nomination Committee, and Dr. Chang Shiwang).

## CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance. The Directors recognise that sound corporate governance practices are crucial for the long-term growth of the Company and for safeguarding the interests of Shareholders. The Company has adopted the code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules (the “**CG Code**”) as its own code of corporate governance. To the best knowledge of the Directors, the Company has fully complied with the CG Code during the Period save and except for code provision C.2.1 of the CG Code.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and not be performed by the same individual. Nonetheless, in view of Mr. Meng Xianzhen’s crucial role in the Group and its historical development and Mr. Meng Xianzhen’s extensive experience in the industry, we consider that it is beneficial to the business development of the Group that Mr. Meng Xianzhen acts as both the Chairman and the Chief Executive Officer of the Group. This provides a strong and consistent leadership to the Group and allows for more effective planning and management to the Group. The balance of power and authority is ensured by the operation of the Board, which comprises experienced and diverse individuals. The Board currently comprises two executive Directors (including Mr. Meng Xianzhen), one non-executive Director and three independent non-executive Directors, and therefore has a strong independent element in its composition.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct for the Directors in their dealings in the Company’s securities. Having made specific enquiry to all the Directors of the Company, all the Directors confirmed that they had complied with the Model Code throughout the Period.

## UPDATE ON DIRECTORS’ INFORMATION

There is no change in information of the Directors since 31 December 2024 pursuant to Rule 13.51B of the Listing Rules.

# Corporate Governance and Other Information (continued)

## CHANGE OF AUDITOR

Reference is made to the announcement of the Company dated 30 June 2025 in relation to the Change of Auditor, Ernst & Young (“EY”) agreed to resign as the auditor of the Company effective from 30 June 2025. The Board, with the recommendation from the audit committee of the Company (the “**Audit Committee**”), resolved to appoint Moore CPA Limited as the new auditor of the Company with effect from 30 June 2025 to fill the casual vacancy following the resignation of EY until the conclusion of the forthcoming annual general meeting of the Company.

## REVIEW OF INTERIM REPORT

The Company has established the Audit Committee in compliance with rule 3.21 of the Listing Rules and code provision D.3 of the CG Code for the purpose of reviewing and supervising the Group’s financial reporting system, risk management and internal control systems. The Audit Committee, comprising three independent non-executive Directors, namely Dr. Wong Man Hin Raymond, Dr. Zhao Bin and Dr. Chang Shiwang, and chaired by Dr. Wong Man Hin Raymond, has reviewed the results (including the unaudited interim condensed consolidated financial statements) and this report of the Group for the six months ended 30 June 2025.

In addition, the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2025 have been reviewed by our auditor, Moore CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2400 (Revised) “Engagements to Review Historical Financial Statements” issued by the Hong Kong Institute of Certified Public Accountants.

## BOARD OF DIRECTORS

As at the date of this report, the Board of the Company comprises Mr. Meng Xianzhen and Mr. Guo Zhenyu as the executive Directors, Ms. Meng Cathy as the non-executive Director, Dr. Zhao Bin, Dr. Chang Shiwang and Dr. Wong Man Hin Raymond as the independent non-executive Directors.

By Order of the Board

**Guanze Medical Information Industry (Holding) Co., Ltd.**

**Meng Xianzhen**

*Chairman*

PRC, 27 August 2025



# Independent Practitioner's Review Report



## Moore CPA Limited

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**To the Board of Directors of Guanze Medical Information Industry (Holding) Co., Ltd.**

*(incorporated in the Cayman Islands with limited liability)*

## INTRODUCTION

We have reviewed the interim condensed consolidated financial statements of Guanze Medical Information Industry (Holding) Co., Ltd. (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 22 to 40, which comprise the interim condensed consolidated statement of financial position as at 30 June 2025, and the interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended, and notes to the interim condensed consolidated financial statements.

## DIRECTORS’ RESPONSIBILITY FOR THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial statements to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” as issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The directors of the Company are responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with HKAS 34, and for such internal control as the directors of the Company determine is necessary to enable the preparation of interim condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## PRACTITIONER’S RESPONSIBILITY

Our responsibility is to express a conclusion on these interim condensed consolidated financial statements and to report our conclusion 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. We conducted our review in accordance with Hong Kong Standard on Review Engagements (“**HKSRE**”) 2400 (Revised) “Engagements to Review Historical Financial Statements” as issued by the HKICPA. HKSRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim condensed consolidated financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of interim condensed consolidated financial statements in accordance with HKSRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

# Independent Practitioner's Review Report (continued)

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with Hong Kong Standards on Auditing. Accordingly, we do not express an audit opinion on these interim condensed consolidated financial statements.

## **CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that these interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

## **OTHER MATTER**

The comparative interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period ended 30 June 2024 and the relevant explanatory notes included in the interim condensed consolidated financial statements were extracted from the interim condensed consolidated financial statements of the Group for six-month period ended 30 June 2024 reviewed by another auditor who expressed an unmodified conclusion on the interim financial statements on 26 August 2024.

The comparative interim condensed consolidated statement of financial position as at 31 December 2024 and the relevant explanatory notes included in the interim condensed consolidated financial statements were extracted from the consolidated financial statements of the Group for the year ended 31 December 2024 audited by the same auditor who expressed an unmodified opinion on the consolidated financial statements on 28 March 2025.

## **Moore CPA Limited**

*Certified Public Accountants*

Hong Kong

27 August 2025

# Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Notes	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
REVENUE	5	31,855	40,030
Cost of sales		(18,472)	(18,150)
Gross profit		13,383	21,880
Other income and other gains and losses	5	6,140	1,319
Selling and distribution expenses		(5,727)	(8,451)
Administrative expenses		(6,773)	(6,858)
Research and development costs		(2,265)	(1,508)
Reversal of/(provision for) impairment losses on trade and other receivables		1,088	(1,643)
Finance costs		(298)	(264)
Other expenses		(985)	(1,674)
PROFIT BEFORE TAX	6	4,563	2,801
Income tax expense	7	(1,125)	(2,938)
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD		3,438	(137)
Attributable to:			
Owners of the Company		3,368	(160)
Non-controlling interests		70	23
		3,438	(137)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	9		
Basic and diluted		RMB0.003	RMB (0.0002)

# Interim Condensed Consolidated Statement of Financial Position

At 30 June 2025

	Notes	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	58,555	48,624
Right-of-use assets		4,174	4,406
Intangible assets		3,030	3,674
Prepayments for acquisition of property, plant and equipment	12	2,760	—
Deferred tax assets		1,121	1,982
Total non-current assets		69,640	58,686
<b>CURRENT ASSETS</b>			
Inventories		23,768	14,371
Trade and bills receivables	11	137,320	174,190
Prepayments, other receivables and other assets	12	40,364	28,695
Cash and cash equivalents	13	33,975	28,226
Total current assets		235,427	245,482
<b>CURRENT LIABILITIES</b>			
Trade payables	14	3,527	560
Contract liabilities	5	592	938
Other payables and accruals		9,075	11,613
Bank borrowings	15	15,045	17,712
Lease liabilities		159	279
Tax payables		12,107	12,405
Total current liabilities		40,505	43,507
NET CURRENT ASSETS		194,922	201,975
TOTAL ASSETS LESS CURRENT LIABILITIES		264,562	260,661
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		—	155
Total non-current liabilities		—	155
Net assets		264,562	260,506
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	16	8,576	8,576
Reserves		254,753	250,767
		263,329	259,343
Non-controlling interests		1,233	1,163
<b>Total equity</b>		<b>264,562</b>	<b>260,506</b>

The interim condensed consolidated financial statements on pages 22 to 40 were approved and authorised for issue by the board of directors on 27 August 2025 and are signed on its behalf by:

**Meng Xianzhen**  
Director

**Guo Zhenyu**  
Director



# Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

		Attributable to owners of the Company									
		Shares held for share award schemes			Share award reserve	Capital reserve	Statutory surplus reserve	Retained earnings	Subtotal	Non- controlling interests	Total equity
		Share capital	(note a)	Share premium			(note b)				
Notes	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025 (Audited)		8,576	(10,471)	78,070	1,403	46,634	12,286	122,845	259,343	1,163	260,506
Profit and total comprehensive income for the period		—	—	—	—	—	—	3,368	3,368	70	3,438
Share award scheme — value of employee service	17	—	—	—	618	—	—	—	618	—	618
At 30 June 2025 (Unaudited)		8,576	(10,471)	78,070	2,021	46,634	12,286	126,213	263,329	1,233	264,562
At 1 January 2024 (Audited)		8,576	—	78,070	—	46,634	12,286	123,835	269,401	917	270,318
(Loss)/profit and total comprehensive (expense)/ income for the period		—	—	—	—	—	—	(160)	(160)	23	(137)
Share purchased for the share award scheme	16	—	(10,471)	—	—	—	—	—	(10,471)	—	(10,471)
Share award scheme — value of employee service	17	—	—	—	640	—	—	—	640	—	640
Final 2023 dividend declared	8	—	—	—	—	—	—	(18,194)	(18,194)	—	(18,194)
At 30 June 2024 (Unaudited)		8,576	(10,471)	78,070	640	46,634	12,286	105,481	241,216	940	242,156

Notes:

- (a) The Company have purchased an aggregate of 13,918,000 shares through the trustee of the share award scheme (the “**Share Award Scheme**”) on the market during the period from 16 January 2024 to 25 June 2024 (the “**Shares Purchased**”) for the purpose of satisfying the Share Award Scheme grant.
- (b) In accordance with the Company Law in the People’s Republic of China (the “**PRC**”), certain subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory surplus reserves until the reserves reach 50% of their respective registered capital. Subject to certain restrictions set out in the PRC Company Law, part of the statutory surplus reserve may be converted to share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

Statutory surplus reserve is non-distributable except in the event of liquidation and, subject to certain restrictions set out in the relevant PRC regulations, can be used to offset accumulated losses or be capitalised as paid-up capital.

# Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Notes	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		4,563	2,801
Adjustments for:			
Finance costs		298	264
Interest income	5	(52)	(599)
Gain on early termination of lease contracts	5	(4)	—
Loss on disposal of property, plant and equipment	6	985	1,567
(Reversal of)/provision for impairment losses on trade and other receivables		(1,088)	1,643
Depreciation of property, plant and equipment	6	3,144	3,005
Depreciation of right-of-use assets	6	186	281
Amortisation of intangible assets	6	644	14
Purchase rebate of property, plant and equipment		—	(2,280)
Share-based payment expenses	17	618	640
Operating cash flows before movements in working capital		9,294	7,336
Increase in inventories		(9,397)	(49,566)
Decrease in trade and bills receivables		38,375	19,538
(Increase)/decrease in prepayments, other receivables and other assets		(21,946)	40,235
Increase/(decrease) in trade payables		2,967	(647)
(Decrease)/increase in contract liabilities		(346)	2,975
Decrease in other payables and accruals		(2,538)	(4,632)
Cash generated from operations		16,409	15,239
Interest received		52	599
Interest paid		(283)	(201)
Interest element on lease liabilities		(15)	(37)
Income tax paid		(562)	(5,858)
Net cash from operating activities		15,601	9,742
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment		(4,222)	(4,327)
Prepayments for acquisition of property, plant and equipment		(2,760)	(9,360)
Proceeds on disposal of property, plant and equipment		22	—
Purchases of right-of-use assets		—	(5)
Net cash used in investing activities		(6,960)	(13,692)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of bank loans		(10,510)	(13,146)
Principal portion of lease payments		(225)	(205)
New bank loans raised		7,843	10,500
Dividends paid		—	(18,194)
Shares purchased for the share award scheme	16	—	(10,471)
Net cash used in financing activities		(2,892)	(31,516)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		5,749	(35,466)
Cash and cash equivalents at beginning of period		28,226	68,350
CASH AND CASH EQUIVALENTS AT END OF PERIOD		33,975	32,884

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

## 1. GENERAL INFORMATION

Guanze Medical Information Industry (Holding) Co., Ltd. (the “**Company**”, and its subsidiaries collectively referred to as the “**Group**”) is a limited liability company incorporated in the Cayman Islands on 11 December 2020. The registered address of the Company is the offices of Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The Company is an investment holding company. During the period, the Company’s subsidiaries were involved in the following principal activities in the PRC:

- Sales of medical imaging film products;
- Provision of medical imaging cloud services; and
- Sales of software

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 29 December 2022.

Certain comparative figures have been re-presented to conform with current period’s presentation. These reclassifications have no effect on financial position, results for the period or cash flows of the Group.

## 2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## 3. ACCOUNTING POLICIES

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2024.

### Application of amendments to a HKFRS Accounting Standard

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 21	<i>Lack of Exchangeability</i>
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The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in the condensed consolidated financial statements.

# Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

## 4. OPERATING SEGMENT INFORMATION

For management purpose, the Group has only one reportable operating segment and the measurement of segment results is based on the profit before tax as presented in the interim condensed consolidated statements of profit or loss and other comprehensive income.

As the Group generated all of its revenues in the PRC and its non-current assets were located in the PRC during the period, no geographical segments are presented.

### Information about major customers

Revenue from operations of approximately RMB31,855,000 and RMB40,030,000 for the six months ended 30 June 2025 and 2024, respectively, was derived from sales of medical imaging film products, the provision of medical imaging cloud services and sales of software. Revenue from the sales of medical imaging film products, the provision of medical imaging cloud services and sales of software accounted for approximately 60%, 6% and 34% of the total revenue of the six months ended 30 June 2025, respectively (six months ended 30 June 2024: 68%, 16% and 16%).

Revenue derived from sale to individual customers which accounted for over 10% of the total revenue of the Group during the period is as follows:

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Customer A	(b)	10,726	N/A <sup>(Note (a))</sup>
Customer B	(c)	N/A <sup>(Note (a))</sup>	5,822
Total		10,726	5,822

Notes:

- (a) The corresponding revenue from the customer is less than 10% of the total revenue of the Group for the respective financial period.
- (b) Revenue from sales of software.
- (c) Revenue from sales of medical imaging film products and provision of medical imaging cloud services.

# Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

## 5. REVENUE, OTHER INCOME AND OTHER GAINS AND LOSSES

(a) An analysis of revenue is as follows:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Revenue from contracts with customers by types of goods or services</b>		
Sales of medical imaging film products	19,169	27,346
Provision of medical imaging cloud services	1,960	6,419
Sales of software	10,726	6,265
	31,855	40,030
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	29,895	33,611
Services transferred over time	1,960	6,419
Total	31,855	40,030

## (b) Contract liabilities

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Contract liabilities	592	938

Contract liabilities represented the obligations to provide services to a customer for which the Group has received consideration.

## (i) Revenue recognised in relation to contract liabilities

The following table shows the revenue recognised during the period that was included in the contract liabilities at the beginning of the period.

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue recognised that was included in the contract liabilities balance at the beginning of the period	536	384



# Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

## 5. REVENUE, OTHER INCOME AND OTHER GAINS AND LOSSES (continued)

### (c) Performance obligations

Information about the Group's performance obligations is summarised below:

#### Sales of medical imaging film products

The performance obligation is satisfied upon acceptance of consumables when the control of goods is transferred, and the transaction is completed. Payment is generally due within 90 to 365 days from acceptance by customers, except for new customers, where payment in advance is normally required.

#### Provision of medical imaging cloud services

The performance obligation of medical imaging cloud services is satisfied over time as services are rendered. As the services are provided together with the medical imaging film products to customers, payments are made in advance with the payment for medical consumables.

#### Sales of software

The performance obligation of sales of software is recognised at the point in time when the software is delivered and the customer has the ability to use and benefit from the software. Payment is generally due within 365 days from acceptance by customers.

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within one year	3,512	5,691
Over one year	2,516	5,964
Total	6,028	11,655

# Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

## 5. REVENUE, OTHER INCOME AND OTHER GAINS AND LOSSES (continued)

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

	Note	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Other income</b>			
Interest on bank deposits		52	599
<b>Other gains and losses</b>			
Government grants	(i)	6,097	507
Gain on early termination of lease contracts		4	—
Net exchange (loss)/gain		(70)	212
Others		57	1
<b>Total</b>		<b>6,140</b>	<b>1,319</b>

Note:

- (i) The government grants mainly represent subsidies received from the local governments for the purpose of rewarding the Group for its financial contribution and value-added tax subsidy. There are no unfulfilled conditions and other contingencies attached to the receipts of those subsidies. There is no assurance that the Group will continue to receive such subsidies in the future.

## 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cost of inventories sold	16,988	16,317
Cost of services provided	855	1,833
Employee benefit expenses	6,446	7,112
— Wages, salaries and allowances	4,983	5,324
— Social insurance and housing fund	808	1,083
— Welfare and other expenses	37	65
— Share-based payments	618	640
Research and development costs (excluded employee benefit expense)	520	29
Depreciation of property, plant and equipment	3,144	3,005
Depreciation of right-of-use assets	186	281
Amortisation of intangible assets (included in administrative expenses and cost of services provided)	644	14
Loss on disposal of property, plant and equipment (included in other expenses)	985	1,567

# Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

## 7. 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 members of the Group are domiciled and operate.

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

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
PRC Enterprise Income Tax ("EIT") (note):		
Current year	1,121	3,349
Overprovision in prior years	(857)	—
Deferred tax	861	(411)
Income tax expense for the period	1,125	2,938

Note:

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods, except for Jinan Guanze Medical Equipment Co., Ltd. ("Jinan Guanze") (濟南冠澤醫療器材有限公司), a subsidiary of the Group, which is taxed at the preferential tax rate. Jinan Guanze is a high and new technology enterprise certified by relevant local authorities in the PRC and it is entitled to preferential corporate income tax rates of 15% upon fulfilment of certain conditions under the tax ruling. Jinan Guanze has renewed its "High and New Technology Enterprise" qualification in 2024 and it can enjoy the preferential EIT rate for three years from 2024.

## 8. DIVIDENDS

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Final declared — Nil (2024: HK2.1 cents) per ordinary share	—	18,194

On 28 March 2024, the board of directors declared a final dividend in respect of 31 December 2023 of HK2.1 cent (six months ended 30 June 2025: nil) per ordinary share, amounting to a total of approximately HK\$19,950,000 (equivalent to approximately RMB18,194,000) (six months ended 30 June 2025: nil).

## 9. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Earnings/(loss)</b>		
Profit/(loss) for the period attributable to owners of the Company, used in the basic and diluted earnings/(loss) per share calculation	3,368	(160)
Earnings/(loss) for the purpose of basic and diluted earnings/(loss) per share	3,368	(160)

# Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

## 9. EARNINGS/(LOSS) PER SHARE (continued)

	Number of shares Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
<b>Number of shares</b>		
Number of ordinary shares issued	950,000,000	950,000,000
Less: restriction shares	(13,918,000)	(6,979,500)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	936,082,000	943,020,500

No adjustment has been made to the basic earnings/(loss) per share amount presented for the six months ended 30 June 2025 and 2024 in respect of a dilution as the Group had no potential dilutive ordinary shares in issue during the periods.

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired assets at a cost of RMB14,082,000 (unaudited) (six months ended 30 June 2024: RMB6,887,000 (unaudited)).

During the six months ended 30 June 2025, the Group disposed of certain plant and machinery with an aggregate carrying amount of RMB1,007,000 (six months ended 30 June 2024: RMB1,567,000) for cash proceeds of RMB22,000 (six months ended 30 June 2024: nil), resulting in a loss on disposal of RMB985,000 (six months ended 30 June 2024: RMB1,567,000).

The net carrying amount of property, plant and equipment as at 30 June 2025 is RMB58,555,000 (unaudited) (31 December 2024: RMB48,624,000 (audited)).

## 11. TRADE AND BILLS RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	138,343	178,519
Bills receivables	5,425	3,624
Less: allowance for credit losses	(6,448)	(7,953)
Trade and bills receivables, net	137,320	174,190

# Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

## 11. TRADE AND BILLS RECEIVABLES (continued)

An ageing analysis of the trade receivables at the end of each period, based on the invoice date of the trade receivables and net of allowance for credit losses, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 year	129,927	163,215
1 year to 2 years	1,968	7,351
	131,895	170,566

The movements in the loss allowance for credit losses of trade receivables are as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
At beginning of period	7,953	4,754
(Reversal of)/provision for impairment losses on trade receivables	(1,505)	3,199
At end of period	6,448	7,953

An impairment analysis is performed at the end of each period using an expected credit loss ("ECL") model to measure expected credit losses ("ECLs"). The ECL rates are based on days past due for groupings of various customer segments with similar loss patterns. The measurement of ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Trade receivables are written off if there is no reasonable expectation of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

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

### As at 30 June 2025 (unaudited)

	Past due				Total
	Current	Within 1 year	1 to 2 years	Over 2 years	
ECL rate	1%	6%	18%	100%	
Gross carrying amount (RMB'000)	103,842	29,090	2,391	3,020	138,343
ECLs (RMB'000)	1,225	1,780	423	3,020	6,448



# Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

## 11. TRADE AND BILLS RECEIVABLES (continued)

As at 31 December 2024 (audited)

	Current	Past due			Total
		Within 1 year	1 to 2 years	Over 2 years	
ECL rate	1%	5%	16%	100%	
Gross carrying amount (RMB'000)	153,329	12,346	8,775	4,069	178,519
ECLs (RMB'000)	1,840	620	1,424	4,069	7,953

## 12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Prepayments paid to suppliers	27,586	1,835
Prepayments for acquisition of property, plant and equipment	2,760	9,860
Subtotal of prepayments	30,346	11,695
Other receivables arising from disposal of property, plant and equipment, gross	8,307	8,113
Less: allowance for credit losses (note)	(417)	—
Other receivables arising from disposal of property, plant and equipment, net of allowance	7,890	8,113
Other receivables and deposits	871	5,717
Subtotal of other receivables	8,761	13,830
Deductible value-added tax	4,017	3,170
	43,124	28,695
Less: prepayments for acquisition of property, plant and equipment presented as non-current assets	(2,760)	—
Prepayments, other receivables and other assets presented as current assets	40,364	28,695

Note:

The movements in the loss allowance for impairment of other receivables are as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
At beginning of period	—	—
Provision for impairment losses on other receivables	417	—
At end of period	417	—

# Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

## 13. CASH AND CASH EQUIVALENTS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Cash and bank balances	33,975	28,226
Denominated in RMB	30,125	22,219
Denominated in Hong Kong Dollars ("HKD")	3,731	5,888
Denominated in United States Dollars ("USD")	119	119
Total	33,975	28,226

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

## 14. TRADE PAYABLES

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 year	3,527	560
Total	3,527	560

The trade payables are non-interest-bearing.

## 15. BANK BORROWINGS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Secured	7,500	7,500
Unsecured	7,545	10,212
	15,045	17,712

# Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

## 15. BANK BORROWINGS (continued)

As at 30 June 2025, the Group's bank borrowings of RMB7,500,000 (31 December 2024: RMB7,500,000) are secured by mortgages over the Group's buildings, with a net carrying value of approximately RMB8,051,000 (31 December 2024: approximately RMB8,600,000).

The carrying amounts of the above bank borrowings are analysed based on contractual repayment date as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
The carrying amounts of bank borrowings that contain a repayment on demand clause (shown under current liabilities) but repayable: Within one year	15,045	17,712

The exposure of the Group's bank borrowings are as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Fixed-rate borrowings	15,045	17,712

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's bank borrowings are as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Effective interest rate of fixed-rate bank borrowings	3.10% to 3.90% per annum	3.10% to 3.90% per annum

All of the Group's bank borrowings are denominated in the currency that is the same as the functional currency of the relevant group entities.

As at the end of the reporting period, the Group has the following undrawn bank borrowing facilities:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Fixed-rate — expiring beyond one year	3,200	—

# Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

## 16. SHARE CAPITAL OF THE COMPANY

	Number of shares '000	Share capital RMB'000
Ordinary shares of HK\$0.01 each		
<b>Authorised</b>		
At 1 January 2024 (audited), 30 June 2024 (unaudited), 31 December 2024 (audited), 1 January 2025 (audited) and 30 June 2025 (unaudited)	10,000,000	90,274
<b>Issued and fully paid</b>		
At 1 January 2024 (audited), 30 June 2024 (unaudited), 31 December 2024 (audited), 1 January 2025 (audited) and 30 June 2025 (unaudited)	950,000	8,576

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

	Note	Number of shares	Issued capital RMB'000	Share held for share award scheme RMB'000	Share premium RMB'000	Share award reserve RMB'000	Total RMB'000
At 1 January 2024 (audited)		950,000,000	8,576	—	78,070	—	86,646
Share purchased for the share award scheme	(i)	—	—	(10,471)	—	—	(10,471)
Share award scheme — value of employee service		—	—	—	—	1,403	1,403
At 31 December 2024 (audited) and 1 January 2025 (audited)		950,000,000	8,576	(10,471)	78,070	1,403	77,578
Share award scheme — value of employee service		—	—	—	—	618	618
At 30 June 2025 (unaudited)		950,000,000	8,576	(10,471)	78,070	2,021	78,196

Note:

- (i) During the six months ended 30 June 2024, 13,918,000 ordinary shares of the Company on The Stock Exchange of Hong Kong Limited were purchased by the trustee for the share award scheme at the consideration of HK\$11,515,610 (approximately to RMB10,471,000).

# Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

## 17. SHARE-BASED PAYMENTS

Expenses arising from equity-settled share-based payment transactions were as follows:

	Six month ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Share award schemes	618	640

	Six month ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cost of sales	66	78
Selling and marketing expenses	269	309
Administrative expenses	116	163
Research and development expenses	167	90
	618	640

Pursuant to the rules of the Share Award Scheme approved at the board of director meeting of the Company on 2 December 2023, the Company instructed the trustee to purchase from the market a total of about 13.9 million shares for awards to the relevant grantees during the six months ended 30 June 2024. The total costs (excluding related transaction costs) involved was about HK\$11.5 million. The Company granted 6,802,000, 7,586,000, 706,000 and 2,296,000 awarded Shares to Selected Participants pursuant to the Share Award Scheme on 6 January 2024 (the "First Grant"), 1 April 2024 (the "Second Grant"), 26 July 2024 (the "Third Grant") and 30 June 2025 (the "Fourth Grant") respectively. The vesting period was 5 years from the date of grant (inclusive).

The number of restricted shares granted to the Company's incentive participants is summarised as follows:

	Number of share awards '000
At 1 January 2025 (audited)	13,402
Granted	2,296
Forfeited	(2,390)
At 30 June 2025 (unaudited)	13,308



# Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

## 18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The Group's financial instruments which are measured at fair value for financial reporting purposes are as follows:

As at 30 June 2025

	Fair values 30 June 2025 RMB'000 (Unaudited)
<b>Financial assets</b>	
Debt instruments at fair value through other comprehensive income ("FVTOCI")	5,425

As at 31 December 2024

	Fair values 31 December 2024 RMB'000 (Audited)
<b>Financial assets</b>	
Debt instruments at FVTOCI	3,624

Management of the Group has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, financial assets included in prepayments, other receivables and other assets, 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 executive officer. At each reporting date, 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 executive officer.

The fair values of the financial assets 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 debt instruments 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 fair values have been assessed to be approximated to their carrying amounts.

# Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

## 18. FAIR VALUE MEASUREMENTS 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 2025

	Fair value measurement using			Total RMB'000 (Unaudited)
	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)	
Debt instruments at FVTOCI	—	5,425	—	5,425
Total	—	5,425	—	5,425

As at 31 December 2024

	Fair value measurement using			Total RMB'000 (Audited)
	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)	
Debt instruments at FVTOCI	—	3,624	—	3,624
Total	—	3,624	—	3,624

## 19. EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Group after 30 June 2025.