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**Jiangxi Rimag Group Co., Ltd**  
**江西一脉阳光集团股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 2522)**

**INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS  
ENDED JUNE 30, 2024**

The Board is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2024, together with comparative figures for the six months ended June 30, 2023. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the prospectus of the Company dated May 30, 2024.

**FINANCIAL HIGHLIGHTS**

	<b>Six months ended June 30,</b>		<b>Year-on-year change</b>
	<b>2024</b>	<b>2023</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	
	<b>RMB'000</b>	<b>RMB'000</b>	
Revenue	<b>413,713</b>	529,779	-21.9%
Gross profit	<b>159,659</b>	188,631	-15.4%
Profit for the period	<b>962</b>	47,292	-98.0%
Profit for the period attributable to owners of the company	<b>3,836</b>	42,979	-91.1%
<b>Non-IFRS Measures*:</b>			
EBITDA	<b>114,132</b>	155,321	-26.5%
Adjusted EBITDA	<b>149,058</b>	167,309	-10.9%
Adjusted net profit	<b>35,888</b>	59,280	-39.5%

\* For more details, please see "Management Discussion and Analysis – Financial Review – Non-IFRS Measures".

The year-on-year decline in the Group's interim results during the Reporting Period was mainly due to the slowdown in demand of service procurement from various medical institutions as well as the bidding process under the impact of the macro-economic slowdown and the tight regulatory environment of the healthcare industry. Nevertheless, the Group's revenue from its core imaging center services remained relatively stable, and still maintained solid business fundamentals and continued to expand the development of new projects even in the face of the impact of the macroeconomic slowdown and the tight regulatory environment in the healthcare industry. Meanwhile, comparing to the second half of 2023, the Group's interim results during the Reporting Period still maintained a stable period-to-period growth. We believe that the whole healthcare industry's overall demand for imaging services is still in a relatively stable condition, especially in the context of the country's proposal to develop the "Thousand Counties Project (千縣工程)" and to carry out the development of disciplines and the enhancement of the primary level, as well as to encourage the equipment update of primary medical institutions. Rimag's imaging center services and imaging solution services can both be the solution for primary medical institutions to complete the improvement of equipment and facilities as well as to solidly enhance their imaging service capabilities.

## BUSINESS HIGHLIGHTS

As a leading medical group specialized in medical imaging in China, we are the only operator and manager of a medical imaging platform that provides diversified imaging services and value to the entire medical imaging industry chain in China. Since the beginning of 2024, we have made the following progress in our business:

- **Listing on the Stock Exchange.** On June 7, 2024, the H Shares of the Company were successfully listed on the Main Board of the Stock Exchange, making us the "first listed medical imaging services company in China (中國醫學影像服務第一股)". The net proceeds from the Global Offering amounted to approximately HK\$183.48 million.
- **Continued expansion of medical imaging center network.** During the Reporting Period, we newly developed 12 imaging center projects and newly put 9 imaging center projects into operation. As at June 30, 2024, our medical imaging center network covered 17 provinces, autonomous regions and municipalities in the PRC, with an aggregate of 105 imaging centers in operation, achieving the continued expansion and layout of medical imaging center network and reinforcing our leading position in the industry.
- **Technology and industry achievements.** During the Reporting Period, from the perspective of the Group's own strategic development and industry needs, we organized clinical experts and medical imaging experts to undertake the development of a series of standards for medical imaging examinations, and established the "Standard for the Naming and Coding of Medical Imaging Examination Items (《醫學影像檢查項目名稱及編碼標準》)" (the "**Standard**") to provide the basis for the standardization and unification of the Group's medical imaging data and to lay the foundation for the Group to achieve high quality development and value for data service. The Standard was reviewed by a team of national expert reviewers organized by the PMPH Research Institute (人衛研究院) and was formally released on January 1, 2024 and formally implemented on March 1, 2024.

## INTERIM RESULTS

### CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

	<i>Note</i>	Unaudited Six months ended 30 June	
		2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue	5	413,713	529,779
Cost of sales		<u>(254,054)</u>	<u>(341,148)</u>
<b>Gross profit</b>		<b>159,659</b>	188,631
Selling expenses		(32,961)	(34,500)
Administrative expenses		(111,092)	(81,102)
Research and development expenses		(5,715)	(5,881)
Net impairment losses on financial assets		(1,364)	(4,169)
Other income		5,152	4,969
Other gains – net		<u>1,699</u>	<u>5,131</u>
<b>Operating profit</b>	6	<u>15,378</u>	<u>73,079</u>
Finance income		1,143	1,970
Finance costs		<u>(11,049)</u>	<u>(12,628)</u>
<b>Finance costs – net</b>		<u>(9,906)</u>	<u>(10,658)</u>
Share of loss of investments accounted for using the equity method		(1,098)	(5,740)
Impairment losses on investment in the joint venture accounted for using the equity method		–	(1,534)
<b>Profit before income tax</b>		<b>4,374</b>	55,147
Income tax expense	7	<u>(3,412)</u>	<u>(7,855)</u>
<b>Profit for the period</b>		<u>962</u>	<u>47,292</u>
<b>Profit for the period attributable to:</b>			
Owners of the Company		3,836	42,979
Non-controlling interests		<u>(2,874)</u>	<u>4,313</u>
		<u>962</u>	<u>47,292</u>

**Unaudited**  
**Six months ended 30 June**

	<i>Note</i>	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
<b>Profit per share attributable to owners of the Company for the period</b>			
Basic (expressed in RMB per share)	8	<u><u>0.011</u></u>	<u><u>0.127</u></u>
Diluted (expressed in RMB per share)	8	<u><u>0.011</u></u>	<u><u>0.127</u></u>
<b>Profit for the period</b>		<b>962</b>	47,292
<i>Items that may be reclassified to profit or loss</i>			
Changes in the fair value of debt instruments at fair value through other comprehensive income		(2)	(50)
<b>Other comprehensive income for the period, net of tax</b>		<u>(2)</u>	<u>(50)</u>
<b>Total comprehensive income for the period</b>		<u><u>960</u></u>	<u><u>47,242</u></u>
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the Company		3,834	42,929
Non-controlling interests		<u>(2,874)</u>	<u>4,313</u>
		<u><u>960</u></u>	<u><u>47,242</u></u>
<b>Non-IFRS Measures*:</b>			
EBITDA		<u><u>114,132</u></u>	<u><u>155,321</u></u>
Adjusted EBITDA		<u><u>149,058</u></u>	<u><u>167,309</u></u>
Adjusted net profit		<u><u>35,888</u></u>	<u><u>59,280</u></u>

\* For details, please see “Management Discussion and Analysis – Financial Review – Non-IFRS Measures”.

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2024**

	<i>Note</i>	As at <b>30 June 2024 RMB'000</b>	As at 31 December 2023 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		770,033	741,122
Right-of-use assets		154,899	159,904
Intangible assets		44,916	46,214
Deferred income tax assets		32,080	24,208
Investments accounted for using the equity method		29,662	30,760
Prepayments, deposits and other receivables		202,143	132,887
Financial asset at fair value through other comprehensive income		–	4,772
Financial assets at fair value through profit or loss		59,093	53,869
Long-term trade receivables		60,473	58,339
Restricted cash	10	4,105	6,104
<b>Total non-current assets</b>		<b>1,357,404</b>	<b>1,258,179</b>
<b>Current assets</b>			
Financial assets at fair value through other comprehensive income		2,494	3,491
Inventories		5,163	5,333
Long-term trade receivables – current portion		25,512	23,232
Trade receivables	10	407,264	308,796
Prepayments, deposits and other receivables		70,900	86,087
Restricted cash		2	2
Cash and cash equivalents		305,535	188,835
Asset classified as held for sale		4,703	4,703
<b>Total current assets</b>		<b>821,573</b>	<b>620,479</b>
<b>Total assets</b>		<b>2,178,977</b>	<b>1,878,658</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		356,312	338,496
Reserves		1,612,011	1,401,974
Accumulated losses		(444,007)	(447,843)
<b>Equity attributable to owners of the Company</b>		<b>1,524,316</b>	<b>1,292,627</b>
<b>Non-controlling interests</b>		<b>38,788</b>	<b>42,487</b>
<b>Total equity</b>		<b>1,563,104</b>	<b>1,335,114</b>

	<i>Note</i>	<b>As at 30 June 2024 RMB'000</b>	As at 31 December 2023 RMB'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		118,228	84,966
Lease liabilities		119,324	136,280
Deferred income tax liabilities		4,332	4,414
Other non-current liabilities		536	1,700
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>242,420</b>	<b>227,360</b>
		<hr/>	<hr/>
<b>Current liabilities</b>			
Trade payables	<i>11</i>	41,860	23,482
Other payables and accruals		69,486	75,869
Contract liabilities		18,173	8,959
Current tax liabilities		48,751	42,662
Borrowings		147,148	125,042
Lease liabilities		47,596	39,731
Other non-current liability – current portion		439	439
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>373,453</b>	<b>316,184</b>
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>615,873</b>	<b>543,544</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>Total equity and liabilities</b>		<b>2,178,977</b>	<b>1,878,658</b>
		<hr/> <hr/>	<hr/> <hr/>

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

	Equity attributable to owners of the Company				Non-controlling interests RMB'000	Total equity RMB'000	
	Note	Share capital RMB'000	Reserves RMB'000	Accumulated losses RMB'000			Subtotal RMB'000
<b>As at 1 January 2024</b>		<b>338,496</b>	<b>1,401,974</b>	<b>(447,843)</b>	<b>1,292,627</b>	<b>42,487</b>	<b>1,335,114</b>
Profit/(loss) for the period		-	-	3,836	3,836	(2,874)	962
Other comprehensive loss		-	(2)	-	(2)	-	(2)
Total comprehensive (loss)/income		-	(2)	3,836	3,834	(2,874)	960
Capital injection		-	-	-	-	700	700
Shares issued pursuant to initial public offering on the Main Board of The Stock Exchange of Hong Kong Limited (the "Listing")		17,816	225,147	-	242,963	-	242,963
Listing expenses capitalised upon the listing		-	(15,574)	-	(15,574)	-	(15,574)
Dividend distribution		-	-	-	-	(1,531)	(1,531)
Share-based payments expenses		-	466	-	466	6	472
Total transactions with owners		17,816	210,039	-	227,855	(825)	227,030
<b>As at 30 June 2024</b>		<b>356,312</b>	<b>1,612,011</b>	<b>(444,007)</b>	<b>1,524,316</b>	<b>38,788</b>	<b>1,536,104</b>
<b>As at 1 January 2023</b>		<b>338,496</b>	<b>1,426,432</b>	<b>(492,258)</b>	<b>1,272,670</b>	<b>43,569</b>	<b>1,316,239</b>
Profit for the period		-	-	42,979	42,979	4,313	47,292
Other comprehensive loss		-	(50)	-	(50)	-	(50)
Total comprehensive (loss)/income		-	(50)	42,979	42,929	4,313	47,242
Capital injection		-	-	-	-	215	215
Disposal of subsidiaries		-	-	-	-	1,497	1,497
Transactions with non-controlling interests		-	(11,377)	-	(11,377)	(6,623)	(18,000)
Share-based payments expenses		-	1,475	-	1,475	26	1,501
Total transactions with owners		-	(9,902)	-	(9,902)	(4,885)	(14,787)
<b>As at 30 June 2023</b>		<b>338,496</b>	<b>1,416,480</b>	<b>(449,279)</b>	<b>1,305,697</b>	<b>42,997</b>	<b>1,348,694</b>

# **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024**

## **1 General information**

Jiangxi Rimag Group Co., Ltd. formerly known as Shenzhen RIMAG Sunshine Medical Technology Co., Ltd. (the “Company”) was incorporated as a limited liability company on 30 October 2014 in Shenzhen, Guangdong Province, People’s Republic of China (the “PRC”). The registered office of the Company is Room 1002, 10th Floor, No. 10 Building Public R&D Centre Xinqi Zhoudong Avenue South Chinese Medicine Science and Technology Innovation City Ganjiang New District Jiangxi Province, PRC. In June 2021, the Company was converted into a joint stock company with limited liabilities. The Company provides medical imaging services through the establishment of medical imaging network, as well as operational management services, imaging solution services and Rimag Cloud services.

The Company and its subsidiaries (collectively, the “Group”) are principally engaged in the providing medical imaging services, imaging solution services and Rimag Cloud services in the PRC.

The Company’s H Shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 7 June 2024.

This condensed consolidated interim financial information is presented in thousands of Renminbi (“RMB”), unless otherwise stated, and was approved for issue by the Board of Directors on 27 August 2024.

This condensed consolidated interim financial information has not been audited but has been reviewed by the Audit Committee.

## **2 Basis of preparation**

This condensed consolidated interim financial information for the six months ended 30 June 2024 has been prepared in accordance with International Accounting Standards (“IAS”) 34, ‘Interim financial reporting’. The condensed consolidated interim financial information should be read in conjunction with the consolidated financial statements for the year ended 31 December 2023, which have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”).

## **3 Material accounting policies**

Except for the adoption of new or amended standards and interpretations since 1 January 2024 as described below, the accounting policies applied are consistent with those of the consolidated financial statements for the year ended 31 December 2023, as described in those consolidated financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.



**(a) New and amended standards adopted by the Group**

A number of new or amended standards and interpretations became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

<b>New standards and amendments</b>		<b>Effective for annual periods beginning on or after</b>
IAS 1 (Amendments)	Classification of liabilities as current or non-current	1 January 2024
IAS 1 (Amendments)	Non-current liabilities with covenants	1 January 2024
IFRS 16 (Amendments)	Lease liability in sale and leaseback	1 January 2024
IAS 7 and IFRS 7 (Amendments)	Supplier finance arrangements	1 January 2024

**(b) New standards and amendments not yet adopted**

The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning on 1 January 2024 and have not been early adopted by the Group:

<b>New standards and amendments</b>		<b>Effective for annual periods beginning on or after</b>
IAS 21 (Amendments)	Lack of exchangeability	1 January 2025
IFRS 9 and IFRS 7 (Amendments)	Amendments to the classification and measurement of financial instruments	1 January 2026
Annual improvements project	Annual improvements to IFRS Accounting Standards – volumes 11	1 January 2026
IFRS 18	Presentation and disclosure in financial statements	1 January 2027
IFRS 19	Subsidiaries without public accountability: disclosures	1 January 2027
IFRS 10 and IAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group is assessing the full impact of the new standards, new interpretations and amendments to standards and interpretations.

**4 Estimates**

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023.

## 5 Revenue and segment information

### (a) Description of segment and principal activities

During the six months ended 30 June 2024, the Group is engaged in imaging business in the Mainland China. The Group's chief operating decision maker ("CODM") has been identified as the chairman and executive directors of the Board who are responsible for allocating resources and assessing performance of the operating segment.

Management reviews the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the executive directors of the Company regards that there is only one segment which is used to make strategic decisions. Revenue and profit before income tax are the measures reported to the chairman and executive directors for the purpose of resources allocation and performance assessment.

Throughout the years, the Group has constructed, and shaped the competency in, the infrastructure supporting the operations of the imaging center and enrichment imaging services business, such as cloud platform services which represents less than 5% of the Group's total revenue.

All of the Group's business and operations are conducted in Mainland China and currently, the Group's principal market, majority of revenue, operating profit and non-current assets are derived from/located in the Mainland China. Accordingly, no geographical segment information is presented.

### (b) Revenue during the six months ended 30 June 2024

An analysis of the Group's revenue by category for the six months ended 30 June 2024 and 2023 is as follows:

The revenue segment information reported to CODM for the six months ended 30 June 2024 is as follows:

		<b>Six months ended 30 June</b>	
		<b>2024</b>	2023
		<b>RMB'000</b>	RMB'000
Imaging center services	Satisfaction of performance obligation		
– Flagship imaging centers	Point in time	<b>60,424</b>	73,607
– Regional collaborative imaging centers	Point in time	<b>182,677</b>	184,654
– Specialized medical consortium imaging centers	Overtime	<b>53,995</b>	59,191
– Operational management imaging centers	Overtime	<b>21,857</b>	21,573
		<b>318,953</b>	339,025
Imaging solution services			
– Imaging equipment solutions	Point in time	<b>84,552</b>	186,464
– Equipment maintenance services	Overtime	<b>628</b>	–
		<b>85,180</b>	186,464
Rimag Cloud services			
– Cloud platform services	Overtime	<b>5,580</b>	4,290
– Sales of software	Point in time	<b>4,000</b>	–
		<b>9,580</b>	4,290
		<b>413,713</b>	529,779

(c) **Contract liabilities**

The Group has recognised the following contract liabilities which are the advances from customers:

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Contract liabilities related to imaging center services	3,617	3,492
Contract liabilities related to imaging solution services	14,229	5,139
Contract liabilities related to Rimag Cloud services	327	328
	<u>18,173</u>	<u>8,959</u>

The following table shows how much of the revenue recognised in the six months ended 30 June 2024 relates to carried-forward contract liabilities:

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Revenue recognised that was included in the balance of contract liabilities at the beginning of the period		
Imaging center services	96	458
Imaging solution services	4,209	54,459
Cloud platform services	17	46
	<u>4,322</u>	<u>54,963</u>

**6 Operating profit**

An analysis of the amounts presented as operating items in the financial information is given below.

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Employee benefit expenses	100,487	93,385
Raw materials and trading medical equipment	81,189	184,775
Depreciation of property, plant and equipment	79,424	73,543
Listing expenses	34,454	10,487
Repair and maintenance	24,901	25,630
Marketing fees	19,960	23,686
Depreciation of right-of-use assets	18,496	14,853
Amortization of intangible assets	1,932	1,120
Losses from disposal of property, plant and equipment	69	74

**7 Income tax expense**

The amounts of income tax expense charged to profit or loss in the consolidated interim income statements represent:

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Current income tax	11,366	19,627
Deferred income tax	(7,954)	(11,772)
	<u>3,412</u>	<u>7,855</u>

## Global minimum top-up tax

The Group has adopted International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12 upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure from 31 December 2023. The mandatory exception applies retrospectively. However, because no new legislation to implement the top-up tax was enacted or substantively enacted at 30 June 2024 in any jurisdiction in which the Group operates and no related deferred taxes were recognised at that date, the retrospective application has no impact on the Group’s condensed consolidated interim financial information.

The Company’s subsidiaries established and operated in Mainland China are subject to the PRC corporate income tax at the statutory rate of 25%.

During the six months ended 30 June 2024, according to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC, enterprises engaging in research and development activities were entitled to claim 200% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year (the “Super Deduction”).

A reconciliation of the expected income tax calculated at the applicable corporate income tax rate and profit before income tax, with the actual corporate income tax during the six months ended 30 June 2024 is as follow:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB’000</b>	RMB’000
Profit before income tax	<b>4,374</b>	55,147
Tax calculated at applicable statutory tax rate	<b>1,093</b>	13,787
– Effect of preferential tax rates (a)	<b>(2,151)</b>	(3,123)
– Super deduction on research and development expenditure	<b>(1,186)</b>	(947)
– Expenses not deductible for tax purpose	<b>5,152</b>	4,751
– Utilisation of previously unrecognised tax losses	<b>(3,144)</b>	(10,565)
– Temporary differences for which no deferred income tax assets was recognised	<b>1,423</b>	4,259
– Share-based payment expense not recognised as deferred tax assets	<b>112</b>	363
– Recognition of deferred tax assets on previously unrecognised tax losses and other temporary differences	<b>(5,803)</b>	(10,251)
– Tax losses not recognised as deferred tax assets	<b>7,642</b>	8,146
– Share of result of investment in equity method	<b>274</b>	1,435
Income tax expense	<b>3,412</b>	7,855

- (a) The enterprise income tax rate applicable to the Group’s entities located in Mainland China is 25% according to the Enterprise Income Tax Law of the PRC (the “EIT Law”) effective on 1 January 2008 unless these subject to preferential tax rate set out below.

Each of Beijing Rimag Sunshine Medical Information Technology Co Ltd. (“Beijing Information”) and Hubei Zhiying Rimag Medical Technology Co., Ltd. (“Hubei Zhiying”) was qualified as a “High and New Technology Enterprise” certificate. Shicheng Rimag Sunshine Medical Imaging Co., Ltd. (“Shicheng Rimag”), Xixian Xinqu Rimag Medical Imaging Diagnosis Ltd. (“Xixian Rimag”) and Shehong Jiashi Rimag Medical Imaging Diagnosis Ltd. (“Shehong Rimag”) could enjoy the preferential policy of income tax for the development of the western region. According to the approval from the local taxation authority, each of Beijing Information, Hubei Zhiying, Shicheng Rimag, Xixian Rimag and Shehong Rimag was entitled to a preferential income tax rate of 15% for 2023 and the six months ended 30 June 2024.

The enterprise income tax rate applicable to the small and micro enterprises is 5% according to the EIT Law.

## 8 Earnings per share

### (a) Basic

Basic earnings per share are calculated by dividing the earnings of the Group attributable to the equity holders of the Company by weighted average number of ordinary shares outstanding during the six months ended 30 June 2024.

	Six months ended 30 June	
	2024	2023
Profit attributable to the equity holders of the Company (RMB'000)	3,836	42,979
Weighted average number of ordinary shares outstanding (thousand shares)	<u>340,858</u>	<u>338,496</u>
Basic earnings per share (expressed in RMB per share)	<u><u>0.011</u></u>	<u><u>0.127</u></u>

### (b) Diluted

During the six months ended 30 June 2024 and 2023, the Group had no potential ordinary shares. Accordingly, diluted earnings per share for the six months ended 30 June 2024 and 2023 are the same as basic earnings per share for the respective periods.

## 9 Dividend

No dividends have been paid or declared by the Company during each of the six months ended 30 June 2024 and 2023.

## 10 Trade receivables and long-term trade receivables

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Current		
Trade receivables		
– due from third parties	435,839	333,720
– due from related parties	<u>406</u>	<u>2,666</u>
	436,245	336,386
Less: provision for impairment	<u>(28,981)</u>	<u>(27,590)</u>
	<u>407,264</u>	<u>308,796</u>
Long-term trade receivables – current portion		
– due from third parties	26,897	25,533
– due from related parties	<u>4,105</u>	<u>3,161</u>
	31,002	28,694
Less: provision for impairment	<u>(5,490)</u>	<u>(5,462)</u>
	<u>25,512</u>	<u>23,232</u>
Non-current		
Long-term trade receivables		
– due from third parties	46,155	43,086
– due from related parties	<u>19,698</u>	<u>20,696</u>
	65,853	63,782
Less: provision for impairment	<u>(5,380)</u>	<u>(5,443)</u>
	<u>60,473</u>	<u>58,339</u>
Total	<u><u>493,249</u></u>	<u><u>390,367</u></u>

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9. As at 30 June 2024 and 31 December 2023, provisions of RMB39,851,000 and RMB38,495,000 were made against the gross amounts of trade receivables and long-term trade receivables, respectively.

As at 30 June 2024 and 31 December 2023, the ageing analysis of the trade receivables based on the invoice date is as follows:

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Up to 1 year	380,580	294,015
1 to 2 years	42,197	29,545
2 to 3 years	8,006	12,470
Over 3 years	5,462	356
	<u>436,245</u>	<u>336,386</u>

Due to the short-term nature of the trade receivables, their carrying amounts approximated their fair values as at the balance sheet dates and were denominated in RMB.

As at 30 June 2024 and 31 December 2023, the ageing analysis of the long-term trade receivables based on the invoice date is as follows:

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Up to 1 year	18,486	40,382
1 to 2 years	41,931	17,377
2 to 3 years	13,395	30,740
Over 3 years	23,043	3,977
	<u>96,855</u>	<u>92,476</u>

The long-term trade receivables have been discounted and there is no material change on discount rate, so their carrying amounts approximated their fair values as at the balance sheet dates and were denominated in RMB.

## 11 Trade payables

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Trade payables -Third parties	<u>41,860</u>	<u>23,482</u>

The ageing analysis of trade payable as at 30 June 2024 and 31 December 2023 based on invoice date was as follows:

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Up to 1 year	38,325	20,018
1-2 years	3,220	2,692
Over 2 year	315	772
	<u>41,860</u>	<u>23,482</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### I. BUSINESS REVIEW

#### Overview

As a leading medical group specialized in medical imaging in China, we are the only operator and manager of a medical imaging platform that provides diversified imaging services and value to the entire medical imaging industry chain in China. On June 7, 2024, the H Shares of the Company were successfully listed on the Main Board of the Stock Exchange, making us the “first listed medical imaging services company in China (中國醫學影像服務第一股)”. The net proceeds from the Global Offering amounted to approximately HK\$183.48 million.

We are always committed to center around medical imaging services, with the support of technology innovation and model innovation (such as the model of our regional collaborative imaging centers), and build up the strategic layout of “expanding and building centers (開疆拓土建中心)”, “deep plowing and cultivating operation (深耕細作抓運營)”, “seeking improvement in data services (數據服務謀跨越)” and “building a platform for ecological empowerment (生態賦能搭平臺)”, aiming to establish a medical imaging platform with leading industry chain integration and eco-organization capabilities in China. We always adhere to positioning medical imaging services as the core of our business, building up our service capability output through our three key business segments, namely imaging center services, imaging solution services and Rimag Cloud services. Apart from standard medical imaging service options, we can also provide customized and menu-based imaging service packages to satisfy different pain points and needs of our customers, while we always maintain consistent underlying service strengths and ecosystem.

In July 2024, the Third Plenary Session of the National People’s Congress further proposed in the “Decision of the Chinese Central Government on Further Comprehensively Deepening Reform and Advancing Chinese-Style Modernization (《中國中央關於進一步全面深化改革推進中國式現代化的決定》)” to deepen the reform of the medical and healthcare system, promote the expansion and downward penetration and balanced regional layout of high-quality medical resources, accelerate the construction of a hierarchical diagnostic and treatment system, promote the construction of close-knit medical consortiums, and strengthen the medical and healthcare services for grassroots level. Such proposal further strengthened the Company’s correct path of developing its business by “deeply rooting in city and county-level administrative regions with relatively weak bases of hospital imaging, uneven development and high market shares”.

During the Reporting Period, we generated revenue of approximately RMB413.7 million, primarily from: (i) imaging center services; (ii) imaging solution services; and (iii) Rimag Cloud services.



## Imaging Center Services

Our imaging center services aim to solve the pain points of medical imaging industry, achieve the empowerment and balanced distribution of quality medical imaging resources, and form a network of chain medical imaging centers. Our imaging center services include: (i) imaging examination and diagnostic services offered at our own imaging centers, among other things; and (ii) operational management services offered to imaging centers of our business partners. We provide the foregoing services through four types of imaging centers, namely: (i) flagship imaging centers; (ii) regional collaborative imaging centers; (iii) specialized medical consortium imaging centers; and (iv) operational management imaging centers.

During the Reporting Period, our revenue generated from the imaging center services was approximately RMB319.0 million, representing (i) a year-on-year decrease of 5.9% as compared to approximately RMB339.0 million for the six months ended June 30, 2023; and (ii) a period-to-period increase of RMB19.9 million or 6.7% against the trend, as compared to approximately RMB299.0 million for the second half of 2023.

On the whole, our revenue from the core imaging center services remained relatively stable, and still maintained solid business fundamentals and continued to expand the development of new projects even in the face of the impact of the macroeconomic slowdown and the tight regulatory environment in the healthcare industry.

During the Reporting Period, we continued to expand and develop our imaging center services in China and reinforced our leading market position as follows:

- A. **Developed projects.** During the six months ended June 30, 2024, we newly developed 12 imaging centers (based on the signing of agreements), comprising 1 regional collaborative imaging center, 9 specialized medical consortium imaging centers and 2 operational management imaging centers. As at June 30, 2024, our Company had developed a total number of 119 imaging centers, comprising 9 flagship imaging centers, 28 regional collaborative imaging centers, 66 specialized medical consortium imaging centers and 16 operational management imaging centers.
- B. **Operated projects.** During the six months ended June 30, 2024, we commenced the operation of 9 imaging centers (based on the signing of operation confirmation letters), comprising 1 regional collaborative imaging center, 4 specialized medical consortium imaging centers and 4 operational management imaging centers. As at June 30, 2024, our Company operated a total number of 105 imaging centers, comprising 9 flagship imaging centers, 25 regional collaborative imaging centers, 54 specialized medical consortium imaging centers and 17 operational management imaging centers, with a total of 32 third-party medical imaging center licenses in effect in China.
- C. **Construction-in-progress projects.** As at June 30, 2024, there were 14 construction-in-progress imaging centers (which refer to the imaging centers under development but not yet put into operation), comprising 3 regional collaborative imaging centers and 11 specialized medical consortium imaging centers, which are expected to commence operation in the second half of 2024.



Under the premise of having a nation-wide layout of business network, we always target to align the enhancement of our professional medical imaging service capabilities with the expansion of our business operations. During the Reporting Period, we made the following improvements in our professional medical imaging service capabilities:

- A. The Group continuously held internal professional training courses for medical imaging specialties. The Group conducted 78 regular training courses under the imaging category, including 35 radiology training courses, 11 ultrasound training courses, 12 nuclear medicine training courses and 20 nursing training courses. Each imaging center strengthened its professional capabilities from its own perspective. In addition to regular courses with pre-determined subjects, the Group's Imaging Academy also coordinated interest courses in three dimensions: conducting 14 sub-specialty discipline training sessions by inviting top experts in the industry to give lectures to help physicians, technicians and nursing staff broaden their professional knowledge and improve their professional level, covering 1,134 person-times in a total of 74 hours; conducting 86 imaging technology application training sessions by providing one-on-one instructional training on the use of imaging technology, to accurately improve the professional skills of frontline medical technicians; conducting 7 phases of medical imaging leadership training to cultivate leaders in medical imaging center management through management-oriented training and create all-round department directors with professionalism management.
- B. Disease-specific imaging examinations and imaging specialties technology with the brand mark of Rimag continued to develop and create high net value income for the Group, forming a unique and innovative path for the Group's professional operation and development. Through preliminary attempts, the Group launched disease-specific imaging examinations for scoliosis, cardiovascular and cerebrovascular diseases, Alzheimer's disease, rectal cancer staging, and arterial plaque screening (vascular high-resolution) in the first phase, and successfully joined the "China AD Preclinical Alliance (中國 AD 臨床前期聯盟)", realizing the linkage resource circulation between authoritative medical organizations and the Group's imaging centers in the clinical research on aging diseases in China; launched multiple imaging specialty technologies, such as MR examination of temporomandibular joints, MR scanning of breast + dynamic enhancement scanning, ultrasound of muscles and bones, MR scanning of cranial nerves, and CT examination of stomach and small intestines.
- C. Continued to maintain the academic communication between radiologists and clinicians. Our imaging centers continued to communicate with clinicians to deliver new technologies and examinations, and organized a total of 375 clinical academic conferences. Through the communication and knowledge transfer between imaging centers and clinicians, based on high-quality imaging, we helped clinicians set up specialty clinics (such as brain health specialty clinics, lung nodule specialty clinics, carotid plaque specialty clinics, etc.) to develop key clinical specialties and enhance the overall diagnostic and treatment technology and academic development of hospitals.
- D. Emphasized the cultivation and reserve of the Group's professional talents. We always value the cultivation of new force and the reserve of professional talents. The Group's Imaging Academy focused on promoting cooperation with medical colleges and universities in respect of apprenticeship, internship and directed training and employment, the establishment of training bases, and the research and development cooperation with college expert teams in the area of artificial intelligence, and achieved multi-dimensional cooperation with 5 institutions.

## **Imaging Solution Services**

Our imaging solution services primarily include: (i) equipment selection and configuration; (ii) infrastructure renovation services; (iii) training services; (iv) repair and maintenance services; and (v) Rimag Cloud platform-related services. We generally offer our service modules, primarily including: equipment selection and configuration services, infrastructure renovation services, and training services, as equipment-centered one-stop solution packages to our customers. Customers are also able to purchase separate service modules, such as repair and maintenance services, from us. Our goal is to enhance our customers' ability to serve patients through our imaging empowering solutions, realizing that "using a good equipment is more important than buying a good equipment".

During the Reporting Period, our revenue generated from the imaging solution services was approximately RMB85.2 million, representing (i) a year-on-year decrease of 54.3% as compared to approximately RMB186.5 million for the six months ended June 30, 2023; and (ii) a period-to-period decrease of RMB6.7 million or 7.3%, as compared to approximately RMB91.9 million for the second half of 2023.

The decline in revenue from imaging solution services was mainly because the tight regulatory environment in the healthcare industry resulted in the slowdown of the various procurement demand from medical institutions across the industry, as well as the slowdown of the bidding process of projects with demand, which caused the progress of projects not yet reach the stage of revenue recognition. Notwithstanding the above impact of the external policy environment, we believe that the overall demand for imaging solution services in the industry as a whole is still in a relatively stable condition.

## **Rimag Cloud Services**

Our Rimag Cloud platform is designed with reference to the whole process and features step-by-step R&D in a modular manner. Our Rimag Cloud services help medical institutions reduce labor costs, standardize workflow procedures, and realize data-driven management, thereby improving the service capabilities of these medical institutions and the medical experience of their patients. Our Rimag Cloud platform is composed of various modules. The modules of our commercialized Rimag Cloud platform mainly include: (i) medical imaging workflow modules; and (ii) operational management modules.

As of June 30, 2024, we had 91 software copyright certificates and 2 medical device registration certificates relating to the Rimag Cloud platform, and applied for 4 invention patents under review.

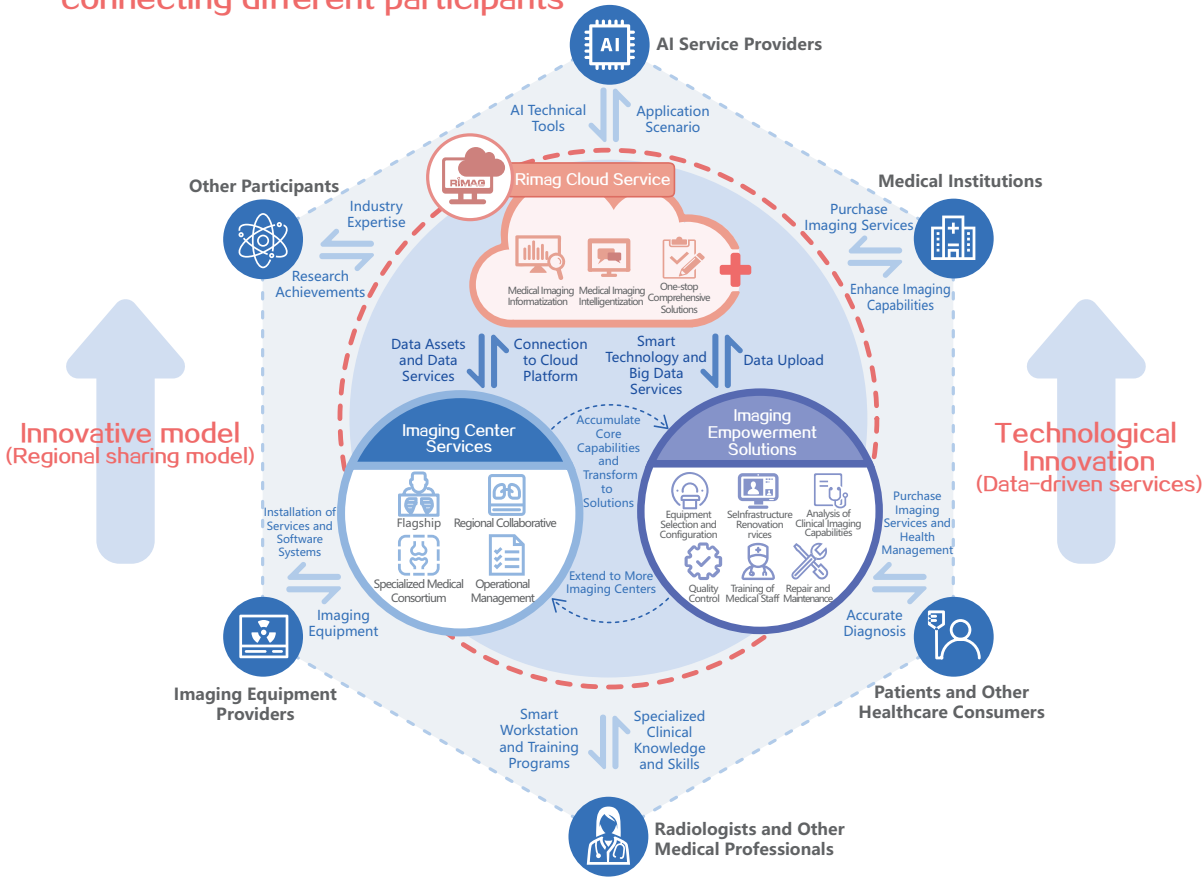
Our revenue generated from the Rimag Cloud services for the six months ended June 30, 2024 was approximately RMB9.6 million, representing an increase of 123.3% as compared to approximately RMB4.3 million for the six months ended June 30, 2023. The increase was primarily because we tapped into the informatization needs of hospital partners and brought in secondary sales. During the Reporting Period, our revenue generated from Rimag Cloud services increased by RMB1.4 million, as compared to RMB8.2 million for the second half of 2023, representing a period-to-period increase of 17.1%.

# Integrated One-Stop Ecosystem Platform Centered Around Our Three Key Business Segments

We build our service capability output through three parts of our business, namely imaging center services, imaging solution services and Rimag Cloud services, the three of which are mutually supportive and transformative. Targeting different pain points and needs of our customers, we can provide different service packages to satisfy their needs. These three core businesses form a one-stop ecosystem platform, making it link the different players, and we enable each role in this ecosystem platform to gain their own value embodiment or value interaction.

The following diagram illustrates the integrated one-stop ecosystem platform centered around our three key business segments:

Three core businesses of the Company form a one-stop ecosystem connecting different participants



## II. FINANCIAL REVIEW

### Overview

The following discussion is based on, and should be read in conjunction with, the financial information and the notes included elsewhere in this announcement.

During the Reporting Period, the overall business of the Group achieved stable development, with recorded revenue of approximately RMB413.7 million, adjusted net profit of approximately RMB35.9 million.

### Revenue

During the Reporting Period, we generated revenue primarily from three business lines, namely: (i) imaging center services; (ii) imaging solution services and (iii) Rimag Cloud services. The following table sets forth the components of our revenue for the periods indicated:

		<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
		<b>RMB'000</b>	<b>RMB'000</b>
Imaging center services	Satisfaction of performance obligation		
– Flagship imaging centers	Point in time	<b>60,424</b>	73,607
– Regional collaborative imaging centers	Point in time	<b>182,677</b>	184,654
– Specialized medical consortium imaging centers	Overtime	<b>53,995</b>	59,191
– Operational management imaging centers	Overtime	<b>21,857</b>	21,573
		<b>318,953</b>	339,025
Imaging solution services			
– Imaging equipment solutions	Point in time	<b>84,552</b>	186,464
– Equipment maintenance services	Overtime	<b>628</b>	–
		<b>85,180</b>	186,464
Rimag Cloud services			
– Cloud platform services	Overtime	<b>5,580</b>	4,290
– Sales of software	Point in time	<b>4,000</b>	–
		<b>9,580</b>	4,290
		<b>413,713</b>	529,779

During the Reporting Period, the Group's revenue was approximately RMB413.7 million, representing (i) a year-on-year decrease of 21.9% as compared to approximately RMB529.8 million for the six months ended June 30, 2023; and (ii) a period-to-period increase of RMB14.6 million or 3.7% against the trend, as compared to the second half of 2023.

The decline in the Group's overall revenue was mainly due to the slowdown of procurement demand from medical institutions which resulted in the decline in revenue from imaging solution services. However, the revenue from the Group's core imaging center services remained relatively stable, and we maintained solid business fundamentals and continued to expand the development of new projects, even in the face of the impact of macro-economic slowdown and the tight regulatory environment of the healthcare industry. We believe that the overall demand for imaging services in the industry as a whole remains relatively stable, especially in the context of the country's proposal to develop the "Thousand Counties Project (千縣工程)" and to update the equipment of primary medical institutions, as well as to encourage the equipment update of primary medical institutions. Services like imaging center services and imaging solution services can be good solution for primary medical institutions to complete the target of improving equipment and facilities as well as the needs to solidly enhance their imaging service capabilities.

### **Cost of Sales**

During the Reporting Period, our cost of sales primarily consisted of trading medical equipment, employee benefit expenses and depreciation of property, plant and equipment. The Group's cost of sales for the six months ended June 30, 2024 was approximately RMB254.1 million, representing a decrease of 25.5% as compared to approximately RMB341.1 million for the six months ended June 30, 2023. The decrease was primarily attributable to the drop in the trading medical equipment due to the decreased volume of sales orders of imaging solution services.

### **Gross Profit and Gross Margin**

Gross profit represents our revenue less our cost of sales. As a result of the aforementioned factors, the gross profit of the Group decreased by 15.3% from approximately RMB188.6 million for the six months ended June 30, 2023 to approximately RMB159.7 million for the six months ended June 30, 2024. The decrease was primarily caused by the drop in the volume of examinations conducted by our imaging centers resulted from the slowdown of macro-economy and changes in market environment. Comparing to the second half of 2023, our gross profit increased by RMB15.7 million during the Reporting Period, due to the period-to-period increase of revenue from imaging center services.

Gross margin represents our gross profit as a percentage of our revenue. The gross margin of the Group increased from 35.6% for the six months ended June 30, 2023 to 36.1% for the second half of 2023, and further increased to 38.6% for the six months ended June 30, 2024. The increase was mainly attributable to the increased revenue contribution of imaging center services as well as the continued enhancement in cost control to improve the overall economic efficiency.

### **Selling Expenses**

During the Reporting Period, our selling expenses primarily consisted of employee benefit expenses and marketing fees. The Group's selling expenses for the six months ended June 30, 2024 was approximately RMB33.0 million, representing a decrease of 4.3% as compared to approximately RMB34.5 million for the six months ended June 30, 2023. The decrease was mainly due to the reduced offline marketing activities resulting in decreased marketing fees.

## Administrative Expenses

During the Reporting Period, our administrative expenses primarily consisted of employee benefit expenses, listing expenses, depreciation of right-of-use assets, traveling expenses, office expenses and entertainment fees. The Group's administrative expenses for the six months ended June 30, 2024 was approximately RMB111.1 million, representing an increase of 37.0% as compared to approximately RMB81.1 million for the six months ended June 30, 2023. The increase was primarily attributable to the increased listing expenses as the Global Offering proceeded to the mid-to-late stage during the Reporting Period.

## Research and Development Expenses

During the Reporting Period, our research and development expenses primarily consisted of employee benefit expenses, depreciation and amortization, and traveling expenses. The Group's R&D expenses for the six months ended June 30, 2024 was approximately RMB5.7 million, representing a decrease of 3.4% as compared to approximately RMB5.9 million for the six months ended June 30, 2023. The decrease was mainly attributable to the cost control of R&D personnel's travelling expenses.

## Finance Income and Costs

During the Reporting Period, our finance income represents interest income on bank deposits. Finance costs primarily consisted of (i) interest expenses on bank borrowings; (ii) finance expenses on lease liabilities; and (iii) interest expenses on other borrowings. The following table sets forth a breakdown of our finance income and costs for the periods indicated:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Finance income:		
– Interest income from bank deposits	<u>1,143</u>	<u>1,970</u>
Finance costs:		
– Interest expenses on bank borrowings	(2,381)	(2,659)
– Interest expenses on other borrowings	(4,572)	(6,298)
– Finance expenses on lease liabilities	<u>(4,116)</u>	<u>(3,997)</u>
	(11,069)	(12,954)
Amount capitalized	<u>20</u>	<u>326</u>
Total finance costs	<u>(11,049)</u>	<u>(12,628)</u>
Finance costs – net	<u>(9,906)</u>	<u>(10,658)</u>

Our net finance costs for the six months ended June 30, 2024 were approximately RMB9.9 million, representing a decrease of 7.5% as compared to approximately RMB10.7 million for the six months ended June 30, 2023. The decrease in net finance costs was primarily attributable to the decrease in the weighted average balance of bank borrowings and finance leases.



## Income Tax Expense

During the Reporting Period, our income tax expense was RMB3.4 million. Our income tax expense in respect of our operations in the PRC was subject to the statutory tax rate of 25% or preferential tax rate on the assessable profits for the six months ended June 30, 2024, based on the existing legislation, interpretations and practices in respect thereof.

## Profit for the period

As a result of the foregoing, our profit for the period decreased by 97.9% from approximately RMB47.3 million for the six months ended June 30, 2023 to approximately RMB1.0 million for the six months ended June 30, 2024. The decrease was mainly because (i) the slowdown of macro-economy and change in market conditions caused adverse impact and (ii) our H Shares were successfully listed on the main board of the Stock Exchange on June 7, 2024, resulting in listing related expenses.

Comparing to the second half of 2023, our profit for the period increased by RMB11.7 million during the Reporting Period, representing a period-to-period increase of 109%, which maintained the trend of continuously improving overall profitability.

## Non-IFRS Measures

	For the six months ended June 30,		Year-on-year change
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000	
<b>Non-IFRS Measures:</b>			
EBITDA	114,132	155,321	-26.5%
Adjusted EBITDA	149,058	167,309	-10.9%
Adjusted net profit	35,888	59,280	-39.5%

To supplement our consolidated statement of profit which are presented in accordance with IFRS, we also use EBITDA (non-IFRS measure), adjusted EBITDA (non-IFRS measure) and adjusted net profit (non-IFRS measure), which are not required by, or presented in accordance with, IFRS.

We believe that these measures provide useful information to investors and others in understanding and evaluating our condensed consolidated interim income statement in the same manner as they help our management. However, our presentation of EBITDA (non-IFRS measure), adjusted EBITDA (non-IFRS measure) and adjusted net profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool and, as such, they should not be considered in isolation from, or as substitute for analysis of, our consolidated statements of comprehensive income or financial condition as reported under IFRS. In addition, the non-IFRS measures may be defined differently from similar terms used by other companies.

There are two components to the adjusted EBITDA (non-IFRS measure) metric: (1) EBITDA (non-IFRS measure), which we define as profit before income tax plus finance costs, depreciation of property, plant and equipment, depreciation of right-of-use assets and amortization of intangible assets, less finance income; and (2) adjustments to EBITDA (non-IFRS measure), which include items of share-based payments expenses and listing expenses. These reconciling items are non-cash items and do not result in cash outflow. We exclude listing expenses, as they arose from activities relating to the Global Offering.

The following table reconciles our EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) in accordance with IFRS, our profit before income tax, for the periods indicated:

	<b>For the six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Profit before income tax</b>	<b>4,374</b>	55,147
Add: Finance costs	<b>11,049</b>	12,628
Add: Depreciation of property, plant and equipment	<b>79,424</b>	73,543
Add: Depreciation of right-of-use assets	<b>18,496</b>	14,853
Add: Amortization of intangible assets	<b>1,932</b>	1,120
Less: Finance income	<b>(1,143)</b>	(1,970)
<b>EBITDA (non-IFRS measure)</b>	<b>114,132</b>	155,321
Add: Share-based payments expenses	<b>472</b>	1,501
Add: Listing expenses	<b>34,454</b>	10,487
<b>Adjusted EBITDA (non-IFRS measure)</b>	<b>149,058</b>	167,309

We define adjusted net profit (non-IFRS measure) as profit for the period adjusted for items of share-based payments expenses and listing expenses. We adjusted these items for the same reasons as stated in the discussion of adjustments to EBITDA (non-IFRS measure) above. The following table reconciles our adjusted net profit (non-IFRS measure) in accordance with IFRS, our profit for the period, for the periods indicated:

	<b>For the six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Profit for the period</b>	<b>962</b>	47,292
Add: Share-based payments expenses	<b>472</b>	1,501
Add: Listing expenses	<b>34,454</b>	10,487
<b>Adjusted net profit (non-IFRS measure)</b>	<b>35,888</b>	59,280

Our adjusted net profit for the Reporting Period reached approximately RMB35.9 million, representing a year-on-year decrease of 39.5% as compared to approximately RMB59.3 million for the six months ended June 30, 2023.



In terms of the Group's adjusted EBITDA and adjusted net profit, there was certain decline during the Reporting Period as compared to the six months ended June 30, 2023. Such decline was mainly due to the year-on-year decrease in the overall revenue (especially the decrease in the revenue from the imaging solution services). However, there was significant period-to-period increase as compared to the second half of 2023, which reflected that the Group as a whole is still in a trend of stable improvement in respect of its profitability.

### **Capital Management**

We monitor capital (including shares and borrowings) by regularly reviewing the capital structure. Our objectives when managing capital are to safeguard our ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the costs of capital.

### **Liquidity and Capital Resources**

During the Reporting Period, we funded our working capital primarily from net cash generated from operating activities, bank borrowings, finance leases and equity financing. Our net cash generated from operating activities mainly consists of profit before income tax adjusted for (i) non-cash items, such as net finance costs, depreciation of property, plant and equipment and depreciation of right-of-use assets; (ii) the effects of changes in working capital, such as contract liabilities, trade payables, other payables and accruals, trade receivables and other receivables and prepayments; and (iii) the effects of interest received and income tax paid.

We had cash and cash equivalents of approximately RMB188.8 and RMB305.5 million as at December 31, 2023 and June 30, 2024, respectively. The increase in our cash and cash equivalents primarily reflected the proceeds from the Global Offering received during the Reporting Period.

We recorded net cash generated from operating activities of approximately RMB97.4 million and RMB34.1 million for the six months ended June 30, 2023 and 2024, respectively. The decrease was primarily due to the reduced recovery of receivables from imaging center services and imaging solution services.

### **Borrowings and Gearing Ratio**

As at June 30, 2024, the aggregate balance of our borrowings was approximately RMB265.4 (approximately RMB210.0 million as at December 31, 2023), which were all made in RMB, and approximately RMB161.9 million of them were at fixed interest rates. As at June 30, 2024, all of our borrowings had been fully drawdown, and there was no unutilized loan facilities from banks or financial leasing companies.

The gearing ratio (calculated based on total borrowings divided by total equity and multiplied by 100%) of the Group as at June 30, 2024 was 17.0%, representing an increase of 1.3% as compared to 15.7% as at December 31, 2023. The increase was primarily attributable to the increased finance lease and bank borrowings corresponding to the newly developed imaging center projects.

## **Net Current Assets**

Our net current assets, as at June 30, 2024 were approximately RMB448.1 million, representing an increase of 47.3% as compared to approximately RMB304.3 million as at December 31, 2023. The increase was primarily attributable to proceeds raised from the Global Offering and the increase in trade receivables.

## **Currency Risk**

We are engaged in the provision of medical imaging services through the establishment of medical imaging network, as well as operational management services, imaging solution services and Rimag Cloud services in the PRC with almost all the transactions denominated and settled in RMB, which is the functional currency of the group companies. Therefore, our foreign exchange risk is limited. We currently do not have a foreign currency hedging policy, and manages its foreign currency risk by closely monitoring the movement of the foreign currency rates. As at June 30, 2024, we had no material foreign currency denominated assets and liabilities. Therefore, we did not have any significant foreign exchange risk.

## **Significant Investments, Material Acquisitions and Disposals/Future Plans in relation to Significant Investments or Capital Assets**

As at June 30, 2024, we did not have any significant investments, material acquisitions and disposals or any future plans in relation to significant investments or capital assets. Each of the investments held by us as a percentage of the Group's total assets as at June 30, 2024 did not amount to 5% or more.

## **Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures**

Since the Listing Date and up to June 30, 2024, we did not have material acquisitions or disposals of subsidiaries, associates and joint ventures.

## **Capital Expenditure**

During the Reporting Period, our total capital expenditure amounted to approximately RMB180.3 million, which was incurred mainly for the purchase of equipment and intangible assets such as software.

## **Pledge of Assets**

As at June 30, 2024, we had pledged machineries, cash at banks, trade receivable and equity of our subsidiaries in aggregate of approximately RMB607.6 million.

## **Contingent Liabilities**

As at June 30, 2024, we did not have any material contingent liabilities, guarantee, legal, arbitration or administrative proceedings that were expected to materially and adversely affect our financial condition or results of operations.

## **Employees and Remuneration Policies**

As at June 30, 2024, we had 1,667 employees and medical professionals. During the Reporting Period, our employee benefit expenses amounted to approximately RMB100.5 million (six months ended June 30, 2023: approximately RMB93.4 million).

We are committed to establishing competitive and fair remuneration. In order to effectively motivate our employees, we continually refine our remuneration and incentive policies through market research. We conduct performance evaluation of our employees semiannually to provide feedback on their performance. Compensation for our employees typically consists of basic salary and a performance-based bonus. We provide social insurance plans and housing provident funds in accordance with applicable PRC laws and regulations to our employees. We pay great attention to our employees' welfare, and continually improve our welfare system. We offer employees additional benefits such as annual leave, stipend, supplementary medical insurance, annuity, health examinations and medical insurance for family members, among other things.

## **III. FUTURE DEVELOPMENT AND STRATEGIES**

Our goal is to become the foremost medical group with a focus on imaging in China and worldwide. We aim to establish a dominant medical imaging solution service platform that can efficiently integrate resources across the industry value chain and promote a thriving entrepreneurial business network. To achieve this, we plan to implement the following strategies:

### **1. Further expand our medical imaging center network and enrich the offerings of our imaging solution services to strengthen our industry-leading position**

We actively develop regional collaborative imaging centers, and intend to strategically prioritize our resource integration and investments in regions with relatively uneven distribution of medical resources. In particular, we choose to establish or acquire regional collaborative imaging centers in regions where we have existing support from government policies and business partners and the potential of which has not yet been fully exploited. At the same time, we can adopt various investment and cooperation strategies during the investment process, such as joint venture with local state-owned platforms to build regional collaborative imaging centers and provide medical imaging examination and diagnostic services and image operation and management services in the region, so as to realize the sharing of medical imaging equipment, sharing of medical imaging doctors, and exchange of medical imaging data in the region, which is conducive to the realization of the improvement of the level of the local medical imaging diagnostic capacities without any governmental investment and the benefit of the people.

We are actively implementing the national development policy of hierarchical diagnosis and treatment and strengthening the primary level. We plan to further develop specialized medical consortium imaging centers and operational management imaging centers to realize the extension and penetration of our imaging service capabilities. The approach is for us to further develop specialized medical consortium imaging centers and operational management imaging centers in the regions where we have already invested in imaging centers, so as to further extend and expand our medical imaging service capabilities in these regions and to increase market penetration and achieve market expansion.

Meanwhile, based on our existing layout of the flagship imaging centers, we plan to establish or acquire more flagship imaging centers in high-tier cities with large populations, high levels of consumer spending, and highly differentiated demands.

We also aim to provide diversified medical imaging services, and strategically select regions with great potential for development. We intend to provide imaging solution services and Rimag Cloud services to potential customers to realize the rapid expansion of our business. In addition, we plan to grasp market opportunities with such customers and convert them to business partners of operational management imaging centers and regional collaborative imaging centers.

Additionally, in the long run, we plan to enter overseas markets and establish or acquire imaging centers in certain countries that are undervalued and have medical needs and favorable policies.

## **2. Enhance our operation and management strength, and continuously improve our professional level and branding capacities**

We target to continuously enhance our operation and management strength through the improvement of professionalism, mechanism, and management capability, to achieve the enhancement of “imaging services capacity” in the whole imaging process of “radiologists, radiologic technologists, managers and clinicians”.

We will focus on specialized diseases, utilize the role of medical imaging in the field of disease targeting, and use imaging as a link to help public hospitals which have purchased our medical imaging services build and create specialized outpatient clinics and explore unique technologies, so as to better serve the needs of patients at the local level, such as cardiovascular and cerebrovascular specialty clinics and epilepsy specialty clinics.

We will promote imaging-enabled disease prevention, utilize the value of medical imaging in health management and early screening prevention, such as utilizing the value of imaging in the “prevention of sudden death, early screening of tumors, Alzheimer’s disease, cardiovascular health and etc.”, which is conducive to the improvement of national health and good quality of life. Through the Company’s investment in the incubation of Hanji Health Management (Shanghai) Co., Ltd. (漢吉健康管理(上海)有限公司), a company focusing on health management and physical examination, we will achieve the value input to the health check field of public hospitals, and realize a win-win development.

We will promote the operational mentorship system. The mentorship system can deeply implement the Group’s operational philosophy, promote the transmission of operational concepts and experience to new imaging centers, and ensure that new imaging centers can quickly learn and apply the Group’s best operational practices, thereby generally enhancing the operation and management capabilities within our system.

We will further optimize operation SOPs, formulate and improve different SOP requirements according to different business types and natures, match the reasonable allocation of approval personnel, and improve the accuracy of approval at various nodes; optimize the system operation page, improve the user’s operational convenience, and make it convenient for managers to check the status of the project.

**3. Continually invest in R&D to reinforce our Rimag Cloud service capabilities and further support the rapid and effective business expansion of our medical imaging centers and imaging solution services**

As an essential tool that supports our operation and management of imaging centers and imaging solution services, the Rimag Cloud platform is also expected to be one of our future revenue growth drivers. We intend to continually invest in R&D, either through strengthening our in-house capabilities or cooperation with third parties. We expect to recruit personnel with rich experience in fields such as data analytics and information systems so as to develop platform products for the key participants in the medical imaging services industry, enrich our current cloud-based product portfolio, and continuously expand our service capabilities and offerings. In particular, we intend to increase our investment in the following aspects:

We will actively explore the value of data services and data assets, focus on data asset management, and do a good job in the construction of data application platforms such as standardization of inspection items, image master data management, and refined quality control. We plan to continuously enhance our capabilities in data standardization. We intend to keep standardizing our existing medical imaging data to increase their value. Through data accumulation, we expect to form our data-driven competitiveness, for purposes of laying the foundation for subsequent workflow standardization, big data analysis and application, and cooperation with medical imaging AI service providers;

We will enhance the R&D capability around the application of the whole process of imaging services to ensure the efficient operation and empowerment of the imaging center. We plan to continually invest in management systems facilitating the operation of imaging centers, such as smart SOP systems, refined operational management systems, and whole process quality control systems;

We intend to continually invest in application platforms such as health management service platforms and remote consultation platforms that serve to enhance customer experience, broaden service settings, and diversify profit scenarios and models by leveraging leading technology advancements such as those in AI and deep learning; and

We plan to collaborate with third parties to formulate knowledge pool and knowledge graphs relating to medical imaging and clinical diseases. Moreover, through the continual development of our AI tools based on natural language processing and knowledge graphs, we plan to extend the application of AI technology to patient consultation, diagnostic imaging, quality control, business data analysis and other processes. For example, we intend to utilize AI technology to provide patients with smart consultation, medical guidance and report interpretation services.

We believe that the above-mentioned investments in R&D will help to strengthen our capabilities in operating and managing imaging centers and providing imaging solution services. This can further enhance our overall profitability, expand our business, and increase our brand influence.

**4. Strengthen Rimag Imaging Academy, build an effective long-term talent cultivation system, and continue to nurture and attract skilled medical imaging and managerial talents**

We expect to continually reinforce talent cultivation at our Rimag Imaging Academy and set up and maintain a talent cultivation system. By providing training and recruiting talented individuals, we aim to strengthen our team's capabilities to support our expanding business. We plan to continuously focus on the following aspects:

We plan to continue investing in and upgrading our existing Radiology Management Business Administration (RMBA) training system, cultivating more versatile professionals with both medical background and business managerial skills. We believe that these trained imaging center management personnel will become the cornerstone of our business development;

We expect to create a talent development path that integrates operations and market development, selecting individuals with experience in operating imaging centers to engage in market development work. We believe that this approach will be more conducive to the development of value-based investments; and

We intend to continue collaborating with universities to jointly build medical imaging bootcamps, and set up specialized talent cultivation programs, thereby providing a long-term and stable talent pool for our business development.

By continual nurturing of various types of talents, setting up clear promotion career paths and competitive incentive mechanisms to clarify their career development path and motivate them, and strengthening employees' sense of belonging, we aim to provide strong support to the rapid expansion of imaging centers, professional quality assurance, and improvement in operational capabilities and operational performance.

**5. Enhance strategic cooperation with industry upstream and downstream stakeholders to continuously enhance our capabilities to integrate the medical imaging industry and coordinate an business network**

We plan to intensify our strategic partnerships with upstream and downstream companies, including equipment providers, equipment maintenance companies, medical imaging AI service providers, and industry associations, so as to enhance our capabilities to coordinate a business network and integrate resources along the industry value chain. This is expected to further help us improve operational capabilities and efficiency, and solidify our industry position.

***Equipment providers.*** We plan to deepen our collaboration with equipment providers to utilize our experience and knowledge in equipment usage, convert it into our intellectual property, and cooperate with manufacturers to produce customized equipment.

***Equipment maintenance companies.*** Based on our imaging center business across the country, and the large amount of equipment covering wide geographical regions varied by type and brand, we plan to form strategic cooperations with equipment maintenance companies, to formulate a maintenance system that can match our medical imaging center network and continually reduce our costs.



**Medical imaging AI service providers.** We plan to attract more medical imaging AI service providers to integrate their products into our AI integration platform, thereby enriching our AI offerings and enhancing our service capabilities. Furthermore, we plan to use our professional resources to collaborate with AI service providers to incorporate AI algorithms into doctors' daily medical practice to meet their demands while also helping such algorithms to learn and evolve by themselves.

**Industry associations.** We intend to strengthen our multidimensional professional capabilities by partnering with industry associations in fields including talent development, medical imaging professional capacity assessment, operation and management systems, and medical imaging data standards.

We are also actively monitoring acquisition or investment opportunities related to medical imaging services to continuously expand our service coverage, improve our service capabilities, and broaden our service scope.

We are interested in the following opportunities:

- Investing in or incubating health management companies to build a medical imaging service platform for commercial clients and individual customers, enriching our products and services and expanding our business outreach.
- Investing in or incubating companies that complement our existing business in areas of cloud services, AI, and big data applications.
- Investing in or incubating companies with advanced technology or R&D capabilities in medical imaging software, hardware or service development for commercialization.

### **Support of Favorable Government Policies**

In recent years, China has issued a series of favorable policies aiming at deepening the reform of the medical and healthcare system, optimizing medical services and promoting the healthy development of the medical industry, from the “Opinions of the State Council on Promoting the Development of the Healthcare Service Industry (《國務院關於促進健康服務業發展的若干意見》)” in 2013 to the “Basic Standards and Management Norms for Medical Image Diagnostic Centers (for Trial Implementation) (《醫學影像診斷中心基本標準和管理規範(試行)》)” issued by the National Health and Family Planning Commission in 2016, which formally clarified the status of third-party diagnostic imaging centers as “independent legal persons” throughout the country. In the past ten years, the policy has been centered on the reform and innovation of “strengthening the grassroots, hierarchical diagnosis and treatment, close medical consortium (sharing mechanism) and mutual recognition of results (強基層、分級診療、緊密醫聯體(共享機制)及結果互認)”. The business development model of our Group is highly integrated with the development strategy of the country and the general policy of medical and healthcare system reform, which provides a good opportunity for the high-speed and high-quality development of our Group.

Throughout the first half of 2024, from the Notice on Further Improving the Mechanism to Promote the Sinking of Urban Medical Resources to County Hospitals and Urban and Rural Grassroots Levels (《關於進一步健全機制推動城市醫療資源向縣級醫院和城鄉基層下沉的通知》) issued by the National Healthcare Commission on June 3, 2024 to, one month later, the Decision of the Central Committee of the Communist Party of China on Further Comprehensively Deepening Reforms and Promoting Chinese-Style Modernization (《中共中央關於進一步全面深化改革、推進中國式現代化的決定》) passed by the Third Plenary Session of the Twentieth Central Committee of the Communist Party of China on July 8, 2024, the relevant policies have successively mentioned promoting the expansion and downward penetration and balanced distribution of high-quality medical resources, accelerating the construction of a hierarchical diagnosis and treatment system, promoting the construction of close-knit medical consortiums, strengthening primary medical and healthcare services, improving the management level of county hospitals, upgrading the service capacity of county hospitals, speeding up the cultivation of a professional talent echelon as well as promoting resource sinking. Focusing on the core of “medical imaging service”, we focus on solving the different needs of “resources, specialty, management, informatization and intelligence” required for the development of medical imaging in China. Through the synergy of the three key business segments, we have extended our business network from first – and second-tier cities to county-level divisions, actively practiced the government’s healthcare reform policy, provided high-quality diagnostic imaging services for primary healthcare institutions, and effectively enhanced the capacity of primary healthcare services.

We have (i) flagship imaging centers; (ii) regional collaborative imaging centers, the concept of which being the most representative model of our imaging centers, which is established in accordance with the “Basic Standards for Medical Imaging Diagnostic Centers (Trial Implementation) (《醫學影像診斷中心基本標準(試行)》)” issued by the National Health and Family Planning Commission in 2016, with the qualification of independent legal person. Such regional collaborative imaging center integrates professional imaging centers in the relevant region through the distributed placement of imaging equipments, multi-disciplinary practice of doctors, to integrate professional imaging resources in the relevant region and realize the sharing of data, equipment and professionals. Through resource sharing, equipment sharing, talent sharing and data sharing, we realized effective allocation of resources and promoted the implementation of the national hierarchical diagnosis and treatment system. At the same time, by entering the clinic, serving the clinic and leading the clinic, we promoted the interaction between, and the spiral development of, the clinic and the imaging, so as to lead to the overall high-quality development of the medical institutions, relieve the worries of the government, promote the development of the hospitals and benefit the people. At the same time, through (iii) specialized medical consortium imaging centers; and (iv) operational management imaging centers, the imaging capabilities will be transmitted downward to the primary level, covering and extending to areas with insufficient primary level medical imaging resources, and ultimately realize the “one network structure of medical imaging in China” of specialized medical consortiums and medical communities.



On the basis of the imaging center services, we continue to adhere to the output of the four core imaging capabilities (management capability, informatization and intelligence capability, design and construction capability and the imaging professional capacity made by equipment capability, technician operation capability, diagnostic capability of imaging doctors, and cognitive capability of clinicians), which comprehensively affects the center's and even the hospital's professional development and level of efficiency, further expands the output of the "professional capability of medical imaging services" that grows out of the self-owned and self-operated imaging centers, and rapidly expands the scope of influence of our imaging capabilities in the form of imaging solution services.

With heavy assets and light assets, we have keenly laid out our digital and intellectual strengths into the whole process of medical imaging services, using data to drive entity operation and service product innovation. Responding to the policy call for "digitalization + intelligence", in addition to the use of the Internet characteristics of the upper advantage of medical imaging medical resources and services, we continue to take root at the grassroots level to convey the ability to nutrients, but also disassembled the chain of imaging examination link, empowers the roots of the tree through AI to each clinician, imaging technicians and managers. The power of data is used to drive the operation of centers at all levels and the product innovation.

Closely adhering to the national policy, we will actively grasp the elements of new productivity, and through technology innovation, utilize artificial intelligence and other cutting-edge technologies to continuously improve the ability of medical imaging examination and diagnosis. At the same time, through continuous innovation of business model, we actively participate in the deepening of the reform of state-owned enterprises, and synergize in capital, industrial chain, common supply chain and scientific and technological innovation. We believe that this will lay a solid foundation for the sustainable development of our Group and will usher in greater development.

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

Since the Listing Date and up to June 30, 2024, none of the members of the Group has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury Shares). As at the end of the Reporting Period, the Company did not hold any treasury Shares.

## **USE OF NET PROCEEDS FROM THE GLOBAL OFFERING**

The Company completed the Global Offering of an aggregate of 17,816,000 H Shares at HK\$14.98 per H Share on June 7, 2024. The net proceeds from the Global Offering amounted to approximately HK\$183.48 million. The net proceeds from the Global Offering in accordance have been and will continue to be used in a manner consistent with that disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, as follows:

	Approximately % of total net proceeds	Actual amount of net proceeds	Net proceeds (HK\$' million)		Expected timeline for unutilized amount
			Utilized amount as of June 30, 2024	Unutilized amount as of June 30, 2024	
<b>Intended utilization</b>					
For expanding our medical imaging center network	50.0%	91.73	26.70	65.03	To be utilized by December 31, 2025
For pursuing strategic cooperation and mergers and acquisitions in the medical imaging field and seeking strategic partnerships and investment opportunities along the medical imaging services industry chain	20.0%	36.70	8.62	28.08	To be utilized by December 31, 2025
For extending our business to overseas countries and regions which (i) are relatively lacking in medical resources, and (ii) have high per capital disposable income and great growth potential for medical imaging services	20.0%	36.70	2.15	34.55	To be utilized by December 31, 2025
Working capital and general corporate uses	10.0%	18.35	0	18.35	To be utilized by December 31, 2025
Total	100%	183.48	37.48	146.00	To be utilized by December 31, 2025

It is expected that all remaining unutilized net proceeds will be fully utilized by December 31, 2025. The expected timing of the utilization of the remaining proceeds is based on the Group's view that such timing will vary depending on current and future developments in market conditions.

## CORPORATE GOVERNANCE

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted corporate governance practices based on the principles and code provisions as set out in the Corporate Governance Code and has complied with all applicable code provisions since the Listing Date and up to June 30, 2024.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS AND SUPERVISORS**

The Company has adopted the Model Code as its code of conduct regarding dealings in the securities of the Company by the Directors and the Supervisors who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities.

Upon specific enquiry, all Directors and Supervisors confirmed that they have complied with the Model Code since the Listing Date and up to June 30, 2024. In addition, the Company is not aware of any non-compliance with the Model Code by the members of senior management of the Company since the Listing Date and up to June 30, 2024.

## **EVENTS AFTER THE REPORTING PERIOD**

There is no material subsequent events after the Reporting Period and up to the date of this announcement.

## **REVIEW OF INTERIM RESULTS**

The Audit Committee consists of three members, including two independent non-executive Directors, namely Mr. WU Xiaohui (吳曉輝) and Mr. YUAN Jun (袁駿), and one non-executive Director, namely Mr. LIU Senlin (劉森林). The chairman of the Audit Committee is Mr. WU Xiaohui (吳曉輝) who holds the appropriate qualification as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee has reviewed the unaudited condensed consolidated interim financial information of the Group for the six months ended June 30, 2024 with the management of the Company. The Audit Committee considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management of the Company.

## **INTERIM DIVIDEND**

The Board does not recommend the distribution of any interim dividend for the Reporting Period.

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

This interim results announcement is published on the websites of the Company (<https://www.rimag.com.cn/>) and the Stock Exchange (<http://www.hkexnews.hk>). The interim report of the Company for the six months ended June 30, 2024 will be made available on the websites of the Company and the Stock Exchange as and when appropriate.

## DEFINITIONS

“Audit Committee”	the audit committee of the Board
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board of Directors” or “Board”	the board of Directors
“Corporate Governance Code”	the “Corporate Governance Code” as set out in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China, which for the purpose of this interim results announcement and for geographical reference only, excludes Hong Kong, Macau and Taiwan
“Company” or “our Company”	Jiangxi Rimag Group Co., Ltd. (江西一脈陽光集團股份有限公司), a company initially established under the laws of the PRC on October 30, 2014 as a joint stock company with limited liability, subsequently converted into a limited liability company on July 15, 2016 and further converted into a joint stock company with limited liability in the PRC on June 30, 2021 and the H Shares of which are listed on the Stock Exchange (stock code: 2522) and which includes its subsidiaries (from time to time) where the context so requires
“Director(s)”	the director(s) of the Company
“Global Offering”	the global offering of an aggregate of 17,816,000 H Shares by the Company, details of which are set out in the Prospectus
“Group”, “we” or “us”	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)
“H Share(s)”	overseas listed foreign ordinary share(s) in the share capital of our Company with nominal value of RMB1.00 each, which are listed and traded on the Stock Exchange
“HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Date”	June 7, 2024
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with Growth Enterprise Market of the Stock Exchange
“Model Code”	the “Model Code for Securities Transactions by Directors of Listed Issuers” set out in Appendix C3 to the Listing Rules
“Prospectus”	the prospectus issued by the Company dated May 30, 2024
“Reporting Period”	the six months ended June 30, 2024
“RMB”	Renminbi, the lawful currency of the PRC
“second half of 2023”	the six months ended December 31, 2023
“Share(s)”	ordinary shares in the share capital of our Company with a nominal value of RMB1.00 each, including unlisted shares and H Shares
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“%”	per cent

By order of the Board  
**Jiangxi Rimag Group Co., Ltd.**  
江西一脈陽光集團股份有限公司  
**Mr. CHEN Zhaoyang**  
*Executive Director and Chief Executive Officer*

Hong Kong, August 27, 2024

*As at the date of this announcement, the Board comprises Dr. XU Ke, Mr. CHEN Zhaoyang, Ms. HE Yingfei and Mr. FENG Xie as executive Directors, Mr. LIU Senlin and Mr. MAO Xiaojun as non-executive Directors, and Mr. WU Xiaohui, Mr. LUO Yi and Mr. YUAN Jun as independent non-executive Directors.*