Ziyuanyuan Holdings Group Limited
紫元元控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8223)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

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INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026 (UNAUDITED)

The Directors of the Company are pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together, the "**Group**") for the six months ended 30 June 2026 (the "**Period**"), together with the unaudited comparative figures for the corresponding periods in 2025 (the "**Prior Period**"), as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*3*		
Income from trading of medical equipments and consumables		**77,833**	195,437
Finance leasing income		**1,712**	3,813
Income from postpartum care services		**1,266**	4,110
Income from IT services		**13,605**	249
Total revenue		**94,416**	203,609
Cost of sales		**(73,423)**	(177,031)
Bank interest income		**1**	302
Other gains and losses, net	*4*	**2,097**	1,732
Staff costs	*8*	**(2,591)**	(7,263)
Reversal of impairment losses under expected credit loss ("**ECL**") model, net	*5*	**4,226**	8,928
Other operating expenses		**(8,524)**	(13,685)
Finance costs	*6*	**(8,868)**	(7,868)
Profit before income tax		**7,334**	8,724
Income tax expenses	*7*	**(1,829)**	(2,049)
Profit and total comprehensive income for the period	*8*	**5,505**	6,675
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		**5,771**	6,755
Non-controlling interests		**(266)**	(80)
		5,505	6,675
Earnings per share for profit attributable to owners of the Company during the period			
– Basic and diluted *(RMB cents)*	*10*	**1.24**	1.57

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**11,548**	12,827
Investment properties		**22,200**	22,200
Right-of-use assets		**9,242**	11,312
Intangible assets		**5,444**	6,381
Finance lease receivables	*11*	**32,739**	49,944
Refundable deposit		**2,000**	2,000
Deferred tax assets		**13,418**	13,418
Deposits	*13*	**2,638**	2,638
		99,229	120,720
CURRENT ASSETS			
Inventories		**57,345**	911
Finance lease receivables	*11*	**42,275**	38,111
Trade receivables	*12*	**490,976**	511,890
Prepayments, deposits and other receivables	*13*	**109,071**	118,556
Financial asset at fair value through profit or loss		**–**	300
Restricted bank deposits		**604**	553
Bank balances and cash		**985**	20,535
		701,256	690,856
CURRENT LIABILITIES			
Trade payables	*14*	**145,513**	180,827
Other payables and accrued charges		**37,369**	54,461
Income tax payable		**21,682**	24,659
Lease liabilities		**3,192**	3,247
Financial guarantee		**482**	946
Bank and other borrowings	*15*	**101,512**	129,588
Convertible bonds		**58,511**	54,522
		368,261	448,250
NET CURRENT ASSETS		**332,995**	242,606
TOTAL ASSETS LESS CURRENT LIABILITIES		**432,224**	363,326

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**1,103**	1,103
Lease liabilities		**15,235**	17,047
Bank and other borrowings	*15*	**72,310**	44,910
		88,648	63,060
NET ASSETS		**343,576**	300,266
CAPITAL AND RESERVES			
Share capital	*16*	**44,120**	36,559
Reserves		**294,491**	258,476
Equity attributable to owners of the Company		**338,611**	295,035
Non-controlling interests		**4,965**	5,231
TOTAL EQUITY		**343,576**	300,266

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**"), and application of certain accounting policies which became relevant to the Group, the accounting policies and method of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2025.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the new and amendments to HKFRSs issued by the HKICPA which are effective for the annual period beginning on or after 1 January 2026 for the preparation of the Group's condensed consolidated financial statements.

The application of the amendments to HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE

Revenue for the period represents finance leasing income, income from postpartum care services, income from trading of medical equipments and consumables and income from IT services in the PRC. The amounts of each significant category of revenue recognised in revenue during the period are as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Income from trading of medical equipments and consumables	**77,833**	195,437
Income from postpartum care services	**1,266**	4,110
Income from IT services	**13,605**	249
	92,704	199,796
Revenue from other sources		
Finance leasing income	**1,712**	3,813
	94,416	203,609

4. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Fair value gain on financial assets at FVTPL	**1**	3
Change in fair value of investment properties	**–**	(800)
Exchange loss, net	**(45)**	(32)
Gain on lease termination	**138**	–
Rental income	**2,159**	2,131
Others	**(156)**	430
	2,097	1,732

5. REVERSAL OF IMPAIRMENT LOSSES UNDER ECL MODEL, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Impairment losses (reversed)/recognised on:		
– finance lease receivables	**(951)**	(8,424)
– trade receivables	**(2,811)**	131
– financial guarantee	**(464)**	(635)
	(4,226)	(8,928)

6. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interests on bank and other borrowings	**3,746**	4,628
Interests on convertible bonds	**3,989**	1,943
Interests on lease liabilities	**1,133**	1,297
	8,868	7,868

7. INCOME TAX EXPENSES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
The charge comprises:		
Current tax		
– PRC Enterprise Income Tax	**1,829**	1,801
Deferred tax	**–**	248
	1,829	2,049

8. PROFIT FOR THE PERIOD

Profit for the period is arrived at after charging (crediting):

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Directors' emoluments	**1,099**	848
Other staff costs		
– Salaries, allowances and other staff benefits	**1,364**	5,932
– Staffs' retirement benefit scheme contributions	**245**	617
Total staff costs	**2,708**	7,397
Less: staff costs recognised as research and development costs	**(117)**	(134)
Staff costs recognised in profit or loss	**2,591**	7,263
Amortisation of intangible assets	**937**	1,447
Cost of inventories sold	**73,423**	177,031
Depreciation of property, plant and equipment	**1,279**	2,799
Depreciation of right-of-use assets	**1,914**	2,754
Research and development costs recognised as an expense (included in other operating expenses)	**185**	259
Short-term leases payments	**–**	490

9. DIVIDENDS

The directors of the Company do not recommend the payment of an interim dividend in respect of the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

10. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings:		
Earnings for the purpose of basic earnings per share		
Profit for the period attributable to owners of the Company for the purpose of basic earnings per share	**5,771**	6,755

	Six months ended 30 June	
	2026	2025
	'000	*'000*
	(Unaudited)	(Unaudited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**466,110**	430,000

For the six months ended 30 June 2026, the convertible bonds were not included in the calculation of diluted earnings per share as their assumed conversion would have been antidilutive. Accordingly, the diluted earnings per share were the same as the basic earnings per share for the period.

11. FINANCE LEASE RECEIVABLES

	Minimum lease payments		Present value of minimum lease payments	
	30 June 2026	31 December 2025	**30 June 2026**	31 December 2025
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Finance lease receivables comprises:				
Within one year	**85,356**	81,774	**85,201**	80,493
In the second year	**24,673**	38,423	**28,456**	36,067
Over two years	**13,196**	18,722	**6,157**	17,246
	123,225	138,919	**119,814**	133,806
Less: Unearned finance income	**(3,411)**	(5,113)	**–**	–
Present value of minimum lease payments	**119,814**	133,806	**119,814**	133,806
Less: Lifetime ECL allowance			**(44,800)**	(45,751)
			75,014	88,055
Represented by:				
Current assets			**42,275**	38,111
Non-current assets			**32,739**	49,944
			75,014	88,055

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Past due by:		
1 – 30 days	**1,970**	1,403
31 – 90 days	**3,968**	2,191
More than 90 days	**4,769**	9,716
	10,707	13,310

12. TRADE RECEIVABLES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**539,498**	563,223
Less: Provision for impairment loss	**(48,522)**	(51,333)
	490,976	511,890

The Group allows a credit period of 0-365 days to its customers for its trade receivables.

The following is an ageing analysis of trade receivables presented based on invoice dates at the end of each reporting period:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
1-30 days	**46,105**	214,871
31-60 days	**19,140**	42,363
61-90 days	**21,990**	18,212
91-180 days	**2**	36,004
181-365 days	**218,172**	120,546
Over 365 days	**185,567**	79,894
	490,976	511,890

The ageing analysis of trade receivables as at the end of the reporting period, based on due date and net of allowances, is as follows:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Current (not past due):	**239,297**	425,761
1 – 30 days past due	**29,430**	–
31 – 90 days past due	**35,961**	–
91 – 365 days past due	**165,245**	60,777
Over 365 days past due	**21,043**	25,352
	490,976	511,890

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Note	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Prepayments to suppliers		**94,589**	103,488
Refundable rental deposits	*(i)*	**1,879**	1,879
Refundable deposits		**1,000**	1,000
Other receivables		**14,241**	14,827
		111,709	121,194

Note:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
(i) Represented by:		
– Current portion	**241**	241
– Non-current portion	**1,638**	1,638

14. TRADE PAYABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade payables	**145,513**	180,827

The trade payables are normally repayable within one year.

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

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Up to 3 months	**59,116**	176,830
3 to 12 months	**85,815**	35
Over 12 months	**582**	3,962
	145,513	180,827

The credit period granted by the Group's suppliers ranges from 0 to 120 days.

15. BANK AND OTHER BORROWINGS

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Bank borrowings due for repayment within one year		
– Unsecured and guaranteed	**16,360**	16,360
– Secured and guaranteed	**81,964**	110,040
	98,324	126,400
Bank borrowings due for repayment more than one year		
– Secured and guaranteed	**72,310**	44,910
Total bank borrowings	**170,634**	171,310
Other borrowings due for repayment within one year		
– Unsecured and guaranteed	**3,188**	3,188
Total other borrowings	**3,188**	3,188
Total borrowings	**173,822**	174,498

16. SHARE CAPITAL

	Number of shares *'000*	Share capital *HK$'000*
Ordinary shares of HK$0.1 each		
Authorised:		
At 1 January 2025, 31 December 2025 and 30 June 2026	**1,000,000**	100,000
Issued and fully paid:		
At 1 January 2025 and 31 December 2025	**430,000**	43,000
Issue of new shares	**86,000**	8,600
At 30 June 2026	**516,000**	51,600

	30 June 2026 ***RMB'000*** **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Share capital shown in the consolidated statement of financial position	**44,120**	36,559

17. EVENTS AFTER THE REPORTING PERIOD

Withdrawal of winding-up petition

On 29 April 2026, a creditor of the Company (the "**Petitioner**") filed a winding-up petition (the "**Petition**") against the Company at the High Court of the Hong Kong Special Administrative Region (the "**High Court**") in relation to an outstanding principal amount of approximately HK$3.6 million together with interest.

Subsequent to the end of the reporting period, the Company fully repaid the outstanding debt to the Petitioner. On 7 July 2026, the Petitioner filed a summons with the High Court for the withdrawal of the Petition.

At the court hearing held on 29 July 2026, the High Court made an order, among other things, that the Petition be withdrawn.

Further details are set out in the announcements of the Company dated 7 May 2026, 21 May 2026, 3 July 2026, 8 July 2026 and 29 July 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in provision of medical equipment finance leasing services, maternal and child postpartum care industry services and trading of medical equipments and consumables business in the PRC during the Period.

Finance leasing services

During the Period, the Group has been focusing on provision of finance leasing services to SMEs customers in the medical equipment industry in various provinces, municipalities, and autonomous regions in the PRC, where the Group has established connections with industry players and gained operational expertise. The finance lease offered by the Group comprises direct finance leasing and sale-leaseback. The Group provided services to approximately 5,030 SMEs customers across 30 provinces, municipalities and autonomous regions in the PRC as at 30 June 2026. The Group recorded a revenue of RMB1.7 million from the finance leasing services during the Period. In order to cope with the adverse macroeconomic environment and control credit risks, the Group reduced its investment in financial leasing services, resulting in a decrease in revenue for the Period.

Maternal and child postpartum care industry services

Postpartum confinement（坐月）is a traditional Chinese custom, which allows women to rest fully after giving birth, and to recover through diet. It is said that it is the best time for women to improve their physical well-being. Hence, centres for the provision of postpartum care services（月子中心）had emerged. The Group provided postpartum care services, consisting of four major areas of (i) health care for postpartum mothers and newborn babies; (ii) dietary and nutrition for postpartum mothers; (iii) recovery and beauty for postpartum mothers; and (iv) intellectual development for newborn babies.

The Group recorded a revenue of RMB1.3 million from the maternal and child postpartum care industry services during the Period. The decline in revenue was primarily attributed to several factors, including: (i) the adverse macroeconomic environment, which led to more cautious consumer spending and a subsequent decrease in the revenue for the Period; (ii) intense price competition among postpartum care centers, resulting in customer attrition; and (iii) the closure of certain postpartum care centers of the Group during the Period.

Trading of medical equipments and consumables business

The Group expects that after the epidemic, the healthcare industry will become a new economic breakthrough with great potential for value addition. Benefiting from the PRC government's policy of encouraging innovation in medical equipment and promoting high quality development of the medical equipment industry, the Group has been able to leverage on its experience in the medical equipment industry from its previous finance leasing business, its cooperation with medical equipment suppliers and its practical understanding of the characteristics and needs of its customers to commence its medical equipment and consumables trading business in the PRC, mainly focusing on aesthetic medicine, dental, maternal and child and large hospital medical equipment. During the Period, the Group recorded a revenue of RMB77.8 million from the trading of medical equipment and consumables business.

OUTLOOK

The Group is still reasonably optimistic to sustain the core business given all the economic uncertainties. The Group will continue to seek for the best possible opportunities to grow the Group's business by leveraging current client base. After the pandemic, the healthcare industry will be a new economic breakthrough with significant value-added potentials. The Group has preemptively set up the finance leasing service to focus on the field of medical equipment and to develop the trading of medical equipment and consumables business, which cooperates with the maternal and child postpartum care industry, to help upgrade the healthcare industry, but also to diversify the Group's income point.

In 2026, the global economic situation remains grim. We will continue to increase investment in various businesses and continue to strive to find opportunities in the face of challenges, so as to return shareholders and the public, and realize corporate value as well as social value.

FINANCIAL REVIEW

Revenue

Revenue consists of (i) finance leasing income; (ii) postpartum care services income; (iii) income from trading of medical equipment and consumables; and (iv) Income from IT services. The Group's revenue decreased by approximately RMB109.2 million or approximately 53.6%, from approximately RMB203.6 million for the six months ended 30 June 2025 (the "**Prior Period**") to approximately RMB94.4 million for the Period. The decrease in revenue for the Period was mainly attributable to (i) income from trading of medical equipment and consumables decreased from approximately RMB195.4 million for the Prior Period to approximately RMB77.8 million for the Period; (ii) the finance leasing income decreased from approximately RMB3.8 million for the Prior Period to approximately RMB1.7 million for the Period; and (iii) postpartum care services income decreased from approximately RMB4.1 million for the Prior Period to approximately RMB1.3 million for the Period, which offsetting income from IT services increased from approximately RMB0.2 million for the Prior Period to approximately RMB13.6 million for the Period.

Cost of sales

For the Period, the cost of medical equipment and consumables sold to approximately RMB73.4 million (Prior Period: approximately RMB177.0 million).

Staff cost

Staff costs include primarily Directors' remuneration, employee salaries, allowances and other staff benefits as well as employee retirement benefits scheme contributions. Staff costs decreased from RMB7.3 million for the Prior Period to approximately RMB2.6 million for the Period.

Reversal of impairment losses under expected credit loss ("ECL") model, net

The Group is not required to provide general provisions as commercial banks and other financial institutions which the China Banking Regulatory Commission regulates. The provisioning policies are based on the applicable accounting standards. The management assesses the measurement of ECL in relation to trade receivables, finance lease receivables, loan receivables and financial guarantee. In determining the impairment of trade receivables, finance lease receivables, loan receivables and financial guarantee, the management considers shared credit risk characteristics including industry types, historical past due information and lessees' creditworthiness for grouping, and assesses credit losses based on internal credit rating and on a forward looking basis with the use of appropriate models and assumptions relate to the economic inputs and the future macroeconomic conditions.

For the Period, reversal of impairment loss of approximately RMB4.2 million (Prior Period: RMB8.9 million) was recognised. The reversal of impairment losses recognised in the Period was mainly due to (i) the decrease in total finance lease receivables and trade receivables; and (ii) certain overdue receivables have been recovered.

Other operating expenses

Other operating expenses include primarily audit fees, legal and professional fees, travel and transportation expenses, promotion expenses, depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of intangible asset, short-term leases payments, research and development costs and the miscellaneous expenses of postpartum care businesses. Other operating expenses decreased from approximately RMB13.7 million for the Prior Period to approximately RMB8.5 million for the Period. The decrease was mainly attributable to (i) legal and professional fees decreased from RMB2.1 million for the Prior Period to RMB0.9 million for the Period; (ii) promotion expenses decreased from RMB1.1 million for the Prior Period to RMB0.4 million for the Period; (iii) depreciation of property, plant and equipment decreased from RMB2.7 million for the Prior Period to RMB1.3 million for the Period; (iv) depreciation of right-of-use assets decreased from RMB2.8 million for the Prior Period to RMB1.9 million for the Period; (v) the miscellaneous expenses of postpartum care businesses decreased from RMB1.4 million for the Prior Period to RMB0.6 million for the Period.

Finance costs

Finance costs consist of (i) interest on bank and other borrowings; (ii) interests on lease liabilities; and (iii) interests on convertible bonds. Finance costs increased from approximately RMB7.9 million for the Prior Period to approximately RMB8.9 million for the Period. The increase was mainly due to the interests on convertible bonds increased from approximately RMB1.9 million for the Prior Period to approximately RMB4.0 million for the Period, which offsetting interest on bank and other borrowings decreased from approximately RMB4.6 million for the Prior Period to approximately RMB3.7 million for the Period.

Income tax expenses

Certain PRC subsidiaries of the Group qualified as small low-profit enterprises with annual taxable income not more than RMB1.0 million, and the portion that exceeds RMB1.0 million but does not exceed RMB3.0 million (inclusive) are entitled to enterprise income tax calculated at 25% of its taxable income at a tax rate of 20%. A PRC subsidiary of the Group recognised as high technology enterprise is entitled to a preferential enterprise income tax rate of 15%. The enterprise income tax rate applicable to the other PRC subsidiaries of the Group is 25%.

Profit and total comprehensive income attributable to owners of the Company

During the Period and Prior Period, the Group's profit and total comprehensive income attributable to owners of the Company were approximately RMB5.8 million and RMB6.8 million respectively.

Dividend

The Board of Directors of the Company does not recommend the payment of an interim dividend in respect of the Period (Prior Period: nil).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2026, bank balances and cash were approximately RMB1.0 million (31 December 2025: RMB20.5 million). The working capital (current assets less current liabilities) and total equity of the Group were approximately RMB333.0 million (31 December 2025: RMB242.6 million) and approximately RMB343.6 million (31 December 2025: RMB300.3 million) respectively.

As at 30 June 2026, the Group's bank and other borrowings and convertible bonds due within one year were approximately RMB160.0 million (31 December 2025: RMB184.1 million) and the Group's bank and other borrowings and convertible bonds due after one year were amounted to approximately RMB72.3 million (31 December 2025: RMB44.9 million).

As at 30 June 2026, the gearing ratio was approximately 40.3% (31 December 2025: 43.3%), which is calculated as bank and other borrowings and convertible bonds divided by the sum of total equity, bank and other borrowings and convertible bonds.

CAPITAL STRUCTURE

As at 30 June 2026, the Company's issued share capital was HK$51,600,000 and the number of its issued ordinary Shares was 516,000,000.

Subscriptions of new shares under general mandate

On 9 March 2026, the Company entered into the subscription agreements with subscribers, pursuant to which the Company has agreed to allot and issue, and the subscribers have conditionally agreed to subscribe for an aggregate of 86,000,000 subscription shares at the subscription price of HK$0.50 per subscription share (the "**Subscription**"). The Subscription was completed on 16 April 2026. For details of the Subscription, please refer to the announcements of the Company dated 9 March 2026, 16 April 2026 and 24 April 2026.

The intended and actual use of proceeds from the the Subscription up to 30 June 2026 are set out as follows:

	Planned use of actual net proceeds *HK$'000*	**Utilized net proceeds up to 30 June 2026** *HK$'000*	**Proceeds unused** *HK$'000*
Purchase of trading goods for the Group's medical equipment and consumables trading business	34,000	34,000	–
General working capital	8,500	8,500	–
	42,500	42,500	–

FOREIGN EXCHANGE EXPOSURE

The Group's income and expenditure during the Period were principally denominated in RMB, and most of the assets and liabilities as at 30 June 2026 were denominated in RMB. The Group did not experience any material impact or difficulties in liquidity on its operations resulting from the fluctuation in exchange rate, and no hedging transaction or forward contract arrangement was made by the Group during the Period.

CAPITAL COMMITMENTS

As at 30 June 2026, the Group had capital commitments of RMB2.0 million in respect of the acquisition of an associate (31 December 2025: RMB2.0 million).

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2026, certain finance lease receivables and trade receivables with an aggregate carrying value of approximately RMB60.4 million (31 December 2025: RMB64.7 million) were pledged to certain banks and a finance lease company in the PRC to secure bank and other borrowings of the Group.

As at 30 June 2026 and 31 December 2025, the entire equity interests of a subsidiary of the Group were pledged to a bank in the PRC to secure a bank borrowing of the Group.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

The Group did not have other significant investment, material acquisition nor disposal of subsidiaries and affiliated companies during the Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, the Group did not have other future plans for material investments or capital assets as at 30 June 2026.

CONTINGENT LIABILITIES

Save as disclosed in this announcement, the Group did not have other significant contingent liabilities as at 30 June 2026.

HUMAN RESOURCES

As at 30 June 2026, the Group had 27 employees (Prior Period: 44 employees) with total staff cost of approximately RMB2.6 million incurred for the Period (Prior Period: RMB7.3 million). The employees retirement benefit expense incurred during the Period was approximately RMB0.2 million (Prior Period: RMB0.6 million). As required by the applicable laws and regulations, the Group participates in various employee social security plans for our employees that are administered by local government. The Group's remuneration policy rewards employees and Directors based on individual performance, demonstrated capabilities, involvement, market comparable information and the performance of the Group. The Group improves the professional skills and management level of its employees through internal and external training. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Performance bonuses are offered to qualified employees based on individual and the Group's performance. We did not experience any material labour disputes during the Period.

COMPETING INTEREST

During the period, none of the Directors or the controlling shareholders of the Company or their respective close associates (as defined in the GEM Listing Rules) is interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group or has any conflicts of interest with the Group.

DEED OF NON-COMPETITION

The controlling shareholders of the Company, namely Mr. Zhang Junshen (through Hero Global), Mr. Zhang Junwei (through Icon Global), (the "**Controlling Shareholders**") entered into a deed of non-competition dated 12 June 2018 ("**Deed of Non-competition**") in favour of the Company (for itself and as trustee for each of its subsidiaries). For details of the Deed of Non-competition, please refer to the section headed "Relationship with Controlling Shareholders – Non-competition Undertaking" in the Prospectus. Each of the Controlling Shareholders has confirmed that none of them is engaged in, or interested in any business (other than the Group) which, directly or indirectly, competes or may compete with the business of the Group.

The independent non-executive Directors have also reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-competition have been complied with by each of the Controlling Shareholders during the period and up to the date of this announcement.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Company considers the maintenance of a high standard of corporate governance important to the continuous growth of the Group. The Company's corporate governance practices are based on code provisions as set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix 15 of the GEM Listing Rules. Other than the deviation from code provision C.2.1, the Company has adopted and complied with, where applicable, the CG Code to ensure that the Group's business activities and decision-making processes are regulated in a proper and prudent manner.

Up to the date of this announcement, other than the deviation from code provision C.2.1, the Company complied with the provisions of the CG Code as set out in Appendix 15 to the GEM Listing Rules.

CODE PROVISION C.2.1

In accordance with the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Board is of the view that although Mr. Zhang Junshen is the chairman and the chief executive officer of the Company, this structure will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high caliber individuals and meets regularly to discuss issues affecting operations of the Company. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently. The Board has full confidence in Mr. Zhang Junshen and believes that his appointment to the posts of chairman and chief executive officer is beneficial to the business prospects of the Company.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed in note 17 to the condensed consolidated financial statements, the Directors are not aware of any significant event which had material effect on the Group subsequent to 30 June 2026 and up to the date of this announcement.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct ("**Code of Conduct**") regarding securities transactions by the Directors. The Company has confirmed, having made specific enquiry of the Directors, that all the Directors have complied with the Code of Conduct for the Period and up to date of this announcement.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Group has established an audit committee (the "**Audit Committee**") pursuant to a resolution of the Directors passed on 12 June 2018 in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and with written terms of reference in compliance with the CG Code.

The Audit Committee currently consists of our non-executive Director, namely Ms. Li Xinpei and two of our independent non-executive Directors, namely Mr. Yang Kun and Dr. Deng Bin and the chairman is Mr. Yang Kun, who holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2026 and is of the opinion that the preparation of such statements complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By order of the Board
Ziyuanyuan Holdings Group Limited
Zhang Junshen
Chairman and Chief Executive Officer

Hong Kong, 31 August 2026

As at the date of this announcement, the executive Directors are Mr. Zhang Junshen (Chairman and Chief Executive Officer) and Mr. Tian Zhiwei, the non-executive Director is Ms. Li Xinpei, and the independent non-executive Directors are Mr. Yang Kun, Dr. Deng Bin and Mr. Hu Tao.

This announcement will remain on the "Latest Listed Company Information" page on the HKEXnews website at www.hkexnews.hk for at least 7 days from the date of its posting and on the website of the Company at www.ziyygroup.com.