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IVD Medical Holding Limited

華檢醫療控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1931)

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

FINANCIAL HIGHLIGHTS

The board (the “**Board**”) of directors (the “**Directors**”, each a “**Director**”) of IVD Medical Holding Limited (the “**Company**”) hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”), which have been reviewed by the Company’s audit committee (the “**Audit Committee**”) and have been approved by the Board on 29 August 2025. The financial highlights of the Group for the Reporting Period together with the comparative figures for the corresponding period in 2024 are set out as follows:

	Six months ended 30 June		
	2025	2024	Change
	RMB’000	RMB’000	
	(Unaudited)	(Unaudited)	
Revenue	1,269,595	1,353,470	(6.2%)
Gross profit	279,594	324,692	(13.9%)
Profit for the period	38,326	127,566	(70.0%)
Profit attributable to owners of the parent	39,119	125,288	(68.8%)
Adjusted profit for the period (Non-GAAP, see Note)	35,628	127,790	(72.1%)
Adjusted profit attributable to owners of the parent (Non-GAAP, see Note)	36,421	125,502	(71.0%)
Earnings per share			
Basic and diluted (RMB cents)	2.41	9.27	(6.86)

Note: Adjusted profit for the period and adjusted profit attributable to owners of the parent are non-GAAP financial measures and are calculated by profit for the period and profit attributable to owners of the parent excluding certain impact of non-operating items which affect the results presented in the financial statements but are not indicative of the operating performance of the Group, with the intent to provide the shareholders of the Company (the “**Shareholders**”) and potential investors with useful supplementary information to assess the performance of the Group’s core operations. See also the paragraph headed “Adjusted profit for the period” in this announcement for more information and calculation of these measures.

For the Reporting Period, the Group achieved a revenue of RMB1,269,595 thousand, which represented a decrease of 6.2% as compared to the corresponding period of 2024 due to the decrease of market demand.

Profit of the Group for the Reporting Period recorded a decrease of 70.0% as compared to the corresponding period of 2024. Such decrease was primarily attributable to (i) decrease in revenue; (ii) decrease in gross profit margin; (iii) higher administrative expenses incurred due to labor costs for the Reporting Period; and (iv) an increase in selling and distribution expenses, resulting from the technical service fees paid to a prospective partner, an in vitro diagnostic company with chemiluminescence technology and products as its core, for the Reporting Period.

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

Six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Unaudited)
Revenue	4	1,269,595	1,353,470
Cost of sales		<u>(990,001)</u>	<u>(1,028,778)</u>
Gross profit		279,594	324,692
Other income and gains, net	5	8,459	9,528
Selling and distribution expenses		(70,314)	(60,090)
Administrative expenses		(93,652)	(76,169)
Other expenses		(24,899)	(1,350)
Finance costs		(22,414)	(11,629)
Fair value gain (loss) on financial assets at fair value through profit or loss		2,698	(6)
Share of losses of associates		(6,032)	(3,628)
Share of loss of a joint venture		–	(291)
Impairment of trade receivables	6	<u>(1,596)</u>	<u>(566)</u>
Profit before tax	6	71,844	180,491
Income tax expense	7	<u>(33,518)</u>	<u>(52,925)</u>
Profit for the period		<u>38,326</u>	<u>127,566</u>
Profit for the period attributable to:			
Owners of the parent		39,119	125,288
Non-controlling interests		<u>(793)</u>	<u>2,278</u>
Profit for the period		<u>38,326</u>	<u>127,566</u>

	Six months ended 30 June	
	2025	2024
	<i>Notes</i> RMB'000 (Unaudited)	RMB'000 (Unaudited)
OTHER COMPREHENSIVE INCOME		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(5,948)</u>	<u>(4,506)</u>
Other comprehensive (loss) income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company's financial statements	<u>(5,447)</u>	<u>4,698</u>
Other comprehensive (loss) income for the period, net of tax	<u>(11,395)</u>	<u>192</u>
Total comprehensive income for the period	<u><u>26,931</u></u>	<u><u>127,758</u></u>
Total comprehensive income attributable to:		
Owners of the parent	27,724	125,480
Non-controlling interests	<u>(793)</u>	<u>2,278</u>
	<u><u>26,931</u></u>	<u><u>127,758</u></u>
Earnings per share attributable to owners of the parent		
Basic and diluted (RMB cents)	<u><u>2.41</u></u>	<u><u>9.27</u></u>

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2025

	<i>Notes</i>	2025 RMB'000 (Unaudited)	2024 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	114,126	104,312
Intangible assets		1,635,885	1,635,885
Investments in associates		10,095	10,806
Investment in a joint venture		25,663	25,167
Financial assets at fair value through profit or loss (“Financial assets at FVTPL”)		15,825	16,011
Deferred tax assets		15,757	15,065
Total non-current assets		<u>1,817,351</u>	<u>1,807,246</u>
CURRENT ASSETS			
Inventories		3,109,024	1,236,751
Trade receivables	11	509,977	484,276
Prepayments and other receivables		135,443	137,875
Financial assets at FVTPL		2,698	–
Pledged deposits		159,795	83,378
Cash and cash equivalents		424,849	1,774,358
Total current assets		<u>4,341,786</u>	<u>3,716,638</u>
CURRENT LIABILITIES			
Trade payables	12	556,702	595,183
Other payables and accruals		188,539	188,311
Interest-bearing bank borrowings		1,655,064	732,566
Tax payable		19,396	30,609
Total current liabilities		<u>2,419,701</u>	<u>1,546,669</u>
NET CURRENT ASSETS		<u>1,922,085</u>	<u>2,169,969</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,739,436</u>	<u>3,977,215</u>

		2025	2024
	Notes	RMB'000 (Unaudited)	RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Other payables and accruals		16,593	13,167
Deferred tax liabilities		198,614	202,862
Total non-current liabilities		215,207	216,029
Net assets		3,524,229	3,761,186
EQUITY			
Equity attributable to owners of the parent			
Share capital	13	5,589	5,603
Reserves		3,461,383	3,709,015
		3,466,972	3,714,618
Non-controlling interests		57,257	46,568
Total equity		3,524,229	3,761,186

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

The Company is a company with limited liability incorporated in the Cayman Islands and whose shares are publicly traded on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The principal activities of the Group are described in note 3 to the interim condensed consolidated financial information.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information of the Group for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

2.2. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of following new and revised IFRS Accounting Standard for the first time for the current period’s financial information.

Amendments to IAS 21

Lack of Exchangeability

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

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the sale and manufacture of medical equipment and consumables and the provision of after-sales services related to medical equipment. For the purpose of resource allocation and performance assessment, the Group’s management focuses on the operating results of the Group. As such, the Group’s resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Chinese Mainland	1,265,371	1,350,397
Others	4,224	3,073
Total	<u>1,269,595</u>	<u>1,353,470</u>

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

(b) Non-current assets

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Chinese Mainland	1,778,601	1,769,684
Others	7,168	6,486
Total	<u>1,785,769</u>	<u>1,776,170</u>

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

Information about major customers

During the six months ended 30 June 2025 and 2024, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

4. REVENUE

An analysis of revenue is as follows:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sales of trading goods	1,177,346	1,253,634
Sales of manufactured goods	4,474	4,578
Provision of after-sales services	87,775	95,258
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Total	1,269,595	1,353,470
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Revenue from contracts with customers

Disaggregated revenue information

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Types of goods and services		
Sales of medical equipment	113,963	87,616
Sales of medical consumables	1,067,857	1,170,596
Provision of after-sales services	87,775	95,258
	<hr/>	<hr/>
Total	1,269,595	1,353,470
	<hr/> <hr/>	<hr/> <hr/>
Types of customers		
Sales to hospitals and healthcare institutions	181,871	188,124
Sales to logistics providers	90,002	85,241
Sales to distributors	909,947	984,847
Sales to service customers	87,775	95,258
	<hr/>	<hr/>
Total	1,269,595	1,353,470
	<hr/> <hr/>	<hr/> <hr/>
Timing of revenue recognition		
Goods transferred at a point in time	1,181,820	1,258,212
Services transferred over time	87,775	95,258
	<hr/>	<hr/>
Total	1,269,595	1,353,470
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5. OTHER INCOME AND GAINS

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Other income		
Bank interest income	1,122	1,766
Government subsidies*	7,199	6,775
Others	138	946
Subtotal	8,459	9,487
Gains		
Gain on disposal of items of property, plant and equipment	–	41
Subtotal	–	41
Total	8,459	9,528

* Government grants have been received from the PRC local government authorities to support subsidiaries' daily operating activities. There are no unfulfilled conditions or contingencies relating to these grants.

6. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Cost of inventories sold*	946,176	987,866
Cost of services provided*	43,825	40,912
Depreciation of owned assets	12,828	12,009
Depreciation of right-of-use assets	6,676	7,673
Research and development costs	5,449	3,766
Impairment of trade receivables	1,596	566
Foreign exchange differences, net****	(24,899)	1,350
Gain on disposals of property, plant and equipment**	–	(41)
Write-down of inventories to net realisable value***	71	9,682

- * These items are included in “Cost of sales” on the face of the interim condensed consolidated statement of profit or loss and other comprehensive income.
- ** These items are included in “Other income and gains” on the face of the interim condensed consolidated statement of profit or loss and other comprehensive income.
- *** This item is included in “Costs of inventories sold” above.
- **** This item is included in “Other expenses” on the face of the interim condensed consolidated statement of profit or loss and other comprehensive income.

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of the 16.5% on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (six months ended 30 June 2024: HK\$2,000,000) of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. Tax on profits assessable in Chinese Mainland has been calculated at the applicable PRC corporate income tax (“CIT”) rate of 25% during the period.

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current – Chinese Mainland		
Charge for the period	33,568	57,590
Overprovision in prior periods	(476)	(1,728)
Current – Hong Kong		
Charge for the period	625	2,261
Deferred	(199)	(5,198)
	<hr/>	<hr/>
Total tax charge for the period	33,518	52,925
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8. DIVIDENDS

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Dividend recognised as distribution during the reporting period:		
Final in respect of the year ended 31 December 2024 – Nil cents per ordinary share (2024: Final in respect of the year ended 31 December 2023 – HK6.209 cents per ordinary share)	–	76,762
	<u> </u>	<u> </u>

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

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent of RMB39,119,000 (six months ended 30 June 2024: RMB125,288,000), and the weighted average number of ordinary shares of 1,625,103,535 (six months ended 30 June 2024: 1,351,898,080) in issue during the period.

No adjustment has been made to the basic earnings per share presented for the six months ended 30 June 2025 and 2024 as the Group had no potentially dilutive ordinary shares in issue during these periods.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired items of owned property, plant and equipment of RMB16,079 thousand (six months ended 30 June 2024: RMB14,259 thousand).

11. TRADE RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	517,076	489,779
Impairment, net	<u>(7,099)</u>	<u>(5,503)</u>
Net carrying amount	<u>509,977</u>	<u>484,276</u>

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 month	444,437	392,336
1 to 2 months	18,736	47,932
2 to 3 months	15,288	19,592
Over 3 months	<u>31,516</u>	<u>24,416</u>
Total	<u>509,977</u>	<u>484,276</u>

12. TRADE PAYABLES

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 month	456,206	438,723
1 to 2 months	1,031	143,770
2 to 3 months	7,406	5,761
Over 3 months	<u>92,059</u>	<u>6,929</u>
Total	<u>556,702</u>	<u>595,183</u>

13. SHARE CAPITAL

Shares

	30 June 2025		31 December 2024	
	US\$'000	RMB'000	US\$'000	RMB'000
	(Unaudited)		(Audited)	
Authorised:				
3,000,000,000 ordinary shares of US\$0.0005 each	<u>1,500</u>	<u>10,280</u>	<u>1,500</u>	<u>10,280</u>
Issued and fully paid:				
1,621,488,096 ordinary shares (31 December 2024: 1,625,508,096) of US\$0.0005 each	<u>817</u>	<u>5,589</u>	<u>819</u>	<u>5,603</u>

The movements in the company's issued share capital during the period ended 30 June 2025 and year ended 31 December 2024 were as follows

	Number of ordinary shares	Nominal value of ordinary shares US\$'000	Equivalent to RMB'000
At 1 January 2024	1,354,590,080	678	4,637
Placement of new shares (<i>Note a</i>)	<u>270,918,016</u>	<u>141</u>	<u>966</u>
At 31 December 2024 and 1 January 2025 (Audited)	1,625,508,096	819	5,603
Share repurchase and cancellation (<i>note b</i>)	<u>(4,020,000)</u>	<u>(2)</u>	<u>(14)</u>
At 30 June 2025 (Unaudited)	<u>1,621,488,096</u>	<u>817</u>	<u>5,589</u>

Note:

- (a) On 25 June 2024, the Company and a placing agent entered into a placing agreement pursuant to which the Company has conditionally agreed to place a maximum of 270,918,016 placing shares to independent investors at a price of HK\$0.7 per share. The placing was completed on 24 July 2024 pursuant to which the Company has allotted and issued 270,918,016 placing shares. The net proceeds derived from the placing amounted to approximately HK\$189,453,000 (equivalent to RMB173,142,000) and resulted in the increase in share capital of approximately HK\$1,057,000 (equivalent to RMB966,000) and share premium of approximately HK\$188,396,000 (equivalent to RMB172,176,000), net of transaction costs of approximately HK\$190,000 (equivalent to RMB175,000).
- (b) During the six months ended 30 June 2025, the company had repurchased 4,020,000 its own ordinary shares with an aggregate consideration RMB8,117,000 and cancelled the repurchased shares on 24 June 2025.

14. EVENT AFTER REPORTING PERIOD

On 8 August 2025, the Company has purchased a total of 5,190 Ethereum (“ETH”) in the first batch, each at an average price of HK\$28,798.21 (equivalent to US\$3,661), with a total transaction value of HK\$149.47 million. The first batch of ETH purchases was completed in open market through HashKey Exchange, funded by the Group’s existing cash reserves. Details please refer to announcement dated on 8 August 2025.

On 15 August 2025, the proposed purchase of cryptocurrencies by the Company. As the Board are of the view that purchase and holding of cryptocurrencies is a pivotal move for the Group to consolidate the ETH Reserve Vault and accelerate the construction of the ivd.xyz Exchange ecosystem and other business layouts and development, and a significant component of the Group’s asset allocation strategy, after careful consideration, the Board proposed to seek approval for the Acquisition Mandate from the Shareholders in advance to authorize and empower the Board to conduct the Potential Cryptocurrency Acquisitions, for an aggregate amount not exceeding HK\$3 billion, during the 36 months from the date on which the ordinary resolution in relation to the Acquisition Mandate and the Potential Cryptocurrency Acquisitions is duly passed at the Extraordinary General Meeting. Details please refer to announcement dated on 15 August 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group is a leading distributor of IVD products in the People's Republic of China ("PRC"). The Group is also engaged in the research, development, manufacturing and sales of its self-branded IVD products. The Group has been able to increase its market share and profits steadily by taking advantage of its competitive and diverse product portfolio, extensive distribution network and hospital coverage.

During the Reporting Period, the Group recorded a revenue of RMB1,269,595 thousand, representing a decrease of 6.2% as compared to the corresponding period of 2024. The Group's profit for the period decreased by 70.0% to RMB38,326 thousand for the Reporting Period.

Business segments

The Group's business in the Reporting Period can be broadly categorised into the following three segments:

- ***Distribution Business***

The distribution of IVD products forms the cornerstone of the Group's business. It primarily involves the trading of IVD analysers, reagents and other consumables to customers such as distributors, hospitals and healthcare institutions and logistics providers. The Group's distribution of IVD products was primarily conducted through Vastec Medical Equipment (Shanghai) Co., Ltd. ("**Vastec**"), a subsidiary of the Company. Vastec is primarily engaged in the distribution of Sysmex Corporation's ("**Sysmex**") haemostasis products in the PRC. It has been the sole national distributor of Sysmex's haemostasis products with exclusive distribution rights in the PRC since 1997. It also procures a diversified portfolio of IVD products from other leading international brands for distribution in the PRC. As of 30 June 2025, approximately 6,605 of Sysmex haemostasis analysers have been installed by the Group and in use at hospitals and healthcare institutions accumulatively.

Having worked together for 27 years, Vastec and Sysmex Shanghai Ltd. continue to deepen their cooperative relationship. In the Reporting Period, they jointly responded to the dynamic demands of the medical device market in the PRC, further consolidating Vastec's market position as the exclusive distributor of Sysmex's haemostasis products in Chinese Mainland, and also providing a robust business foundation for the Group in a regulatory environment characterized by changing policies.

The Group also provides 4 Thrombotic Markers (*Note*) products manufactured by Sysmex to the market. These products adopt highly sensitive chemiluminescence technology, which may facilitate early diagnosis of thrombosis and fibrinolysis. As of 30 June 2025, 98 Sysmex haemostasis immunoassay analysers which performed the 4 Thrombotic Markers have been installed by the Group at the hospitals and healthcare institutions in the PRC.

Note: 4 Thrombotic Markers refer to: 1) TAT: Thrombin-antithrombin complex 凝血酶－抗凝血酶複合物, 2) PIC: Plasmin- α 2-plasmin inhibitor complex, 纖溶酶- α 2纖溶酶抑制物複合物, 3) TM: Thrombomodulin血栓調節蛋白, 4) t-PAI-C: Tissue plasminogen activator/plasminogen activator inhibitor-1 complex 組織纖溶酶原激活物－纖溶酶原激活物抑制劑-1複合物.

In addition, the Group provides solution services to the clinical laboratories of hospitals. This has enabled the Group to establish and maintain direct relationships with local medical practitioners so as to keep the Group close to the frontline of the medical practice and the market demand of IVD products. In the first half of 2025, the Group provided solution services to nine hospitals in the PRC. Solution services contributed revenue of RMB108,899 thousand for the Reporting Period, representing a decrease of 7.3% as compared to RMB117,462 thousand for the six months ended 30 June 2024. Such decrease was primarily due to the decrease of market demand.

Through years of operations, the Group has established an expansive distribution network across 31 provinces, municipalities and autonomous regions in the PRC with an extensive hospital coverage. As of 30 June 2025, the Group had 236 (as of 30 June 2024: 234) direct customers, including hospitals and healthcare institutions, and 1,073 (as of 30 June 2024: 950) distributors in its established distribution network. As of 30 June 2025, the Group also covered 1,711 Class III hospitals mainly through its sub-distribution networks in the PRC, which further enhanced the competitiveness of the Group.

- ***After-sales Services***

Apart from distributing IVD products in the PRC, the Group also derived its revenue from providing after-sales services to end customers of Sysmex's haemostasis analysers in the PRC. In 2017, Vastec entered into an after-sales services agreement with Sysmex to provide after-sales services to haemostasis analysers procured by its end customers. The after-sales services provided by Vastec generally include maintenance and repair services, installation services and end customer trainings. Vastec primarily provides its after-sales services to hospitals and healthcare institutions. During the Reporting Period, the after-sales services business has been sustainably and steadily developing.

- ***Self-branded Products Business***

The Group has also engaged in the research, development, manufacturing and sales of IVD analysers and reagents under its own brand. The Group's self-branded IVD reagents were manufactured by Suzhou DiagVita Biotechnology Co., Ltd. and Bazoe Medical Co., Ltd., and the Group's IVD analysers were produced by the Group's subsidiary, Langmai Biotechnology (Shandong) Co., Ltd. These self-developed IVD products primarily include IVD analysers and reagents primarily under the IVD testing category of point-of-care testing, mass spectrometry and microbiology.

INDUSTRY OVERVIEW

The continual growth of the healthcare market in the PRC is driven by a combination of favourable socio-economic factors including (i) the growth of the PRC population's disposable income and spending on healthcare, (ii) the increase of the overall PRC population and the accelerated ageing population, (iii) the expansion of the PRC economy, and (iv) strong support from the PRC government on healthcare spending as well as on continuous technological innovation. The Group expects that there will be significant growth potential for the healthcare market, especially the medical device market in the PRC. The integrated distribution value chain of the Group will provide strong support for the Group's development in the future.

According to Frost & Sullivan, by 2027, the PRC IVD market at ex-factory price level is projected to reach RMB278.7 billion with a compound annual growth rate of 15.7% during 2021 to 2027. In the future, the PRC IVD market is expected to grow with the aggravating trend of an ageing population, the growth of medical expenses per capita and the progress of technological development. The haemostasis analysis and other segmented fields are expected to continue to maintain a highly concentrated competitive landscape.

At the same time, global artificial intelligence technology is accelerating its penetration into the real economy, giving rise to disruptive innovations across multiple fields. AI-driven robotic technology has become a key engine for driving industrial upgrades, with application scenarios covering intelligent manufacturing, logistics automation, service interaction, and high end equipment operation and maintenance, demonstrating cross-industry commercialization potential. The versatility of such technologies enables them to quickly adapt to diverse scenario requirements, becoming an emerging growth pole independent of traditional industries. The Group closely monitors the reshaping effects of such technological breakthroughs on the global industrial landscape and continuously evaluates their commercialization pathways in different verticals to explore the possibilities of expanding future business boundaries.

BUSINESS OUTLOOK AND DEVELOPMENT STRATEGIES

On 12 July 2019, the Company successfully commenced its listing on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), providing the Group with a good opportunity for future development. Based on continuous insights into technological innovations and market demands in the healthcare industry, the Group will further expand the boundaries of technological innovation while consolidating its core IVD business, actively exploring the strategic value of robotic technology and cutting-edge technologies to seize growth opportunities brought about by global technological changes.

Looking ahead, the Group will leverage the capital market to continue consolidating its leading position in the IVD industry in the PRC and adopt active development strategies, including but not limited to the following key directions:

Expanding product portfolio, the reach of distribution network and hospital coverage

To capitalise on the high growth potential in the IVD market, the Group aims to continuously expand its product portfolio by diversifying product categories, increasing brand coverage, and expanding the breadth of its distribution network and hospital coverage. To achieve these purposes, the Group intends to (i) establish and maintain relationship with well-known IVD manufacturers and suppliers by way of stocking sufficient target IVD products to secure more distribution rights; (ii) strengthen its relationship with hospitals in urban areas, community clinics at the provincial and municipal levels and other customers in rural areas; and (iii) establish a new department and hire more sales personnel to manage the expansion of its distribution coverage.

Enhancing the intelligence of its solution services to continue to develop its distribution business

The Group has been providing solution services to hospitals in the PRC since 2013. By being the general supplier of the clinical laboratory department in such hospitals, the Group participates in the design of laboratory layout, provides centralised procurement of IVD products, conducts real-time inventory monitoring and provides other after-sales services to clinical laboratories. Through years of operations, the Group has accumulated a wealth of operational experience and a diversified product portfolio, thus being able to promote the same to other hospitals and healthcare institutions.

The Group plans to further upgrade the technical architecture of providing solution services to hospitals by introducing data-driven operational models and automated process management tools to enhance the operational efficiency and service response capability of clinical laboratories. Including but not limited to, optimizing inventory monitoring systems using intelligent algorithms to achieve precise demand forecasting; or enhancing real-time collaboration capabilities with medical institutions through remote diagnostic platforms. Such innovative initiatives will create higher added value for customers and provide technical support for the Group to explore the mid to high-end market.

The Group plans to hire more sales personnel to manage the promotion and marketing of solution services of the Group and to stock sufficient IVD products of various brands to strengthen the Group's advantages in centralized procurement. In addition, the Group intends to continuously participate in national and local IVD symposiums and academic conferences to enhance brand awareness.

Establishing A Global Enhanced Ethereum (“ETH”) Vault, Upgrading The Company’s Global Strategy, and Creating Value For Ecosystem Participants

Recently, the Company entered into a global strategic cooperation framework agreement with HashKey Group, a leading global digital asset financial services provider, marking an important milestone in the Company's integration of chain finance with innovative healthcare capital. The cooperation will leverage HashKey's compliant trading platform and global liquidity network to assist the Group in executing bulk ETH transactions, optimising cross-border transaction costs, and strengthening asset management mechanisms. Through this collaboration, the Group will be able to swiftly establish and expand its 'Global Enhanced Ethereum Vault' under compliant conditions, enhancing capital utilisation efficiency and providing reliable reserve support for future tokenization research and development projects.

Through the two drivers of ETH reserves and the tokenization of innovative drug intellectual property rights (real world assets (RWA)), the strategic cooperation aims to improve the efficiency of capital allocation and global circulation of research and development funds. HashKey's expertise in cross-border transaction execution, risk management, and compliance frameworks will reduce friction and regulatory risks associated with large-scale cryptocurrency transactions, while introducing broader institutional liquidity sources for the Company. Through tokenization technology, the Group can tokenize valuable medical research and development outcomes, enabling cross-border asset value flow and more flexible capital operations, thereby accelerating the research and development and commercialization of innovative drugs.

On 8 August 2025, the Company entered into a global strategic cooperation with HashKey Group, a leading digital asset financial services provider. The cooperation aims to leverage HashKey's compliant trading and custody ecosystem to facilitate the Company's ETH transactions, optimize costs, access global liquidity, and explore the tokenization of RWA.

A key step in this plan is the initial purchase of 5,190 ETH (worth approximately HK\$149.47 million) through the licensed HashKey Exchange. This is the first tranche of a planned HK\$880 million allocation, funded by the company's cash reserves. The Company intends to adopt a regular investment strategy to continuously increase its ETH holdings.

FINANCIAL REVIEW

Overview

The financial summary set out below is extracted or calculated from the unaudited financial statements of the Group for the Reporting Period, which were prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

During the Reporting Period, the Group recorded revenue of RMB1,269,595 thousand, representing a decrease of RMB83,875 thousand or 6.2% as compared to the corresponding period of 2024.

During the Reporting Period, the Group recorded profit for the period of RMB38,326 thousand, representing a decrease of RMB89,240 thousand or 70.0% as compared to the corresponding period of 2024. Profit attributable to owners of the parent amounted to RMB39,119 thousand, representing a decrease of RMB86,169 thousand or 68.8% as compared to the corresponding period of 2024.

During the Reporting Period, the Group recorded adjusted profit for the period of RMB35,628 thousand, representing a decrease of RMB92,162 thousand or 72.1% as compared to the corresponding period of 2024.

	For the six months ended 30 June		
	2025	2024	Change
	<i>RMB'000</i>	<i>RMB'000</i>	
Operating Results			
Revenue	1,269,595	1,353,470	(6.2%)
Gross profit	279,594	324,692	(13.9%)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	113,762	211,802	(46.3%)
Profit for the period	38,326	127,566	(70.0%)
Profit attributable to owners of the parent	39,119	125,288	(68.8%)
Adjusted profit for the period (<i>Note 1</i>)	35,628	127,790	(72.1%)
Adjusted profit attributable to owners of the parent (<i>Note 1</i>)	36,421	125,502	(71.0%)
Financial Ratios			
Gross profit margin (%) (<i>Note 2</i>)	22.0%	24.0%	(2.0%)
Net profit margin (%) (<i>Note 2</i>)	3.0%	9.4%	(6.4%)
Adjusted profit margin for the period (%) (<i>Note 3</i>)	2.8%	9.4%	(6.6%)
Return on assets (%) (<i>Note 2</i>)	0.7%	2.5%	(1.8%)
Return on equity (%) (<i>Note 2</i>)	1.1%	3.7%	(2.6%)

	For the six months ended 30 June		
	2025	2024	Change
Average turnover days of trade receivables (days) <i>(Note 2)</i>	71	62	9
Average turnover days of inventories (days) <i>(Note 2)</i>	397	217	180
Average turnover days of trade payables (days) <i>(Note 2)</i>	105	98	7
	30 June 2025	31 December 2024	Change
	RMB'000	RMB'000	
Financial Position			
Total assets	6,159,137	5,523,884	11.5%
Equity attributable to owners of the parent	3,466,972	3,714,618	6.7%
Cash and cash equivalents	424,849	1,774,358	(76.1%)
Financial Ratios			
Current ratio (times) <i>(Note 2)</i>	1.8	2.4	(0.6)
Quick ratio (times) <i>(Note 2)</i>	0.5	1.6	(1.1)
Debt to equity ratio (times) <i>(Note 2)</i>	0.5	0.2	0.3

Note 1: Adjusted profit for the period and adjusted profit attributable to owners of the parent are non-GAAP financial measures and are calculated by profit for the period and profit attributable to owners of the parent excluding certain non-operating items which the Company considers to be not indicative of the operating performance of the Group. See also the paragraph headed “Adjusted profit for the period” of this announcement for more information and calculation of these non-GAAP financial measures.

Note 2: Gross profit margin equals gross profit divided by revenue.

Net profit margin equals net profit divided by revenue.

Return on assets equals net profit divided by average total assets during the reporting period.

Return on equity equals net profit attributable to owner of the Company divided by average equity attributable to owner of the Company during the reporting period.

Average turnover days of trade receivables equal to the average of the opening and closing balances of trade receivables of the reporting period divided by revenue and multiplied by 181 days.

Average turnover days of inventories equal to the average of the opening and closing balances of inventories of the reporting period divided by cost of sales and multiplied by 181 days.

Average turnover days of trade payables equal to the average of the opening and closing balances of trade payables of the reporting period divided by cost of sales and multiplied by 181 days.

Current ratio equals total current assets divided by total current liabilities as at the end of the reporting period.

Quick ratio equals total current assets less inventories divided by total current liabilities as at the end of the reporting period.

Debt to equity ratio equals total debt divided by total equity as at the end of the reporting period. Debt means interest-bearing borrowings.

Note 3: Adjusted profit margin for the period is calculated by adjusted profit for the period (a non-GAAP financial measure, the calculation method is the same as set out in Note 1 above), divided by the revenue for the period.

Revenue

Revenue of the Group amounted to RMB1,269,595 thousand for Reporting Period, representing a decrease of 6.2% compared to RMB1,353,470 thousand for the six months ended 30 June 2024 mainly due to the decrease of market demand.

Revenue by business segment

The table below sets out the breakdown of the Group's revenue by business segment for the periods indicated:

Business segment	For the six months ended 30 June				Change
	2025		2024		
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	
Distribution business	1,177,346	92.7	1,253,634	92.7	(6.1%)
After-sales services	87,775	6.9	95,258	7.0	(7.9%)
Self-branded products business	4,474	0.4	4,578	0.3	(2.3%)
Total	1,269,595	100.0	1,353,470	100.0	(6.2%)

Revenue by product type

The table below sets out the breakdown of the Group's revenue generated from distribution business and self-branded products business by product type for the periods indicated:

Product type	For the six months ended 30 June				Change
	2025		2024		
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	
IVD analysers					
– Distribution business	112,896	9.5	87,032	7.0	29.7%
– Self-branded products business	1,067	0.1	584	0.0	82.7%
Subtotal	113,963	9.6	87,616	7.0	30.1%
IVD reagents and other consumables					
– Distribution business	1,064,450	90.1	1,166,602	92.7	(8.8%)
– Self-branded products business	3,407	0.3	3,994	0.3	(14.7%)
Subtotal	1,067,857	90.4	1,170,596	93.0	(8.8%)
Total	1,181,820	100.0	1,258,212	100.0	(6.1%)

Revenue by channel

The table below sets out the breakdown of the Group's revenue generated from distribution business and self-branded products business by sales channel for the periods indicated:

Sales channel	For the six months ended 30 June				Change
	2025		2024		
	RMB'000	%	RMB'000	%	
Distribution business					
– Distributors	906,164	76.6	980,511	77.8	(7.6%)
– Hospitals and healthcare institutions	181,180	15.4	187,882	15.0	(3.6%)
– Logistics providers	90,002	7.6	85,241	6.8	5.6%
Subtotal	1,177,346	99.6	1,253,634	99.6	(6.1%)
Self-branded products business					
– Distributors	3,783	0.3	4,336	0.4	(12.8%)
– Hospitals and healthcare institutions	691	0.1	242	0.0	185.5%
Subtotal	4,474	0.4	4,578	0.4	(2.3%)
Total	1,181,820	100.0	1,258,212	100.0	(6.1%)

Cost of sales

Cost of sales of the Group amounted to RMB990,001 thousand for the Reporting Period, representing a decrease of 3.8% compared to RMB1,028,778 thousand for the six months ended 30 June 2024.

Cost of sales by business segment

The table below sets out the breakdown of the Group's cost of sales by business segment for the periods indicated:

Business segment	For the six months ended 30 June				Change
	2025		2024		
	RMB'000	%	RMB'000	%	
Distribution business	944,568	95.4	986,628	95.9	(4.3%)
After-sales services	43,825	4.4	40,912	4.0	7.1%
Self-branded products business	1,608	0.2	1,238	0.1	29.9%
Total	990,001	100.0	1,028,778	100.0	(3.8%)

Cost of sales by product type

The table below sets out the breakdown of the Group's cost of sales for distribution business and self-branded products business by product type for the periods indicated:

Product type	For the six months ended 30 June				Change
	2025		2024		
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	
IVD analysers					
– Distribution business	91,496	9.6	72,164	7.3	26.8%
– Self-branded products business	518	0.1	148	0.0	250.0%
Subtotal	92,014	9.7	72,312	7.3	27.2%
IVD reagents and other consumables					
– Distribution business	853,072	90.2	914,464	92.6	(6.7%)
– Self-branded products business	1,090	0.1	1,090	0.1	0.0%
Subtotal	854,162	90.3	915,554	92.7	(6.7%)
Total	946,176	100.0	987,866	100.0	(4.2%)

Gross profit and gross profit margin

Gross profit represents revenue less cost of sales. Gross profit of the Group amounted to RMB279,594 thousand for the Reporting Period, representing a decrease of 13.9% as compared to RMB324,692 thousand for the six months ended 30 June 2024. Such decrease was primarily due to the decrease in gross profit margin of after-sales services and IVD reagents and other consumables.

Gross profit margin is calculated as gross profit divided by revenue. Gross profit margin of the Group was 22.0% for the Reporting Period, decreased by 24.0% from the six months ended 30 June 2024, which was primarily due to the decrease in gross profit margin of services rendered.

Gross profit and gross profit margin by business segment

The table below sets out the breakdown of the Group's gross profit and gross profit margin by business segment for the periods indicated:

Business segment	For the six months ended 30 June				Change
	2025		2024		
	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %	
Distribution business					
– IVD analysers	21,400	19.0	14,868	17.1	43.9%
– IVD reagents and other consumables	211,378	19.9	252,138	21.6	(16.2%)
Subtotal	232,778	19.8	267,006	21.3	(12.8%)
After-sales services	43,950	50.1	54,346	57.1	(19.1%)
Self-branded products business					
– IVD analysers	549	51.5	436	74.7	25.9%
– IVD reagents and other consumables	2,317	68.0	2,904	72.7	(20.2%)
Subtotal	2,866	64.1	3,340	73.0	14.2%
Total	279,594	22.0	324,692	24.0	(13.9%)

Gross profit and gross profit margin by product type

The table below sets out the breakdown of the Group's gross profit and gross profit margin generated from distribution business and self-branded products business by product type for the periods indicated:

Product type	For the six months ended 30 June				Change
	2025		2024		
	Gross profit <i>RMB'000</i>	Gross profit margin %	Gross profit <i>RMB'000</i>	Gross profit margin %	
IVD analysers					
– Distribution business	21,400	19.0	14,868	17.1	43.9%
– Self-branded products business	549	51.5	436	74.7	25.9%
Subtotal	21,949	19.3	15,304	17.5	43.4%
IVD reagents and other consumables					
– Distribution business	211,378	19.9	252,138	21.6	(16.2%)
– Self-branded products business	2,317	68.0	2,904	72.7	(20.2%)
Subtotal	213,695	20.0	255,042	21.8	(16.2%)
Total	235,644	19.9	270,346	21.5	(12.8%)

Other income and gains

Other income and gains of the Group amounted to RMB8,459 thousand for the Reporting Period, representing a decrease of 11.2% compared to RMB9,528 thousand for the six months ended 30 June 2024. Such decrease was primarily due to the decrease of bank interest income.

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Other income		
Bank interest income	1,122	1,766
Government subsidies	7,199	6,775
Others	138	946
	<hr/>	<hr/>
Subtotal	8,459	9,487
	<hr/>	<hr/>
Gains		
Gain on disposal of items of property, plant and equipment	–	41
	<hr/>	<hr/>
Subtotal	–	41
	<hr/>	<hr/>
Total	8,459	9,528
	<hr/> <hr/>	<hr/> <hr/>

Selling and distribution expenses

Selling and distribution expenses of the Group amounted to RMB70,314 thousand for the Reporting Period, representing an increase of 17.0% compared to RMB60,090 thousand for the six months ended 30 June 2024. Such increase was primarily due to the increase of technical service fees paid to a perspective partner, an in vitro diagnostics company with chemiluminescence technology and products as its core, for the Reporting Period.

Administrative expenses

Administrative expenses of the Group amounted to RMB93,652 thousand for the Reporting Period, representing an increase of 23.0% compared to RMB76,169 thousand for the six months ended 30 June 2024. Such increase was primarily due to the increase of labor costs.

Other expenses

Other expenses of the Group amounted to RMB24,899 thousand for the Reporting Period, such increase representing an increase of 1,744.4% compared to RMB1,350 thousand for the six months ended 30 June 2024, was mainly due to the increase of exchange loss.

Finance costs

Finance costs of the Group amounted to RMB22,414 thousand for the Reporting Period, representing an increase of 92.7% as compared to RMB11,629 thousand for the six months ended 30 June 2024. Such increase was primarily due to the increase of average bank borrowing amount when compared to the six months ended 30 June 2024.

Profit for the period

Profit of the Group for the period amounted to RMB38,326 thousand for the Reporting Period, representing a decrease of 70.0% as compared to RMB127,566 thousand for the six months ended 30 June 2024. Such decrease was primarily attribute to (i) decrease in revenue; (ii) decrease in gross profit margin; (iii) higher administrative expenses incurred due to labor costs for the Reporting Period; and (iv) an increase in selling and distribution expenses, resulting from the technical service fees paid to a prospective partner, an in vitro diagnostic company with chemiluminescence technology and products as its core, for the Reporting Period.

Adjusted profit for the period

Certain additional non-GAAP financial measures (adjusted profit of the Group and adjusted profit attributable to owners of the parent) have been presented in this announcement. These non-GAAP financial measures exclude the impact of certain non-operating items which affect the results presented in the financial statements but are not indicative of the operating performance of the Group, with the intent to provide the Shareholders and potential investors with supplementary information to assess the performance of the Group's core operations. These unaudited non-GAAP financial measures should be considered in addition to, not as a substitute for, measures of the Group's financial performance prepared in accordance with relevant GAAP. In addition, these non-GAAP financial measures does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies. Adjusted profit of the Group for the period amounted to RMB35,628 thousand for the Reporting Period, representing a decrease of 72.1% as compared to RMB127,790 thousand for the six months ended 30 June 2024. Such decrease was primarily attributable to (i) decrease in revenue; (ii) decrease in gross profit margin; (iii) higher administrative expenses incurred due to labor costs for the Reporting Period; and (iv) an increase in selling and distribution expenses, resulting from the technical service fees paid to a prospective partner, an in vitro diagnostic company with chemiluminescence technology and products as its core, for the Reporting Period. The following table set out the calculation of the non-GAAP adjusted profit of the Group for the Reporting Period and the corresponding period in 2024:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Profit for the period	38,326	127,566
Adjusted for non-operating items:		
Fair value loss on financial assets at fair value through profit or loss	(2,698)	6
Share of loss of a joint venture	–	291
Deferred tax of share of loss of a joint venture	–	(73)
Adjusted profit for the period (<i>Non-GAAP</i>)	<u>35,628</u>	<u>127,790</u>

Liquidity and financial resources

As of 30 June 2025, the Group had cash and cash equivalents of RMB424,849 thousand (primarily denominated in HKD, RMB and USD), as compared to RMB1,774,358 thousand as of 31 December 2024. The approach adopted by the Board to manage the liquidity of the Group is to ensure sufficient liquidity at any time to meet its matured liabilities so as to avoid any unacceptable losses or damage to the Group's reputation.

Capital structure

As of 30 June 2025, the Group's total equity attributable to owners of the parent was RMB3,466,972 thousand (31 December 2024: RMB3,714,618 thousand), comprising share capital of RMB5,589 thousand (31 December 2024: RMB5,603 thousand) and reserves of RMB3,461,383 thousand (31 December 2024: RMB3,709,015 thousand).

Net current assets

The Group had net current assets of RMB1,922,085 thousand as of 30 June 2025, representing a decrease of RMB247,884 thousand or 11.4% as compared to RMB2,169,969 thousand as of 31 December 2024.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates primarily relates to its cash and bank balances and interest-bearing bank borrowings. The Group has not used any interest rate swaps to hedge its interest rate risk during the Reporting Period, and will consider hedging significant interest rate risk should the need arise.

Foreign currency risk

The Group faces transactional currency exposures arising from bank deposits held by operating units in currencies other than the units' functional currency. The currencies giving rise to such risk are primarily USD and HKD. For the Reporting Period, the Group recorded a net exchange loss of RMB24,899 thousand, as compared to a net exchange loss of RMB1,350 thousand for the six months ended 30 June 2024. As of 30 June 2025, the Group did not have any significant hedging arrangement to manage foreign exchange risks but has been actively monitoring and overseeing its foreign exchange risks.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the head of credit control.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings and projected cash flows from operations.

Capital expenditure

For the Reporting Period, the Group's total capital expenditure amounted to RMB16,079 thousand, which was primarily used in property, plant and equipment.

Charge/pledge on assets

As of 30 June 2025, the Group's bank deposits of RMB159,795 thousand were pledged to secure the Group's letter of credit in the aggregate amount of RMB483,967 thousand.

Borrowings

The Group had bank borrowings of RMB1,655,064 thousand as of 30 June 2025 denominated in RMB, all of which bore interest at fixed rates. These bank borrowings as of 30 June 2025 were repayable on or before 30 June 2026.

Contingent liabilities and guarantees

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

Gearing ratio

As of 30 June 2025, the Group's gearing ratio (the gearing ratio is equivalent to total debt divided by total assets as of that day) was approximately 26.9% (as of 31 December 2024: 13.3%).

Significant investments and future plans for investment and capital assets

As of 30 June 2025, the Group had a capital commitment to a joint venture of RMB28,835 thousand (as of 31 December 2024: RMB29,332 thousand). As of 30 June 2025, the Group did not hold any other significant investments in the equity interests of other companies. The Group does not have other plans for material investments and capital assets which have been authorised by the Board except as referred to in this announcement.

Dividend

The Board has resolved not to declare any interim dividend for the Reporting Period.

Share Award Scheme

To recognise the contributions by certain employees of the Group and to provide incentives thereto to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group, the Group has adopted the 2025 Share Award Scheme during the Reporting Period. As of 30 June 2025, no shares of the Company (“**Shares**”) were granted under such scheme. Please see the circular of the Company dated 6 June 2025 for more information about the 2025 Share Award Scheme.

Employee and remuneration policy

As of 30 June 2025, the Group had 877 employees (as of 30 June 2024: 815 employees). Total staff remuneration expenses, including remuneration for Directors, for the Reporting Period amounted to RMB75,403 thousand (for the six months ended 30 June 2024: RMB66,402 thousand).

The Group has adopted a performance-based remuneration policy for its employees. Remuneration is determined with reference to performance, skills, qualifications and experience of the staff concerned and with reference to the Group's operating results and comparable market practices.

In addition to salary payments, other staff benefits include pension, social insurance and housing provident contribution made by the Group, performance-based compensation, bonus, share incentives through the Company's share option scheme and share award scheme. These share schemes provide flexibility to the Group in attracting and retaining personnel, and in providing incentive to employees in recognition of their contribution to the Group. As of 30 June 2025, 2,711,000 Shares were held by the trustee on trust under the 2020 Share Award Scheme.

No grants were made under the above-mentioned share award schemes of the Company during the Reporting Period.

Please refer to the Company's 2024 Annual Report – Report of the Directors "Share Schemes" and the forthcoming 2025 interim report for further information about the share schemes.

CERTAIN EVENTS DURING AND/OR AFTER THE REPORTING PERIOD

Change of composition of the Board and its committees

The following changes of the composition of the Board took place after the Reporting Period:

- (a) The following appointments took place: Ms. Tai Yang, Mr. Xu Da and Mr. Zhang Jianlei as independent non-executive Directors. They have obtained the legal advice referred to in Rule 3.09D of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), and each of them has confirmed she/he understood her/his obligations as a director of a listed issuer on 30 June 2025.
- (b) Mr. Ho Kuk Sing resigned as an executive Director and the chief executive officer of the Company.

More information with respect to these changes and other associated changes in the Board committees is set out in the Company's announcement dated 30 June 2025.

Proposed dual listing

The Company proceeded with a proposed dual primary listing by way of a proposed initial public offering of its American depositary shares representing new ordinary shares of the Company to be issued, on the Nasdaq Stock Market in the United States. More information is set out in the Company's announcement dated 14 July 2025.

Other events

The Company:

- intends to progress the strategic initiatives on US Stablecoin License Application and Launch of IVDNewCo Exchange Ecosystem, details of which are set out in the announcement of the Company dated 20 July 2025;
- entered into a strategic cooperation framework agreement with BGI Co-Win (Shenzhen) Equity Investment Fund Management Co., Ltd. in relation to the joint establishment of the IVD-BGI Co-Win Innovative Drug Intellectual Property Tokenization Fund in Hong Kong/the United States or other overseas regions to invest in projects under the NewCo + RWA Web3 Exchange Ecosystem operating model of the Company, details of which are set out in the announcement of the Company dated 30 July 2025;
- entered into a global strategic cooperation framework agreement with HashKey Group, a leading global digital asset financial services group, with the aim of accelerating the implementation of the Group's "global enhanced Ethereum vault" strategy through close cooperation between the two parties and providing more efficient, secure, and compliant digital asset services to their global customers, and establish a Global Enhanced Ethereum Vault and purchase the first fixed investment of 5,190 ETH at US\$3,661 per coin, details of which are set out in the announcement of the Company dated 8 August 2025; and
- proposes to seek approval for the Acquisition Mandate from the Shareholders in advance to authorize and empower the Board to conduct the Potential Cryptocurrency Acquisitions for an aggregate amount not exceeding HK\$3 billion during the Mandate Period, namely a period of 36 months from the date on which the ordinary resolution in relation to the Acquisition Mandate and the Potential Cryptocurrency Acquisitions is duly passed at an extraordinary general meeting of the Company, details of which are set out in the announcement of the Company dated 15 August 2025.

Save as disclosed in this announcement, the Group has had no other material event since the end of the Reporting Period and up to the date of this announcement.

SUPPLEMENTAL INFORMATION

Purchase, sale or redemption of the Company's listed securities

Pursuant to the general mandate granted to the Directors by ordinary resolution of the Shareholders at the annual general meeting of the Company held on 28 June 2024 to repurchase Shares not exceeding 10% of the total number of issued Shares as at the date of passing of the resolution (excluding treasury shares), the Company repurchased a total of 4,020,000 Shares at a total consideration of approximately HKD8,900,000 on the Stock Exchange. The Company cancelled such repurchased shares on 24 June 2025. Please refer to Note 13 to the interim condensed consolidated financial information for more information.

The Directors believe that such repurchase can enhance the net asset value per Share and earnings per Share and benefit the Company and the Shareholders.

Save as disclosed in this announcement, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities (including sale of treasury shares (as defined in the Listing Rules)) during the Reporting Period. As of 30 June 2025, the Company did not hold any treasury shares.

Material acquisitions and disposals of subsidiaries and affiliated companies

The Group did not have any material acquisition and disposal of subsidiaries, associates or joint ventures during the Reporting Period except as referred to in this announcement.

Compliance with the model code for securities transactions by directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix C3 to the Listing Rules regarding securities transactions by the Directors.

All Directors have confirmed, following specific enquiries by the Company, that they have complied with the Model Code throughout the Reporting Period.

Corporate governance code

During the Reporting Period, save for the code provision addressed below, the Company has complied with the applicable code provisions as set out in Part 2 of Appendix C1 to the Listing Rules.

Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The chairman and chief executive officer of the Company was held by Mr. Ho Kuk Sing during the Reporting Period and (up to Mr. Ho’s retirement with effect from 1 July 2025). Mr. Ho was one of the founders of the Group and has extensive experience in the industry. The Board is of the view that given that Mr. Ho had been responsible for leading the strategic planning and business development of the Group, the arrangement allowed for effective and efficient planning and implementation of business decisions and strategies under his strong and consistent leadership during the Reporting Period, and was benefiting the Company, the management and development of the Group’s business.

Review by the audit committee

The audit committee of the Company (the “**Audit Committee**”) consists of six independent non-executive Directors, namely Mr. Wong Sze Lok (Chairman of the committee), Mr. Zhong Renqian, Mr. Leung Ka Sing, Ms. Tai Yang, Mr. Xu Da and Mr. Zhang Jianlei.

The Company’s interim results for the Reporting Period have been reviewed by the Audit Committee. Based on such review, the Audit Committee was of the opinion that the Company’s unaudited interim results were prepared in accordance with applicable accounting standards. The Audit Committee does not have any disagreement with the accounting treatment adopted by the Company.

Disclosure of information

This announcement has been published on the websites of the Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.ivdholding.com>). The 2025 interim report of the Company will be available on the same websites in due course.

By Order of the Board
IVD Medical Holding Limited
Lin Xianya
Executive Director

Hong Kong, 29 August 2025

As at the date of this announcement, the Company has three executive Directors, namely, Mr. Lin Xianya, Mr. Chan Siu Kei Ken and Mr. Law Kim Fai, two non-executive Directors, namely, Ms. Yao Haiyun and Mr. Liu Fei and six independent non-executive Directors, namely, Dr. Zhong Renqian, Dr. Leung Ka Sing, Dr. Wong Sze Lok, Mr. Tai Yang, Mr. Xu Da and Zhang Jianlei.

Certain figures in this announcement have been subject to rounding adjustments.

This announcement contains forward-looking statements that reflect the Company's beliefs, plans or expectations about the future or future events. These statements are based on assumptions, current estimates and projections, and are subject to risks, uncertainties and other factors which may be beyond control. The actual outcomes may differ materially and/or adversely. Nothing contained in these statements is, or shall be, relied upon as any assurance or representation as to the future or as a representation or warranty otherwise. Neither the Company nor its directors, officers, employees, agents, affiliates, advisers or representatives assume any responsibility to update these statements or to adapt them to future events or developments or to provide supplemental information in relation thereto or to correct any inaccuracies.