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## **AI Health Technology Limited**

### **智慧健康科技有限公司**

*(Formerly known as Volcano Spring International Holdings Limited 火山邑動國際控股有限公司)*

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

**(Stock Code: 1715)**

## **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025**

### **FINANCIAL HIGHLIGHTS**

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue ( <i>RMB'000</i> )	<b>23,940</b>	55,949
Gross profit ( <i>RMB'000</i> )	<b>2,404</b>	6,298
Gross profit margin (%)	<b>10.0</b>	11.3
Net loss for the period ( <i>RMB'000</i> )	<b>(11,513)</b>	(23,149)
Loss per share		
– Basic and diluted ( <i>RMB</i> )	<b>(0.08)</b>	(0.31)

### **INTERIM RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of AI Health Technology Limited (the “**Company**”) announces the unaudited interim consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2025 (the “**Interim Period**”). These results have been reviewed by the Company’s audit committee (the “**Audit Committee**”).

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
	Notes	(Unaudited)	(Unaudited)
Revenue	3	23,940	55,949
Cost of sales		(21,536)	(49,651)
<b>Gross profit</b>		<b>2,404</b>	<b>6,298</b>
Other income		744	1,445
Other losses, net		(1)	(2,965)
Selling and distribution expenses		(6,579)	(10,429)
Administrative expenses		(5,440)	(9,518)
Research and development expenses		(2,265)	(2,798)
Impairment loss on investment		(658)	–
Reversal of impairment loss/(impairment loss) on financial assets		1,825	(1,817)
<b>Operating loss</b>		<b>(9,970)</b>	<b>(19,784)</b>
Finance income		1	5
Finance costs		(1,338)	(3,130)
Finance costs, net		(1,337)	(3,125)
Share of loss of associates, net		(189)	(213)
<b>Loss before income tax</b>		<b>(11,496)</b>	<b>(23,122)</b>
Income tax expense	5	(17)	(27)
<b>Loss for the period</b>		<b>(11,513)</b>	<b>(23,149)</b>
<b>Loss attributable to:</b>			
Owners of the Company		(11,500)	(23,149)
Non-controlling interests		(13)	–
		<b>(11,513)</b>	<b>(23,149)</b>

		Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
Notes		(Unaudited)	(Unaudited)
<b>Other comprehensive income/(loss):</b>			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences		<u>1,041</u>	<u>(245)</u>
Other comprehensive income/(loss) for the period, net of tax		<u>1,041</u>	<u>(245)</u>
<b>Total comprehensive loss for the period</b>		<b><u>(10,472)</u></b>	<b><u>(23,394)</u></b>
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company		(10,459)	(23,394)
Non-controlling interests		<u>(13)</u>	<u>—</u>
Total comprehensive loss for the period		<b><u>(10,472)</u></b>	<b><u>(23,394)</u></b>
<b>Loss per share attributable to owners of the Company for the period</b>			
Basic and diluted (RMB)	6	<b><u>(0.08)</u></b>	<b><u>(0.31)</u></b>

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
	Notes		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		8,878	9,929
Right-of-use assets		122	250
Land use rights		7,849	7,952
Investments in associates		–	658
Investments in joint venture		321	510
Intangible assets		108	150
Deposits		–	210
<b>Total non-current assets</b>		<b>17,278</b>	<b>19,659</b>
<b>Current assets</b>			
Inventories		28,337	30,713
Trade receivables	7	2,861	24,645
Other receivables, deposits and prepayments		78,083	59,796
Amount due from a non-controlling interest		1,338	358
Cash and cash equivalents		45,939	2,299
<b>Total current assets</b>		<b>156,558</b>	<b>117,811</b>
<b>Total assets</b>		<b>173,836</b>	<b>137,470</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		81,256	25,758
Share premium		106,317	106,793
Reserves		(100,952)	(90,493)
Attributable to owners of the Company		86,621	42,058
Non-controlling interests		1,302	335
<b>Total equity</b>		<b>87,923</b>	<b>42,393</b>

		<b>30 June 2025 RMB'000 (Unaudited)</b>	<b>31 December 2024 RMB'000 (Audited)</b>
	<i>Notes</i>		
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		<b>4,090</b>	6,269
Deferred tax liabilities		<b>353</b>	322
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>4,443</b>	6,591
		<hr/>	<hr/>
<b>Current liabilities</b>			
Trade and other payables	8	<b>30,653</b>	30,621
Borrowings		<b>46,689</b>	54,218
Lease liabilities		<b>85</b>	253
Amount due to associates		<b>1,000</b>	1,000
Amount due to a joint venture		<b>510</b>	510
Contract liabilities		<b>2,127</b>	1,465
Current income tax liabilities		<b>406</b>	419
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>81,470</b>	88,486
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>85,913</b>	95,077
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>173,836</b>	137,470
		<hr/>	<hr/>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

## 1 GENERAL INFORMATION AND BASIS OF PRESENTATION

### 1.1 General information of the Group

The Company was incorporated in the Cayman Islands on 16 May 2017 as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands. The address of the Company's registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company and the Group mainly engages in the development, manufacturing and selling of kitchen appliances and health-related products in the People's Republic of China (the "PRC").

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 16 July 2018.

This condensed consolidated interim financial information is presented in Renminbi ("RMB"), unless otherwise stated.

### 1.2 Basis of preparation

The condensed consolidated interim financial information of the Group for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

This condensed consolidated interim financial information does not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, this condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

## 2 ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than additional accounting policies resulting from application of amendments to HKFRSs, and application of 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 financial statements for the year ended 31 December 2024.

### Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs 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 HKFRSs in the current interim period has had no material impact on the Group's financial position and performance for the current and prior periods and/or on the disclosures set out in those condensed consolidated financial statements.

### 3 REVENUE AND SEGMENT INFORMATION

#### Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Type of goods</b>		
Kitchen appliances	15,794	22,555
Health-related products	8,146	33,394
	<u>23,940</u>	<u>55,949</u>
<b>Timing of revenue recognition</b>		
At a point in time	<u>23,940</u>	<u>55,949</u>

The chief operating decision-makers have been identified as the executive directors of the Group. Management has determined the operating segments based on the information reviewed by the executive directors for the purpose of allocating resources and assessing performance. There are two components in internal reporting to the executive directors for the six months ended 30 June 2025 and 2024, one component is the development, manufacturing and selling of kitchen appliance and the other component is the selling of health-related products.

#### Segment information provide to the executive directors

The table below shows the segment information provided to the executive directors for the reportable segments for the six months ended 30 June 2025 and also the basis on which revenue is recognised:

Six months ended 30 June 2025	Development, manufacturing and selling of kitchen appliance RMB'000 (Unaudited)	Selling of health-related products RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue	<u>15,794</u>	<u>8,146</u>	<u>23,940</u>
Segment loss	<u>(7,784)</u>	<u>(20)</u>	<u>(7,804)</u>
Unallocated expenses			(2,166)
Share of loss of associates, net			(189)
Finance costs, net			<u>(1,337)</u>
<b>Loss before income tax</b>			<u><u>(11,496)</u></u>

The table below shows the segment information provided to the executive directors for the reportable segments for the six months ended 30 June 2024 and also the basis on which revenue is recognised:

Six months ended 30 June 2024	Development, manufacturing and selling of kitchen appliance <i>RMB'000</i> (Unaudited)	Selling of health-related products <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Segment revenue	22,555	33,394	55,949
Segment loss	(14,913)	(770)	(15,683)
Unallocated expenses			(4,101)
Share of loss of associates, net			(213)
Finance costs, net			(3,125)
<b>Loss before income tax</b>			<b>(23,122)</b>

There are no inter-segment sales for the six months ended 30 June 2025 and 2024.

All of the segment revenue reported above is from external customers.

Segment (loss)/profit represents the (loss incurred)/profit earned by each segment without allocation of share of net loss of associates, net finance costs and unallocated expenses.

The Group's activities are mainly carried out in the PRC and the majority of the Group's assets and liabilities are located in the PRC. Non-current assets of RMB17,278,000 (31 December 2024: RMB19,659,000) of the Group are located in the PRC as at 30 June 2025. For the six months ended 30 June 2025, revenue of approximately RMB13,298,000 (2024: RMB40,528,000) was derived from three (2024: three) individual external customers, each of which contributed more than 10% of Group's revenue.

#### 4 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses, administrative expenses and research and development expenses are analysed as follows:

	Six months ended 30 June	
	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Cost of materials used	21,536	49,651
Auditor's remuneration	889	–
Amortisation of intangible assets	42	71
Depreciation of property, plant and equipment	1,051	752
Depreciation of right-of-use assets	245	346
Amortisation of land use rights	105	105
Employee benefit expenses (including directors' emoluments)	4,303	8,466
Consignment fee	546	1,742
Short-term leases expenses	211	603



## 5 INCOME TAX EXPENSE

	Six months ended 30 June	
	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Current income tax	–	1
Deferred income tax	17	26
	<u>17</u>	<u>27</u>

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

## 6 LOSS PER SHARE

### (a) Basic

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Loss attributable to owners of the Company ( <i>RMB'000</i> )	<u>(11,500)</u>	<u>(23,149)</u>
Weighted average number of ordinary shares in issue ( <i>Note</i> )	<u>141,119,472</u>	<u>75,612,000</u>
Basic loss per share ( <i>RMB</i> )	<u>(0.08)</u>	<u>(0.31)</u>

*Note:* The weighted average number of ordinary shares used to calculate the basic and diluted loss per share for the six months ended 30 June 2025 and 2024 have been adjusted to reflect the rights issue which was completed during the six months ended 30 June 2025 and the share consolidation that became effective on 2 April 2024.

### (b) Diluted

Diluted loss per share is the same as the basic loss per share as there were no potential dilutive ordinary shares in existence during the period (six months ended 30 June 2024: same).

## 7 TRADE RECEIVABLES

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Trade receivables	14,969	38,578
Less: loss allowance	<u>(12,108)</u>	<u>(13,933)</u>
Trade receivables, net	<u>2,861</u>	<u>24,645</u>

The carrying amounts of the trade receivables approximate their fair value and are denominated in RMB.

The Group's credit terms to trade receivables are generally 60 to 180 days.

As at 30 June 2025, the ageing analysis of gross trade receivables, based on invoice date, is as follows:

	<b>30 June 2025 RMB'000 (Unaudited)</b>	31 December 2024 RMB'000 (Audited)
Trade receivables, by invoice date:		
1–30 days	<b>1,985</b>	15,425
31–60 days	<b>169</b>	907
61–90 days	<b>367</b>	9,810
Over 90 days	<b>12,448</b>	12,436
	<b>14,969</b>	38,578

## 8 TRADE PAYABLES

As at 30 June 2025, the ageing analysis of the trade payables based on invoice date is as follows:

	<b>30 June 2025 RMB'000 (Unaudited)</b>	31 December 2024 RMB'000 (Audited)
1–30 days	<b>7,238</b>	5,336
31–60 days	<b>–</b>	1,527
61–90 days	<b>610</b>	319
Over 90 days	<b>7,064</b>	5,528
	<b>14,912</b>	12,710

## 9 DIVIDENDS

No dividend was declared by the Company during the six months ended 30 June 2025 and 2024.

## 10 EVENTS OCCURRING AFTER THE REPORTING PERIOD

### Capital Reorganisation

Subsequent to the reporting period, on 4 August 2025, the Company proposed to implement capital reduction (the “**Capital Reduction**”) whereby the par value of each issued share will be reduced from HK\$0.25 to HK\$0.001 by cancelling the paid-up capital to the extent of HK\$0.249 on each issued share, so that following such reduction, each issued share shall become one new ordinary share with par value of HK\$0.001 each.

Immediately following the Capital Reduction becoming effective, the Company proposed to implement a Sub-division (the “**Sub-division**”) whereby each authorized but unissued share with par value of HK\$0.25 will be subdivided into two hundred and fifty (250) new shares with par value of HK\$0.001 each.

After the Capital Reduction and Sub-division become effective, the authorized share capital of the Company shall be HK\$150,000,000 divided into 150,000,000,000 ordinary shares with par value of HK\$0.001 each. The Capital Reduction and the Subdivision (the “**Capital Reorganization**”) has not yet been completed as of the date of this announcement.

Details of the Capital Reorganization are set out in the announcement of the Company dated 4 August 2025 and the circular of the Company dated 15 August 2025.

### Change of company name, stock short names and company website

On 15 May 2025, the Company proposed to change the English name of the Company from “Volcano Spring International Holdings Limited” to “AI Health Technology Limited” and the dual foreign name in Chinese of the Company from “火山邑動國際控股有限公司” to “智慧健康科技有限公司” (the “**Change of Company Name**”).

The Board was of the view that the Change of Company Name will help to refresh the Company’s corporate image and identity and better reflect the Company’s business plans and development, and considered that the Change of Company Name was in the best interests of the Company and the Shareholders as a whole.

Subsequent to the passing of the special resolution regarding the Change of Company Name at the annual general meeting held on 26 June 2025, the Certificate of Incorporation on Change of Name was issued by the Registrar of Companies in the Cayman Islands on 4 July 2025 certifying the change of English name and the dual foreign name of the Company, and the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 25 July 2025 confirming the registration of the new name of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The stock short names for trading in the shares of the Company on the Stock Exchange has been changed from “VOLCANO SPRING” to “AI HEALTH TECH” in English and from “火山邑動國際控股” to “智慧健康科技” in Chinese with effect from 9:00 a.m. on Wednesday, 13 August 2025.

The website of the Company changed from “www.volcanospring.com” to “www.aihealth-technology.com” with effect from 13 August 2025.

Save as disclosed above, no significant events affecting the Group have occurred since the end of the reporting period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS OVERVIEW AND OUTLOOK

During the Interim Period, the Group puts its focus on the research and development, manufacturing and trading of kitchen appliances and health-related products in the PRC. The Group distributes its products across the PRC through various sales channels comprising mainly of distributors, consignment sales, television platforms, online platforms and corporate clients.

The PRC economy shows resilience in the first half of 2025 in spite of the pressure of tariff trade war. According to the data released by the National Bureau of Statistics of China, PRC's GDP witnessed a period-on-period increase of 5.3% in the first half of 2025, which is basically in line with the anticipated growth rate around 5.2% to 5.4%. Furthermore, PRC's CPI witnessed a period-on-period decrease of 0.1% in the first half of 2025, which fell short of the anticipated growth rate of 2% set for 2025. The Group continues to suffer from consumption contraction, fierce market competition, inflation and high interest rates. The Group's revenue for the Interim Period decreased by 57.2% to RMB23.9 million from RMB55.9 million, and the Group's gross profit margin reduced to 10.0% from 11.3% compared to the same period in 2024. The Group reported a decrease in net loss to RMB11.5 million for the Interim Period from RMB23.1 million for the same period in 2024. This improvement is primarily due to the scale-down in revenue and corresponding costs and expenses.

Looking ahead, the Group has implemented plans to improve its financial performance. The Group will continue to develop new products that suit the needs of the consumers. On the other hand, the Group will continue to adopt stringent cost control measures to reduce its expenses. The Group will also consider potential opportunities that can diversify its business segments and create value for the Group and its shareholders.

### FINANCIAL REVIEW

#### Revenue

##### *Revenue by product categories*

The Group derives its revenue from the sales of (i) radiant hobs and stoves; (ii) induction hobs and stoves; (iii) pots and pans; (iv) other small kitchen appliances and kitchen cabinets; and (v) health-related products. The Group's total revenue for the Interim Period decreased by 57.2% to approximately RMB23.9 million from RMB55.9 million for the six months ended 30 June 2024.

Set out below is a breakdown of revenue by product categories for the Interim Period:

	Six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	<i>% of total revenue</i>	<i>RMB'000</i>	<i>% of total revenue</i>
Hobs and stoves (Radiant)	10,151	42.4	17,066	30.5
Hobs and stoves (Induction)	684	2.9	1,193	2.1
Pots and pans	3,427	14.3	3,123	5.6
Health-related products	8,146	34.0	33,394	59.7
Others ( <i>Note</i> )	1,532	6.4	1,173	2.1
Total	<b>23,940</b>	<b>100.0</b>	<b>55,949</b>	<b>100.0</b>

*Note:* Others include small kitchen appliances such as hoods, kettles, bakery ovens and kitchen cabinets.

### ***Revenue by geographical regions***

During the six months ended 30 June 2025 and 2024, the Group's revenue was substantially derived in the PRC.

### ***Revenue by sales channels***

The Group sells its products through various channels, mainly including its consignment stores, sales to corporate clients, sales from television platforms and online platforms and physical sales locations operated by the Group's distributors. Set out below is a breakdown of revenue by sales channels for the Interim Period:

	Six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	<i>% of total revenue</i>	<i>RMB'000</i>	<i>% of total revenue</i>
<b>Direct Sales</b>				
Consignment stores	6,273	26.2	7,501	13.4
Corporate clients	358	1.5	189	0.3
Television platform	1,193	5.0	2,728	4.9
Subtotal	<b>7,824</b>	<b>32.7</b>	<b>10,418</b>	<b>18.6</b>
<b>Distributors</b>				
Online platform	6,133	25.6	5,497	9.8
Physical sales locations	9,983	41.7	40,034	71.6
Subtotal	<b>16,116</b>	<b>67.3</b>	<b>45,531</b>	<b>81.4</b>
Total	<b>23,940</b>	<b>100.0</b>	<b>55,949</b>	<b>100.0</b>

### *Consignment stores*

During the Interim Period, the Group's direct sales revenue from consignment stores decreased by 16.4% to RMB6.3 million from RMB7.5 million for the six months ended 30 June 2024, primarily attributable to the decrease in consumer spending amid the trend of consumption downgrading.

### *Corporate clients*

During the Interim Period, the Group's sales revenue from corporate clients increased by 89.4% to RMB0.4 million from RMB0.2 million for the six months ended 30 June 2024, primarily attributable to the increase in sales orders from PRC property developers.

### *Television platform*

During the Interim Period, the Group's direct sales revenue from television platforms decreased by 56.3% to RMB1.2 million from RMB2.7 million for the six months ended 30 June 2024, primarily attributable to (i) the decrease in consumer spending amid the trend of consumption downgrading and (ii) the decrease in sale of kitchen appliance products.

### *Online platform*

During the Interim Period, the Group's sales revenue from online platforms operated by the Group's distributors increased by 11.6% to RMB6.1 million from RMB5.5 million for the six months ended 30 June 2024. The increase in sales revenue from online platforms operated by the Group's distributors was attributable to the increasing consumer preference for selecting and purchasing products from merchants on social media platform.

### *Physical sales locations*

During the Interim Period, the Group's sales revenue from physical sales locations decreased by 75.1% to RMB10.0 million from RMB40.0 million for the six months ended 30 June 2024, primarily attributable to (i) the decrease in consumer spending amid the trend of consumption downgrading and (ii) the decrease in sale of health-related products.

## **Gross profit and gross profit margin**

The Group's gross profit margin decreased to 10.0% for the Interim Period from 11.3% for the six months ended 30 June 2024, primarily attributable to (i) the reclassification of RMB1.1 million impairment loss on inventories from other losses to cost of sales during the Interim Period; and partially offset by (ii) the positive effect in gross profit margin due to significant decrease in sale of health-related products with lower gross profit margin.

## **Other income**

Other income mainly includes government grant, licensing income, management fee income and sundry income. The Group's other income decreased by 48.5% to RMB0.7 million for the Interim Period from RMB1.4 million for the six months ended 30 June 2024, primarily attributable to the decrease in licensing income.

## **Other losses**

The Group recorded other losses of RMB1,000 for the Interim Period as compared with RMB3.0 million for the six months ended 30 June 2024, primarily attributable to the reclassification of RMB1.1 million impairment loss on inventories from other losses to cost of sales during the Interim Period.

## **Selling and distribution expenses**

Selling and distribution expenses mainly represent consignment fee for the Group's direct sales through consignment stores and television platforms, sundry expenses of consignment stores, salaries, performance bonuses and employee benefits expenses of sales and marketing staff, business travelling and entertainment expenses, advertising and promotion expenses, rental expenses and transportation expenses for delivery of products to customers. Selling and distribution expenses for the Interim Period decreased by 36.9% to RMB6.6 million as compared with RMB10.4 million for the six months ended 30 June 2024. This was primarily attributable to the decrease in consignment fees along with the decreased proportion of sales through television platform.

## **Administrative expenses**

Administrative expenses mainly represent salaries and benefits of our administrative and management staff, general office expenses, rental expenses, legal and professional fees, depreciation of property, plant and equipment, amortization of land use right and amortization of intangible assets, and other miscellaneous administrative expenses. Administrative expenses for the Interim Period decreased by 42.8% to RMB5.4 million from RMB9.5 million for the six months ended 30 June 2024. The decrease in administrative expenses for the Interim Period was primarily attributable to the decrease in employee benefit expenses as a result of optimization in department headcount.

## **Research and development expenses**

Research and development expenses for the Interim Period decreased by 19.0% to RMB2.3 million from RMB2.8 million for the six months ended 30 June 2024, primarily due to cost control measures implemented by the Group.

**Impairment loss on investment**

Impairment loss on investment for the Interim Period increased to RMB0.7 million from nil for the six months ended 30 June 2024, attributable to the suspension of business operations by the investee.

**Reversal of impairment loss/(impairment loss) on financial assets**

For the Interim Period, the Group recorded a reversal of impairment loss on financial assets of RMB1.8 million, in contrast to an impairment loss on financial assets of RMB1.8 million for the six months ended 30 June 2024, as a result of improvement on collection management leading to the recovery of credit losses on financial assets.

**Finance income**

Finance income represents bank interest income. For the Interim Period, the Group's finance income decreased to RMB1,000 from RMB5,000 for the six months ended 30 June 2024.

**Finance costs**

For the Interim Period, the Group's finance costs decreased by 57.3% to RMB1.3 million as compared with RMB3.1 million for the six months ended 30 June 2024, primarily attributable to a lower proportion of high-interest borrowings and the decrease in outstanding balance in borrowings.

**Income tax expenses**

For the Interim Period, the Group's income tax expenses decreased to approximately RMB17,000 from RMB27,000 for the six months ended 30 June 2024, primarily attributable to the decrease in tax assessable profits.

**Net loss**

For the reasons mentioned above, the Group recorded a net loss of RMB11.5 million and for the Interim Period as compared with a net loss of RMB23.1 million for the six months ended 30 June 2024.

**Dividend**

The Board does not declare the payment of dividend for the Interim Period.



## Other receivables, deposits and prepayments

	<b>30 June 2025 RMB'000 (Unaudited)</b>	31 December 2024 RMB'000 (Audited)
Non-current Deposits	<u>–</u>	<u>210</u>
Current		
Prepayments	<b>69,665</b>	48,161
Deposits paid to consignment stores	<b>1,918</b>	5,525
Other receivables	<b>5,451</b>	5,136
Value added tax recoverable	<b>1,257</b>	1,182
Less: Expected credit losses allowance of other receivables	<u>(208)</u>	<u>(208)</u>
Total	<u><b>78,083</b></u>	<u>60,006</u>

Prepayments mainly include prepayments to suppliers for the purchase of inventories and prepaid expenses. Prepayments increased by 44.7% to RMB69.7 million as at 30 June 2025 from RMB48.2 million as at 31 December 2024. The increase in the prepayments as at 30 June 2025 was mainly due to the increase in prepayments in suppliers. As at 31 July 2025, 0.4% of the prepayments as at 30 June 2025 was subsequently utilized.

## Trade receivables

Trade receivables decreased by 88.4% to RMB2.9 million as at 30 June 2025 from RMB24.6 million as at 31 December 2024. The decrease in the trade receivables as at 30 June 2025 was mainly attributed to scale-down of sales revenue during the Interim Period. The Group has been regularly liaising with the respective customers to ensure the eventual recovery of these amounts. The Group's credit terms to trade receivables are generally 60 to 180 days. As at 31 July 2025, 8.9% of the trade receivables (net of individual identified allowance) as at 30 June 2025 was subsequently settled.

## CAPITAL STRUCTURE, LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

On 7 March 2025, the Board proposed to (i) increase the authorized share capital of the Company from HK\$100,000,000 divided into 400,000,000 shares of HK\$0.25 each to HK\$150,000,000 divided into 600,000,000 shares of HK\$0.25 each by the creation of an additional 200,000,000 unissued shares of HK\$0.25 each; and (ii) a right issue on the basis of three right shares for every one share held by the qualifying shareholders on the record date at a subscription price of HK\$0.25 per rights share (the “**Rights Issue**”).

Pursuant to an extraordinary general meeting on 29 April 2025, the proposed increase in authorized share capital and Rights Issue have been duly passed by the shareholders by way of poll. The proposed increase of authorized share capital has taken effect on 29 April 2025.

On 17 June 2025, the Company completed the Rights Issue and on 18 June 2025, the Company issued 242,837,879 rights shares of HK\$0.25 each at a subscription price of HK\$0.25 per rights share on the basis of three rights shares for every one share held by the qualifying shareholders on the record date, raising approximately HK\$60.7 million before expenses (or approximately HK\$58.9 million after deducting all relevant expenses).

For further details, please refer to the announcements of the Company dated 7 March 2025, 29 April 2025, 4 June 2025 and 17 June 2025, the circular of the Company dated 7 April 2025 and the prospectus of the Company regarding the Rights Issue dated 14 May 2025.

As at 30 June 2025, the Company’s issued share capital was HK\$90,189,970 divided into 360,759,879 shares of HK\$0.25 each.

The Group mainly funds its business and working capital requirements by using a balanced mix of internal resources, bank and other borrowings and proceeds from placing of the Company’s shares. The funding mix will be adjusted depending on the costs of funding and the actual needs of the Group.

As at 30 June 2025, the Group had net current assets of approximately RMB75.1 million (31 December 2024: RMB29.3 million), cash and cash equivalents amounted to approximately RMB45.9 million (31 December 2024: RMB2.3 million) and borrowings amounted to approximately RMB50.8 million (31 December 2024: RMB60.5 million). The Group’s cash and cash equivalents and borrowings as at 30 June 2025 were mainly denominated in RMB and HKD respectively. As at 30 June 2025, the Group had floating rate borrowings and fixed rate borrowings amounting to approximately RMB8.7 million (31 December 2024: RMB9.9 million) and RMB42.1 million (31 December 2024: RMB50.6 million), respectively. The weighted average interest rate of the Group’s borrowings as at 30 June 2025 was approximately 4.33% (31 December 2024: 4.54%) per annum.

As at 30 June 2025, the Group had a current ratio of 1.9 times (31 December 2024: 1.3 times) and gearing ratio of 0.6 (calculated by dividing total borrowings by total equity) (31 December 2024: 1.4).

As at 30 June 2025 and 31 December 2024, the Group did not have any available unutilised banking facilities.

## **CAPITAL COMMITMENTS**

As at 30 June 2025, the Group did not have any significant capital commitments (31 December 2024: nil).

## **CONTINGENT LIABILITIES**

As at 30 June 2025, the Group did not have any material contingent liabilities or guarantees (31 December 2024: nil).

## **PLEDGE OF ASSETS**

As at 30 June 2025, the Group pledged land use rights and buildings with carrying amount of approximately RMB13.1 million (31 December 2024: RMB14.8 million) to secure its borrowings of approximately RMB26.1 million (31 December 2024: RMB27.5 million).

## **MATERIAL ACQUISITIONS AND DISPOSALS OF ASSETS, SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

During the Interim Period, the Group did not have any material acquisitions and disposals of assets, subsidiaries, associates or joint ventures.

## **SIGNIFICANT INVESTMENTS HELD BY THE GROUP**

During the Interim Period, the Group does not have any significant investments.

## **FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Saved as disclosed herein, during the Interim Period, the Group currently does not have any other future plans for material investments or capital assets.

## **FOREIGN EXCHANGE RISKS**

The Group's foreign exchange risk mainly relates to fluctuations in exchange rates of RMB against its assets and liabilities in currencies other than RMB, and these may affect its operation results. The Group does not have a hedging policy. However, the Group's management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

## EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had a total of 54 employees (31 December 2024: 69 employees), whose remunerations and benefits are determined based on market rates, government policies and individual performance.

## USE OF PROCEEDS IN RELATION TO RIGHTS ISSUE

On 17 June 2025, the Company completed the Rights Issue and on 18 June 2025, the Company issued 242,837,879 rights shares, on the basis of three rights shares for every one share, at a price of HK\$0.25 per rights share (“**2025 Rights Issue**”).

Upon completion of 2025 Rights Issue, the Company received net proceeds of approximately HK\$58.9 million (the “**Net Proceeds**”). The Company intended to apply the Net Proceeds as to: (i) approximately HK\$28.9 million for the repayment of the other borrowings, prioritizing repayment according to the maturity dates of each obligation; and (ii) the remaining approximately HK\$30 million for the Group’s general working capital for the daily operations of its existing principal business, including but not limited to (a) selling and distribution expenses of approximately HK\$17.4 million; (b) administrative expenses of approximately HK\$9.0 million; and (c) research and development expenses of approximately HK\$3.6 million.

Further information of 2025 Rights Issue can be found in the Company’s announcement dated 7 March 2025, 29 April 2025, 4 June 2025 and 17 June 2025, the circular of the Company dated 7 April 2025 and the prospectus of the Company dated 14 May 2025.

The following table sets forth the information in relation to the use of the Net Proceeds raised from the 2025 Rights Issue:

Intended use of net proceeds	Original allocation of net proceeds HK\$ million (approximately)	Utilised amount of net proceeds up to 30 June 2025 HK\$ million (approximately)	Unutilised amount of net proceeds up to 30 June 2025 HK\$ million (approximately)	Expected time period for the unutilised net proceeds
Repayment of other borrowings of the Group	28.9	10.1	18.8	On or before 30 June 2026
Replenishment of the general working capital of the Group	30.0	0.9	29.1	On or before 31 December 2026
Total	<u>58.9</u>	<u>11.0</u>	<u>47.9</u>	

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares and underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept 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 Transaction by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to The Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), and Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) are as follows:

#### Interest in the Company

Name of Director	Capacity/ nature of interest	Number of Shares held (Note 1)	Percentage of shareholding in the Company (Approximate)
Mr. Zhao Jie	Beneficial owner	25,780,000 (L)	7.15%
Mr. Wu Huizhang (“ <b>Mr. Wu</b> ”) (Note 2)	Beneficial owner and interest in a controlled corporation	9,200,000 (L)	2.55%

#### Notes:

1. The letter “L” denotes long position of the shares and the letter “S” denotes short position of the shares.
2. Mr. Wu directly held 1,200,000 shares of the Company and is deemed to be interested in 8,000,000 shares held by Seashore Global Enterprises Limited (“**Seashore Global**”), by virtue of the fact that the issued shares of Seashore Global are wholly-owned by Mr. Wu, therefore, Mr. Wu, directly and indirectly, held 9,200,000 shares of the Company in total.

Save as disclosed above, none of the Directors or chief executive of the Company and/or any of their respective associates had any interests or short positions in any shares and underlying shares in, and debentures of, the Company or any associated corporations as at 30 June 2025, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

## ARRANGEMENT FOR DIRECTORS TO PURCHASE SHARES OR DEBENTURES

Saved as disclosed in this announcement, at no time from the Listing Date up to 30 June 2025 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director of the Company or their respective spouses or minor children, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, the following persons (other than the interests of the Directors or chief executives of the Company as disclosed above) had interests or short positions in the ordinary shares of the Company or underlying shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Director	Capacity/ nature of interest	Number of Shares held (Note 1)	Percentage of shareholding in the Company (Approximate)
Starlight Investment Fund SPC – Starlight Investment Fund SP6	Beneficial owner	100,000,000 (L)	27.72%

*Note:*

1. The letter “L” denotes long position of the shares and the letter “S” denotes short position of the shares.

Save as disclosed above, as at 30 June 2025, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the “**Share Option Scheme**”) on 24 June 2018. The purpose of which is to motivate the relevant participants to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.

During the Interim Period, no share option was granted, exercised, cancelled or lapsed and there is no outstanding share option under the Share Option Scheme.

As at 1 January 2025 and 30 June 2025, there is 6,000,000 options available for grant under the share option scheme mandate; and the number of shares that may be issued in respect of options granted under the Share Option Scheme for the six months ended 30 June 2025 is nil, representing 0% of the weighted average number of shares of the relevant class in issue of the Company for the six months ended 30 June 2025.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (the “**Treasury Shares**”) within the meaning under the Listing Rules) during the Interim Period. As at 30 June 2025, the Company did not hold any Treasury Shares.

## **DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST IN COMPETING INTERESTS OR CONFLICT OF INTEREST**

For the Interim Period, the Directors are not aware of any business or interest of the Directors, the substantial shareholders of the Company and their respective associates (as defined in the Listing Rules) that competes or is likely to compete, either directly or indirectly, with the business of the Group and any other conflicts of interests which any such person has or may have with the Company.

## **REVIEW OF INTERIM RESULTS**

The Audit Committee has reviewed the unaudited condensed consolidated interim financial information and the interim results for the six months ended 30 June 2025 and discussed the related financial matters with the Board.

## **MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code set out in Appendix C3 of the Listing Rules as its code of conduct regarding Directors' securities transactions upon successful listing and all Directors have confirmed, upon specific enquiry made, that they complied with the Model Code for the Interim Period.

## **CORPORATE GOVERNANCE**

The Board adopted a set of corporate governance practices which aligns with or is more restrictive than the requirements set out in the Corporate Governance Code (the “**CG Code**”), contained in Appendix C1 to the Listing Rules. Except for code provision C.1.6, the Board is of the view that the Company has complied with the code provisions set out in the CG Code for the Interim Period.



Pursuant to code provision C.1.6 of the Code, independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. Our independent non-executive Director, Mr. Li Wei was unable to attend the extraordinary general meeting of the Company held on 29 April 2025, and the annual general meeting of the Company held on 26 June 2025, due to other business commitments.

The Company regularly reviews its corporate governance practices to ensure they comply with the CG Code and align with the latest development.

## **EVENT AFTER THE REPORTING PERIOD**

### **Capital reorganisation**

On 4 August 2025, the Company proposed to implement capital reduction (the “**Capital Reduction**”) whereby the par value of each issued share will be reduced from HK\$0.25 to HK\$0.001 by cancelling the paid-up capital to the extent of HK\$0.249 on each issued share, so that following such reduction, each issued share shall become one new ordinary share with par value of HK\$0.001 each.

Immediately following the Capital Reduction becoming effective, the Company proposed to implement a Sub-division (the “**Sub-division**”) whereby each authorised but unissued share with par value of HK\$0.25 will be subdivided into two hundred and fifty (250) new shares with par value of HK\$0.001 each.

After the Capital Reduction and Sub-division become effective, the authorised share capital of the Company shall be HK\$150,000,000 divided into 150,000,000,000 ordinary shares with par value of HK\$0.001 each. The Capital Reduction and the Subdivision (the “**Capital Reorganisation**”) has not yet been completed as of the date of this announcement.

Details of the Capital Reorganisation are set out in the announcement of the Company dated 4 August 2025 and the circular of the Company dated 15 August 2025.

### **Change of company name, stock short names and company website**

On 15 May 2025, the Company proposed to change the English name of the Company from “Volcano Spring International Holdings Limited” to “AI Health Technology Limited” and the dual foreign name in Chinese of the Company from “火山邑動國際控股有限公司” to “智慧健康科技有限公司” (the “**Change of Company Name**”).

The Board was of the view that the Change of Company Name will help to refresh the Company’s corporate image and identity and better reflect the Company’s business plans and development, and considered that the Change of Company Name was in the best interests of the Company and the Shareholders as a whole.



Subsequent to the passing of the special resolution regarding the Change of Company Name at the annual general meeting held on 26 June 2025, the Certificate of Incorporation on Change of Name was issued by the Registrar of Companies in the Cayman Islands on 4 July 2025 certifying the change of English name and the dual foreign name of the Company, and the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 25 July 2025 confirming the registration of the new name of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The stock short names for trading in the shares of the Company on the Stock Exchange has been changed from “VOLCANO SPRING” to “AI HEALTH TECH” in English and from “火山邑動國際控股” to “智慧健康科技” in Chinese with effect from 9:00 a.m. on Wednesday, 13 August 2025.

The website of the Company changed from “www.volcanospring.com” to “www.aihealth-technology.com” with effect from 13 August 2025.

Save as disclosed above, no significant events affecting the Group have occurred since the end of the reporting period.

## DISCLOSURE OF INFORMATION ON DIRECTORS

With effect from 30 June 2025:

1. Mr. Zhao Jie (“**Mr. Zhao**”), the chairman of the nomination committee of the Board (the “**Nomination Committee**”) and an executive Director of the Company, ceased to be the chairman and a member of the Nomination Committee;
2. Madam Maeck Can Yue (“**Madam Maeck**”), an executive Director of the Company, has been appointed as a member of the Nomination Committee; and
3. Mr. Shen Shujing (“**Mr. Shen**”), an independent non-executive Director and a member of the Nomination Committee, has been appointed as the chairman of the Nomination Committee.

With effect from 2 July 2025:

1. Dr. Zheng Jingwen (“**Dr. Zheng**”) has resigned as non-executive Director;
2. Mr. Wang Shih-fang (“**Mr. Wang**”) has resigned as an independent non-executive Director, a member of each of the audit committee (the “**Audit Committee**”), Nomination Committee and remuneration committee (the “**Remuneration Committee**”) of the Board;

3. Ms. Zhang Yuanjie (“**Ms. Zhang**”) is appointed as non-executive Director;
4. Mr. Zhao, an executive Director of the Company, has been appointed as a member of the Remuneration Committee; and
5. Mr. Lin Dongming (“**Mr. Lin**”), an independent non-executive Director of the Company, has been appointed as a member of the Nomination Committee.

Save as disclosed herein, as at the date of this announcement, there has been no change to the information of the Directors and chief executives of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This interim results announcement is published on the websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.aihealth-technology.com](http://www.aihealth-technology.com)). The interim report of the Company for the six months ended 30 June 2025 will be dispatched to shareholders of the Company and published on the aforementioned websites in due course.

By order of the Board  
**AI Health Technology Limited**  
**Zhao Jie**  
*Executive Director*

Hong Kong, 27 August 2025

*As at the date of this announcement, the executive Directors are Mr. Zhao Jie, Madam Maeck Can Yue and Mr. Wu Huizhang, the non-executive Director is Ms. Zhang Yuanjie, and the independent non-executive Directors are Mr. Li Wei, Mr. Lin Dongming and Mr. Shen Shujing.*