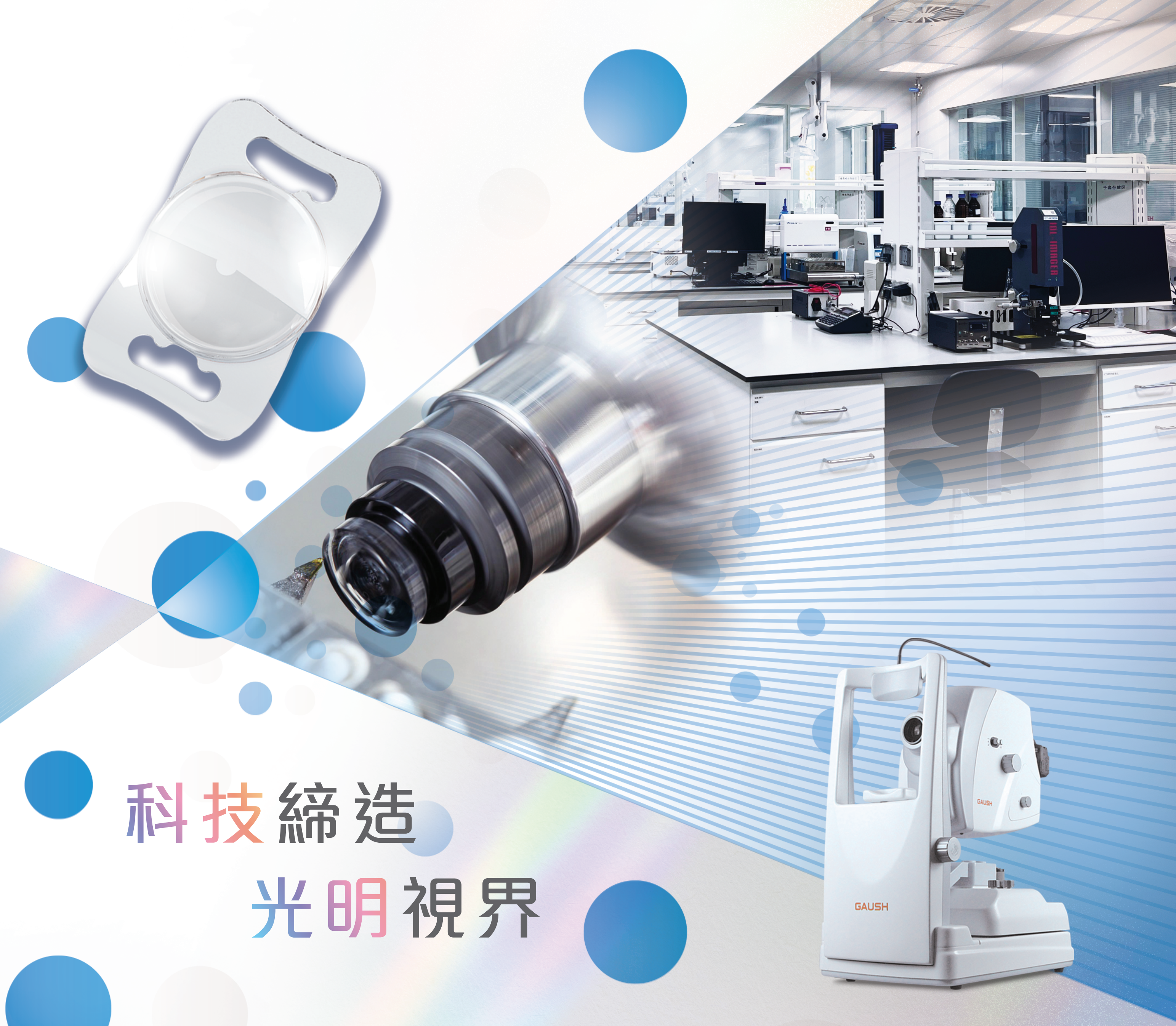
高視 GAUSH

高视医疗科技有限公司
Gaush Meditech Ltd

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2407



INTERIM REPORT 2024

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Company Profile

Gaush Meditech Ltd is an exempted company incorporated under the laws of the Cayman Islands with limited liability on November 1, 2017, and was listed on the Main Board of the Stock Exchange on December 12, 2022.

With over 20 years of track record, Gaush Meditech, as a leading player in China's ophthalmic medical device market, develops and distributes a broad spectrum of ophthalmic medical equipment and consumables, and also provides its end customers with related technical services. The Group's product portfolio comprises Proprietary Products which the Group develops and manufactures as well as Distribution Products of its brand partners which the Group distributes, covering all seven ophthalmology sub-specialties where ophthalmic medical devices are utilized for their diagnosis, treatment or surgeries, being vitreoretinal diseases, cataracts, refractive surgery, glaucoma, ocular surface diseases, optometry and pediatric ophthalmology.

DIRECTORS

Executive Directors

Mr. Gao Tieta *(Chairman)*
Mr. Liu Xinwei *(Chief Executive Officer)*
Mr. Zhao Xinli
Mr. Zhang Jianjun
Ms. Li Wenqi

Non-executive Director

Dr. David Guowei Wang

Independent Non-executive Directors

Mr. Feng Xin
Mr. Wang Li-Shin
Mr. Chan Fan Shing

JOINT COMPANY SECRETARIES

Mr. Zhang Bo
Ms. Leung Shui Bing *(ACG, HKACG)*

AUTHORIZED REPRESENTATIVES

Mr. Gao Tieta
Mr. Liu Xinwei

AUDIT COMMITTEE

Mr. Chan Fan Shing *(Chairman)*
Dr. David Guowei Wang
Mr. Feng Xin

REMUNERATION COMMITTEE

Mr. Feng Xin *(Chairman)*
Mr. Gao Tieta
Mr. Wang Li-Shin

NOMINATION COMMITTEE

Mr. Wang Li-Shin *(Chairman)*
Mr. Gao Tieta
Mr. Feng Xin

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
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COMPANY'S WEBSITE

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Financial Highlights

For the six months ended June 30, 2024, the Group recorded the following financial results:

- Revenue of the Group was RMB642.0 million for the six months ended June 30, 2024, representing a decrease of 8.4% as compared to the revenue of RMB700.7 million in the same period in 2023.

- Net profit of the Group was RMB26.9 million for the six months ended June 30, 2024, representing a decrease of 75.6% as compared to the net profit of RMB110.4 million recorded in the same period in 2023.

- The Group's basic earnings per Share was RMB0.19 for the six months ended June 30, 2024 as compared to the basic earnings per Share of RMB0.75 in the same period in 2023.

- The Group's research and development expenses were RMB35.1 million, representing an increase of 34.5% as compared to the research and development expenses of RMB26.1 million in the same period in 2023. The Group's research and development expenses amounted to 3.7% and 5.5% of its revenue for the six months ended June 30, 2023 and 2024, respectively, remained at a relatively stable and high level.

Management Discussion and Analysis

BUSINESS OVERVIEW

The Group is principally engaged in the R&D, production and distribution of a broad spectrum of ophthalmic medical equipment and consumables, and the provision of ancillary technical services to end customers. As of the date of this interim report, the Group has possessed a "Global 4+2" R&D layout, with several R&D and production platforms in four cities in the PRC, namely Shenzhen, Suzhou, Wuxi and Wenzhou, and two R&D and production platforms overseas in the Netherlands and Germany. At the same time, the Group has a sales network covering 51 countries and regions around the world, and has 130 engineers in Greater China which makes the Group capable of providing 7*24 hours technical support services for its equipment.

As of June 30, 2024, the Group: (i) had a product portfolio of 150 products in total, including 65 Proprietary Products, further enriching the portfolio of Proprietary Products; (ii) co-operated with 18 overseas brand partners, of which 16 had entered into exclusive distribution arrangements with the Group in respect of their products, including Heidelberg, Schwind and Optos, among which Sometech Inc., a Korean company, was added as its exclusive partner during the Reporting Period; (iii) had its products sold to 51 countries and regions worldwide, and had served over 5,000 end customers in Greater China during the Reporting Period; and (iv) continued to invest in R&D, where the Group obtained a medical device registration certificate for each of the two domestic monofocal intraocular lens in March 2024 and May 2024, respectively, nearly two quarters ahead of schedule, which further enriched the Group's domestic intraocular lens product line, and also signified the further consolidation of R&D, the overall process and the production capability of Gaush's intraocular lens.

Products of the Group

As of June 30, 2024, the Group had a product portfolio of 150 products in total, which included the Proprietary Products, being products developed and manufactured by the Group, and the Distribution Products, being the products of the Group's brand partners, and consisted of diagnostic equipment, treatment and surgical instrument, high-value consumables and general consumables. The Group's product portfolio covers seven major ophthalmology sub-specialties where ophthalmic medical devices are utilized for their diagnosis, treatment or surgery, being the vitreoretinal diseases, cataracts, refractive surgery, glaucoma, ocular surface diseases, optometry and pediatric ophthalmology, which enables the Group to provide the customers with integrated product and service offering.

Proprietary Products

As a result of its "Global 4+2" R&D layout and continuous investment in R&D, the Group's portfolio of Proprietary Products continued to expand, mainly including intraocular lens, ophthalmic scalpel products and ophthalmic examination equipment. For the six months ended June 30, 2024, the revenue contribution of the Group's Proprietary Products amounted to RMB178.0 million, accounting for 33.6% of the Group's revenue from sales of products, representing an increase as compared with the ratio of revenue contribution of the Proprietary Products to the Group's revenue from sales of products of 32.7% in the first half of 2023. For the six months ended June 30, 2024, the revenue contribution of the Group's intraocular lens under the Proprietary Products amounted to RMB153.0 million, representing a year-on-year decrease of 6.0%.

Distribution Products

As of June 30, 2024, the Group had co-operated with 18 overseas brand partners, 16 of which had entered into exclusive distribution arrangements with the Group, including Heidelberg, Schwind and Optos, among which Sometech Inc., a Korean company, was added as the exclusive partner during the Reporting Period. For the six months ended June 30, 2024, the revenue contribution of the Group's Distribution Products amounted to RMB351.0 million, representing a year-on-year decrease of 12.1%, which was mainly due to the continuous impact from domestic medical services policies and regulation, as well as the negative impact brought about by the weak macroeconomy.

The Group's Technical Services Business

The Group has strong technical service capability. As of June 30, 2024, the Group has a technical service team comprising 130 technicians in Greater China. The Group sets up 13 technical service centers in Greater China, including one in Hong Kong, and has a technical service network covering all provincial administrative regions in China to provide 7*24 hours technical services, ensure the Group provide services to the customers in a timely manner. During the Reporting Period, the Group's technical service team in Greater China had a total number of nearly 13,000 service visits. The technical service presents a great opportunity for the Group to interact with its customers, build brand loyalty and gain first-hand insights into market demand and unmet market needs. For the six months ended June 30, 2024, the revenue contribution of the Group's technical services amounted to RMB110.0 million, representing a year-on-year increase of 6.5%.

The Group's R&D and Production Line-up

As of June 30, 2024, the Group had already possessed a "Global 4+2" R&D layout through organic growth and acquisitions and had a total of 261 R&D and production personnel, accounting for approximately 29.9% of the total headcount, with an average industry experience of more than 10 years. The Group's domestic R&D and production bases are located in four cities in the PRC, namely Shenzhen, Suzhou, Wuxi and Wenzhou, and its overseas R&D and production bases are located in the Netherlands and Germany. The Group has made significant investments in the R&D of intraocular lens and OK-Lens, rigid gas permeable corneal contact lenses ("**RGP**"), ophthalmic surgical consumables, ophthalmic electrophysiological equipment and ancillary consumables, ophthalmic scalpels, optometry equipment, and diagnostic devices for dry eyes. During the Reporting Period, the Group's research and development expenses amounted to RMB35.1 million, representing a year-on-year increase of 34.5% and accounting for 19.7% of the revenue from Proprietary Products, which was mainly due to continuous expansion of the Group's R&D team and upgrading of its R&D center.

Shenzhen Base: It mainly focuses on the layout of products such as domestic intraocular lens, myopic intraocular lens, ophthalmic electrophysiological equipment and intraoperative consumables for vitrectomy. Among which, in respect of the domestic intraocular lens, a medical device registration certificate for each of the two monofocal intraocular lens has been obtained in March 2024 and May 2024, respectively. The registration certificate for the third kind of domestic monofocal intraocular lens was obtained in August 2024, and subsequently, the R&D and registration for domestic high-end intraocular lens will continue to be promoted at the same time of focusing on the mass production of the approved products. In addition, the process validation of myopic intraocular lens has been in progress; ophthalmic electrophysiological equipment has entered the stage of registration testing, and is expected to obtain the product registration certificate in 2025.

Suzhou Base: It consists of two R&D and production platforms, mainly focusing on the layout of products such as OK-Lens, RGP and ophthalmic scalpels. Among which, the half-year follow-up of OK-Lens has mostly completed with exceptional results. It is expected to receive the product registration certificate of the OK-Lens by the end of 2025 or early 2026. The design for the defocus lenses has been completed and is being prepared for clinical trials. Subsequently, the R&D and production in the fields of optometry and refraction will continue to be promoted.

Wenzhou Base: It has product registration certificates for the self-developed fundus photographic imaging machines, digital slit lamp microscopes, contrast sensitivity testers, retinal vision testers and corneal topography. During the Reporting Period, it mainly focused on the R&D of two products, namely fully automatic fundus cameras and optical biometers. Among them, the hardware and software of fully automatic fundus cameras have been upgraded and optimized. The optical biometer has entered the stage of registration and is expected to obtain the product registration certificate in the second half of 2024.

Wuxi Base: According to the cooperation agreement with the upstream partner, SBM in Italy, the Group commenced the domestic production and registration of two diagnostic devices for dry eyes, which both obtained the medical device registration certificates in July 2024, and formally approved for marketing. At the same time, the Group successively improved its diagnosis and physiotherapy treatment solution for dry eye, including products such as mite inspection microscopy, steam eye masks, eye hot compress pads, 4-terpineol cleanser wipes. Subsequently, investment in domestic production projects with partners and internal R&D diagnosis projects will be continued.

Expansion of the Group's Distribution Products

Leveraging the Group's nationwide multi-channel sales network and a well-established ophthalmology KOL network, as well as the professional sales team, the Group helps the customers evaluate their clinical needs, application environment and technical capabilities, thereby offers products that best suits their needs and circumstances, and creates value for the customers. During the Reporting Period, the Group cooperated with 18 overseas brand partners, of which 16 had entered into exclusive distribution arrangements with the Group to distribute their products, including Heidelberg, Schwind and Optos, among which Sometech Inc., a Korean company, was added as the exclusive partner in respect of the distribution of 3D 4K digital surgical microscope for ophthalmology, including but not limited to the VOMS-400 series. In addition, the existing upstream partners have also been continuously advancing their R&D or iterative computing upgrades, and gradually launching new products to further enrich the Group's Distribution Products portfolio.

Overseas Business Expansion

The Company acquired Roland and Teleon in November 2020 and January 2021, respectively, both of which were brand partners of the Company. The acquisitions of Roland and Teleon enabled the Company to expand its Proprietary Products portfolio to high-tech ophthalmic diagnostic systems and increase the revenue contribution of its Proprietary Products, as well as the obtainment of core intellectual property rights related to regional refraction and extended depth of focus intraocular lenses, giving the Company the R&D capabilities of intraocular lenses and extending its business scope to the entire value chain of intraocular lenses.

The Group has sold products of Teleon to 51 countries and regions and sold products of Roland to 35 countries and regions.

Long-term Strategies and Outlook

Adhering to the mission of "Technology Creates Bright Vision", the Group is committed to becoming a leader of the global ophthalmic medical device industry. Based on this goal, the Group will:

I. maintain the two-pronged approach of "Proprietary Products + high end imports", continuously increase investment on R&D, enhance the cooperation with upstream business partners, efficiently promote the domestic layout and thereby increase the revenue contribution from Proprietary Products;

II. maintain the leading position in diagnostic inspection products so as to prioritize and increase investment in surgical treatment products, especially focusing on the development of surgical device related consumables and independent implant consumables;

III. continue to consolidate the platform advantages of the product portfolio fully covering the major sub-specialties of ophthalmology, and continuously diversify and improve its product lines through a combination of internal R&D and mergers and acquisitions;

IV. continue to strengthen the construction of the dual-core markets in Asia and Europe, and promote international coverage in an orderly manner. Through organic growth and strategic cooperation, consolidate the Group's market position in China and further expand its global footprint to achieve a balanced development between domestic and overseas business; and

V. continue to enhance management capabilities and improve its operational efficiency, strengthen the Company's brand building and talent building, and practice the Group's core values.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group mainly generated its revenue from (i) sales of products, including ophthalmic medical equipment and consumables; and (ii) provision of technical services.

The Group's revenue decreased by 8.4% from RMB700.7 million for the six months ended June 30, 2023 to RMB642.0 million for the six months ended June 30, 2024, which was mainly attributable to the decrease of RMB64.9 million in the revenue generated from sales of ophthalmic medical equipment. The decrease in revenue was mainly due to (i) the absence of the contribution of a surge in short-term demand after the lift of the pandemic control; (ii) the slowdown of demand of orders from part of public hospitals as a result of ongoing impact of the domestic medical services policies and regulation; and (iii) a generally more prudent approach adopted by industry customers in new investments and procurement schedules as compared to the same period last year as affected by the macroeconomy.

The table below sets forth the breakdown of revenue of the Group by business segments for the periods indicated:

	For the six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Sales of ophthalmic medical equipment	**273,009**	337,863
Sales of ophthalmic medical consumables	**256,044**	255,370
Technical services	**110,047**	103,325
Others	**2,934**	4,145
Total	**642,034**	700,703

The table below sets forth the breakdown of sales revenue from the products of the Group by Distribution Products and Proprietary Products for the periods indicated:

	For the six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Distribution Products	**351,048**	399,365
Proprietary Products	**178,005**	193,868
Total	**529,053**	593,233

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by 16.1% from RMB355.6 million for the six months ended June 30, 2023 to RMB298.4 million for the six months ended June 30, 2024. The Group's gross profit margin decreased from 50.8% for the six months ended June 30, 2023 to 46.5% for the six months ended June 30, 2024. Such decrease was mainly due to (i) the increase in the raw materials costs and labor costs required for the production of Proprietary Products; (ii) the changes in the Group's sales product mix; and (iii) the significant decrease in unit price caused by the commencement of the national procurement price for intraocular lens from May 2024.

The following table sets forth the breakdown of gross profit and gross profit margin of the Group by business segments for the periods indicated:

	For the six months ended June 30,			
	2024		2023	
	Gross profit RMB'000 (Unaudited)	**Gross profit margin %**	Gross profit RMB'000 (Unaudited)	Gross profit margin %
Sales of ophthalmic medical equipment	**122,237**	**44.8**	164,570	48.7
Sales of ophthalmic medical consumables	**125,078**	**48.9**	139,648	54.7
Technical services	**48,841**	**44.4**	48,763	47.2
Others	**2,197**	**74.9**	2,626	63.4
Total	**298,353**	**46.5**	355,607	50.8

Other Income and Gains

During the Reporting Period, the Group's other income and gains primarily consisted of (i) bank interest income; (ii) government grants; (iii) investment income and gains from financial products at fair value through profit or loss; and (iv) foreign exchange gains.

The Group's other income and gains decreased from RMB21.8 million for the six months ended June 30, 2023 to RMB16.8 million for the six months ended June 30, 2024. Such decrease was mainly attributable to the significant exchange gains incurred related to the receivables denominated in EUR recorded by the Group totaling RMB7.3 million for the same period last year, while exchange losses was recorded during the Reporting Period, and the increase in gains of RMB2.4 million arising from government grants as compared to the same period last year.

Selling and Distribution Expenses

During the Reporting Period, the Group's selling and distribution expenses primarily consisted of (i) salaries and remuneration of the Group's sales and marketing personnel; (ii) marketing expenses for organizing marketing events and promotion of the Group's products; and (iii) transportation and travel expenses incurred in the course of the Group's marketing activities.

The Group's selling and distribution expenses decreased slightly by 4.5% from RMB120.9 million for the six months ended June 30, 2023 to RMB115.5 million for the six months ended June 30, 2024. The amounts stay relatively flat for both periods. As a percentage of revenue, the selling and distribution expenses increased from 17.3% for the six months ended June 30, 2023 to 18.0% for the six months ended June 30, 2024.

Administrative Expenses

During the Reporting Period, the Group's administrative expenses primarily consisted of (i) salaries and remuneration of administrative staff; (ii) consulting services fees, which include audit fees incurred with respect to engaging external auditors and IT service fees, and other service expenses procured to support corporate operations; (iii) transportation and travel expenses incurred in the course of administration; and (iv) depreciation and amortization of non-current assets.

The Group's administrative expenses increased by 17.8% from RMB62.5 million for the six months ended June 30, 2023 to RMB73.6 million for the six months ended June 30, 2024, which was primarily attributable to the Group's expansion of staff in certain administrative departments in order to enhance operation management functions, and in addition, the corresponding increase in staff costs included in administrative expenses as a result of the organizational restructuring with some of the senior management's management and daily actions were more focused on the Group's administrative work.

Finance Costs

During the Reporting Period, the Group's finance costs primarily consisted of interest expenses on bank and other borrowings and lease liabilities. The Group's finance costs decreased by 13.1% from RMB23.7 million for the six months ended June 30, 2023 to RMB20.6 million for the six months ended June 30, 2024. Such decrease was mainly attributable to (i) the decrease in interest expenses on bank and other borrowings as a result of the repayment of the revolving loans of domestic subsidiaries in full and the overseas Vendor Loan in part during the Reporting Period; and (ii) the lower interest rate on the loan granted by China Minsheng Bank to repay the Senior Facility Loan.

Research and Development Expenses

During the Reporting Period, the Group's research and development expenses increased by 34.5% from RMB26.1 million for the six months ended June 30, 2023 to RMB35.1 million for the six months ended June 30, 2024, primarily as the Group continuously expanded its R&D team and upgraded its R&D center. As of the date of this interim report, Gaush Neotech has commenced full production and conducted the domestic R&D project of SBM equipment. Meanwhile, Gaush Teleon continued to conduct its domestic R&D and production for intraocular lens, while Gaush Tech started the domestic R&D projects of Geuder consumables and ophthalmic electrophysiological consumables. The above increase in research and development expenses reflected the Group's commitment as to R&D of the Proprietary Products, currently including optometric products (namely optometry units, optical biometers and automatic ocular fundus cameras), OK Lens, intraocular lens and related products and technology (namely quantum crystal, hydrophilic and hydrophobic materials, and molding technology), as well as consumables of ultrasonic emulsification and equipment of electrophysiology and dry eye diagnosis.

Other Expenses

During the Reporting Period, the Group's other expenses primarily consisted of asset impairment losses, credit impairment losses and exchange losses.

The Group's other expenses increased from RMB1.9 million for the six months ended June 30, 2023 to RMB12.0 million for the six months ended June 30, 2024, which was mainly due to (i) the increase in provision for inventory impairment based on the Group's inventory impairment policy, which was in line with the increase in total amount of inventories during the Reporting Period; and (ii) an increase in exchange losses related to payables denominated in EUR due to exchange rate fluctuations.

Income Tax Expenses

The Group's income tax expenses amounted to RMB31.5 million for the six months ended June 30, 2024, as compared to the income tax expenses of RMB31.8 million for the six months ended June 30, 2023.

Profit for the Period

For the foregoing reasons, the Group recorded a net profit of RMB26.9 million for the six months ended June 30, 2024, as compared to a net profit of RMB110.4 million for the six months ended June 30, 2023.

FINANCIAL POSITION

Financial Assets at Fair Value Through Profit or Loss

The Group's financial assets at fair value through profit or loss represented funds purchased from certain financial institutions to improve cash utilization efficiency. The Group's financial assets at fair value through profit or loss as of December 31, 2023 was RMB175.6 million, and the financial assets at fair value through profit or loss as of June 30, 2024 was RMB178.7 million.

As of June 30, 2024, the Group's financial assets at fair value through profit or loss mainly include (i) the fund units of private fund I with a fair value of RMB97.8 million; and (ii) the fund units of private fund II with a fair value of RMB80.9 million. The expected rate of return of such funds ranges from 2.5% to 4.5% per annum.

Inventories

The Group's inventories consisted of finished goods, goods in transit, raw materials and work-in-progress. Under the inventory control policy, the Group regularly monitors and analyzes the Group's historical procurement, production and sales statistics and adjusts its inventories to meet the demand of customers in a timely manner without causing inventory accumulation. The Group's inventories increased by 11.6% from RMB328.5 million as of December 31, 2023 to RMB366.7 million as of June 30, 2024, primarily due to the Group's preparation in advance for the national procurement and sale of the intraocular lens, while the inventories balance varied in line with the Group's sales plan and the lead time of the Group's products, which were volatile in response to the market conditions.

For the foregoing reasons, the Group's inventory turnover days increased from 159 days for the year ended December 31, 2023 to 187 days for the six months ended June 30, 2024. The inventory turnover days are calculated by dividing the arithmetic mean of the opening and ending carrying amount of inventories in that period by the cost of sales for the corresponding period and then multiplying by the number of days.

Trade Receivables

The Group's trade receivables represented outstanding amounts due from its customers. The Group's trade receivables remained relatively stable at RMB151.7 million and RMB149.7 million as of December 31, 2023 and June 30, 2024, respectively.

The Group's trade receivable turnover days remained relatively stable, both being 42 days for the year ended December 31, 2023 and for the six months ended June 30, 2024, respectively. The Group's trade receivable turnover days were generally in line with the Group's credit term policies between 30 days and 90 days.

Trade Payables

The Group's trade payables primarily represented payments due to suppliers from whom imported the Distribution Products. The original value of the Group's trade payables increased by 20.5% from RMB90.6 million as of December 31, 2023 to RMB109.2 million as of June 30, 2024, primarily as a result of the Group's stocking of Optos products in advance and the centralized stocking of Schwind and Haag-Streit products for orders on hand.

Prepayments, Other Receivables and Other Assets

The Group's prepayments, other receivables and other assets primarily consisted of (i) prepayments to suppliers; (ii) deposits that the Group paid to its customers as product quality assurance deposits; (iii) deposits for participating in public tenders; (iv) advance payment of income tax; and (v) value-added tax recoverable, etc. The Group's prepayments, other receivables and other assets increased by 45.0% from RMB110.8 million as of December 31, 2023 to RMB160.7 million as of June 30, 2024, primarily due to (i) the increase in the prepayments to suppliers for importing Distribution Products, and the increase in deductible import value-added tax accordingly; and (ii) the increase in the advance payment of income tax for overseas operating entities during the Reporting Period.

Other Payables and Accruals

The Group's other payables and accruals primarily consisted of (i) dividends payable to the Shareholders; (ii) payroll payable; and (iii) tax payables other than income tax, etc. The Group's other payables and accruals increased by 71.1% from RMB164.6 million as of December 31, 2023 to RMB281.6 million as of June 30, 2024, primarily attributable to the final dividends declared by the Group for the year ended December 31, 2023 during the Reporting Period, and the relevant dividends were not yet paid as of June 30, 2024.

Goodwill

Goodwill arose from acquisitions of the Group's subsidiaries including Teleon and Roland, of which, the carrying amounts of Roland and Teleon asset group were denominated in Euro. The Group's goodwill slightly decreased by 2.5% from RMB961.4 million as of December 31, 2023 to RMB937.8 million as of June 30, 2024, primarily attributable to the exchange rate fluctuation between RMB and Euro. The Group did not record any goodwill impairment during the Reporting Period.

Intangible Assets

The Group's intangible assets (other than goodwill) mainly represented the software the Group purchased and used in the ordinary course of business as well as the patents and trademarks identified as a result of business combinations. The Group's intangible assets decreased from RMB269.8 million as of December 31, 2023 to RMB247.5 million as of June 30, 2024. During the Reporting Period, the original value of intangible assets increased by RMB2.7 million, primarily attributable to the capitalization of development costs, but the net value of intangible assets decreased by 8.3%, primarily attributable to the accumulated amortization.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Company's Shares were listed on the Main Board of the Stock Exchange on December 12, 2022, and the share capital structure of the Company remained unchanged during the Reporting Period. As of June 30, 2024, the issued share capital of the Company was USD14,797, and the number of issued Shares of USD0.0001 each was 147,970,369.

In the first half of 2024, the Group used internal resources to fund its liquidity. As the Group's business can generate stable cash inflow, together with abundant cash and bank balances, the Group has sufficient liquidity and financial resources to satisfy its daily operation and working capital needs, as well as to support its expansion plan. The Group regards monetary fund management as an essential part in financial management, and incorporates it to the key items of financial inspection and internal audit, and has continuously improved corresponding internal control management systems, including the "Treasury Management Regulation", to strengthen its monetary fund management, ensure the security of its monetary fund, and reduce the utilization costs and financial risks of its monetary fund. As of June 30, 2024, the Group continued to maintain a solid financial position, with cash and cash equivalents amounting to RMB546.8 million, representing a decrease of 11.6% from RMB618.7 million as of December 31, 2023, primarily due to the Group's repayments of the revolving loans in full for domestic subsidiaries and the overseas Vendor Loan in part during the Reporting Period. In addition, the Group recorded term deposits of RMB28.6 million and RMB38.7 million as of June 30, 2024 and December 31, 2023, respectively, due to higher term deposits rates as compare to demand deposits with banks, and the Group deposited the residual funds from its operation with an aim for higher interest income. The Group's cash is mainly in the form of bank deposit balances and deposited with reputable financial institutions and mature within one year. As of June 30, 2024, all cash and cash equivalents and term deposits of the Group were denominated in RMB, HKD, Euro and US dollars.

The Group's anticipated cash needs primarily include costs associated with the R&D of its products and business operations. The Group expects to fund its future working capital and other cash requirements with cash generated from its operations, net proceeds from the Global Offering and, when necessary, bank and other borrowings.

The Group's interest-bearing bank and other borrowings represented current and non-current pledged bank loan and Vendor Loan. As of June 30, 2024, the Group's interest-bearing bank and other borrowings amounted to RMB568.2 million, including short-term borrowings of RMB216.2 million and long-term borrowings of RMB352.0 million, all of which bore fixed interest rates, except for the bank loan. The Company's main borrowings included the loan granted by China Minsheng Bank to repay the Senior Facility Loan and the Vendor Loan borrowed when it acquired Teleon, and the Group repaid a total of EUR3.03 million of Vendor Loan during the Reporting Period. As of June 30, 2024, all of the Group's bank and other borrowings were denominated in Euro.

As at June 30, 2024, the effective annual interest rates of the Group's bank and other borrowings ranged from Euribor+0.7% to 7.00% (as at December 31, 2023: 5.10% to 7.12%), and the term of the outstanding loans ranged from within one year to three years. The Group will repay the above borrowings in due course on maturity.

Capital Expenditure

The Group's capital expenditure for the six months ended June 30, 2024 amounted to RMB10.2 million, representing an increase of 8.5% as compared to that of RMB9.4 million for the six months ended June 30, 2023. The capital expenditure was primarily for the addition of machinery and equipment the Group has made to upgrade and renovate the R&D centers collectively during the Reporting Period.

Gearing Ratio

Gearing ratio represented total interest-bearing borrowings divided by net assets or liabilities as of the end of the period and multiplied by 100%. Interest-bearing borrowings included interest-bearing bank borrowings and other borrowings, and lease liabilities. As of June 30, 2024, the Group's gearing ratio was 40.2%. As of December 31, 2023, the Group's gearing ratio was 39.1%.

Pledge of Assets

Except for the pledged assets mentioned in Note 15 to the financial statements as set out in this interim report, the Group had no other pledged assets as of June 30, 2024.

Contingent Liabilities

As of June 30, 2024, the Group did not have any outstanding debt securities, mortgages, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, liabilities under acceptance or acceptance credits or other similar indebtedness, lease and finance lease commitments, hire purchase commitments, guarantees or other material contingent liabilities.

FINANCIAL RISKS

Foreign Currency Risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the financial condition and results of operations of the Group. The Group purchases products from brand partners in many countries around the world. Therefore, the Group exposes to foreign currency risk when it enters into transactions denominated in multiple currencies. For example, changes in currency exchange rates may affect the Group's costs of goods sold and competitiveness against its domestic competitors or competitors who are multinational companies whose international operations provide a natural hedge to currency fluctuation risk. The Group predominantly purchases its products in US dollars and Euro. The Group sells the goods to distributors and hospitals and clinics in China in RMB. Currently, the Group does not have any foreign currency hedging policy. The Group's management will continue to pay attention to the Group's foreign exchange exposure, and seeks to limit its exposure to foreign currency risk by minimizing its net foreign currency position. Exchange differences on translation of foreign operations represent the difference arising from the translation of the financial statements of companies within the Group that have a functional currency of Euro, which is different from the functional currency of RMB for the financial statements of the Company. For the six months ended June 30, 2024, the exchange differences on translation of foreign operations amounted to a loss of RMB19.8 million, primarily due to the fluctuation of exchange rate of Euro during the Reporting Period.

Credit Risk

The Group trades on credit terms only with recognized and creditworthy third parties. It is the Group's policy that all traders who wish to trade on credit terms are subject to credit verification procedures. In addition, the Group monitors the receivable balances on an ongoing basis.

SIGNIFICANT INVESTMENT HELD

As of June 30, 2024, the Group did not have any significant investment.

MATERIAL ACQUISITION AND DISPOSAL

The Group had no material acquisition or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

Save as disclosed in this interim report and the Prospectus, the Group did not have any other future plans for material investment and capital assets as of the date of this interim report.

EMPLOYEES AND REMUNERATION POLICIES

As of June 30, 2024, the Group had a total of 872 employees (as of December 31, 2023: 869). For the Reporting Period, the total costs for the Group's employees amounted to RMB184.0 million (for the six months ended June 30, 2023: RMB169.6 million). "Diligence and Capability" is the core value of the Group. The Group attaches great importance to employee competency development and continuously establishes a comprehensive training management system according to the Company's development needs. Through launching new employee induction training, general skills training for all positions, business training and external learning, the Group continuously deepens employees with professional and management knowledge and skills required for different fields, levels and positions, with an aim to help the employees achieve their career plan and development direction, effectively implement the overall strategic planning of human resources, and build sufficient talent reserves for the Group to achieve long-term high-quality development.

The Group adheres to the principles of fairness, justice and reasonable remuneration and provides its employees with competitive remuneration and benefits. The remuneration package of employees mainly includes basic salary and performance-based bonus. The performance targets of employees are primarily determined according to their positions and departments, and regular performance review will be conducted, and salaries, bonus and promotion appraisals will be determined based on appraisal results.

SHARE AWARD SCHEME

On August 28, 2024, the Company adopted a share award scheme (the "**Share Award Scheme**") to recognize and reward eligible participants for their contribution to the Group, to attract best available personnel to provide service to the Group, and to provide additional incentives to them to remain with and further promote the success of the Group's business. The Share Award Scheme is funded solely by existing Shares to be purchased by the trustee on the market. The Share Award Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, it does not constitute a scheme involving the issue of new Shares as referred to in Chapter 17 of the Listing Rules. From the adoption date of the Share Award Scheme to the date of this interim report, no awards have been granted, vested, cancelled or lapsed pursuant to the Share Award Scheme. For details, please refer to the announcement of the Company dated August 28, 2024.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

As of the date of this interim report, there was no subsequent event after the Reporting Period which has material impact to the Group.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. Save as disclosed in this interim report, the Company has, to the best knowledge of the Board, complied with all applicable code provisions of the CG Code during the Reporting Period.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the period from January 1, 2024 to March 24, 2024, Mr. Gao Tieta ("**Mr. Gao**") is the Chairman and the Chief Executive Officer. While this constitutes a deviation from code provision C.2.1 of the CG Code, the Board believes that, in view of Mr. Gao's experience, personal profile and his roles in the Company, Mr. Gao has extensive understanding of the Group's business as the Chief Executive Officer and is therefore the best suited Director to identify strategic opportunities and the focus of the Board. The combined role of the Chairman and the Chief Executive Officer by the same individual can promote the effective execution of strategic initiatives and facilitate the flow of information between the management of the Company and the Board, which would be beneficial to the business prospect and operational efficiency of the Group. The Board believes that this arrangement will not impact on the balance of power and authorizations between the Board and the senior management of the Company, given that: (i) Mr. Gao and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that each of them acts for the benefit and in the best interests of the Company; (ii) there is sufficient check and balance in the Board, which comprises experienced and high caliber individuals, and decision to be made by the Board requires approval by at least a majority of the Directors; and (iii) the overall strategic and other key business, financial and operational policies of the Group are and will be made collectively after thorough discussion at both the Board and senior management levels.

On March 25, 2024, Mr. Liu Xinwei was appointed as the new Chief Executive Officer, and Mr. Gao ceased to act as the Chief Executive Officer but continued to act as the Chairman, therefore, the role of the Chairman and the Chief Executive Officer would be separated and not performed by the same individual.

The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. The Company has made specific enquiries of all the Directors, and each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the Reporting Period.

During the Reporting Period, the Company has also adopted its own code of conduct regarding employees' securities transactions on terms no less exacting than the standard set out in the Model Code for the compliance by its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the Company's securities.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended June 30, 2024 (six months ended June 30, 2023: Nil).

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the requirements under the Listing Rules. As at the date of this interim report, the Audit Committee comprises two independent non-executive Directors, namely, Mr. Chan Fan Shing and Mr. Feng Xin, and a non-executive Director, Dr. David Guowei Wang. The chairman of the Audit Committee is Mr. Chan Fan Shing. The primary functions of the Audit Committee are to review and supervise the financial reporting process, internal control and risk management system of the Group, oversee the audit process, provide advice and comments to the Board, perform other duties and responsibilities as may be assigned by the Board, and review and oversee the risk management of the Company.

The Audit Committee had, together with the management and external auditor of the Company, reviewed the accounting standards and practices adopted by the Group and the interim condensed consolidated financial statements of the Group for the six months ended June 30, 2024. The Audit Committee considered that the interim condensed consolidated financial statements of the Group for the six months ended June 30, 2024 are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Shares were listed on the Main Board of the Stock Exchange on December 12, 2022. On January 9, 2023, an additional 35,500 Shares were issued by the Company at the price of HK$51.40 each pursuant to the partial exercise of the over-allotment option, which resulted in additional net proceeds of approximately HK$1.77 million. The net proceeds raised from the Global Offering and the partial exercise of the over-allotment option, after deduction of the underwriting fees and commissions and other estimated expenses payable by the Company in connection with the Global Offering and the partial exercise of the over-allotment option, amounted to approximately HK$286.48 million (the "**Net Proceeds**").

As at the date of this interim report, there was no change in the intended use of the Net Proceeds and the expected timeline as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. The following table sets forth a summary of the utilization of the Net Proceeds as of June 30, 2024:

		Net Proceeds (HK$ in million)				
Purposes	**% of the Net Proceeds**	**Amount available for utilization**	**Utilized amount up to December 31, 2023**	**Actual amount of Net Proceeds utilized during the Reporting Period**	**Unutilized amount as of June 30, 2024**	**Expected timeline for full utilization of the remaining Net Proceeds**
Improve the R&D capability of the Group and accelerate the commercialization of the Group's patents	38.2%	109.43	18.47	21.66	69.30	December 11, 2024
Improve the production capacity and strengthen the manufacturing capabilities of the Group	29.0%	83.08	21.39	8.37	53.32	December 11, 2024
Expand the Group's sales and marketing	9.5%	27.22	5.97	21.16	0.09	December 11, 2024
For working capital and general corporate purposes	10.6%	30.37	30.37	—	—	Not applicable
Repay the interest-bearing borrowings of the Group	12.7%	36.38	36.38	—	—	Not applicable
Total	100.0%	286.48	112.58	51.19	122.71	

As of June 30, 2024, the remaining Net Proceeds of approximately HK$122.71 million have been deposited into the bank account(s) maintained by the Group. The Group will gradually utilize the Net Proceeds in accordance with the intended purposes set out in the Prospectus.

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

As at June 30, 2024, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interest in the Shares of the Company

Name of Directors	Capacity and nature of interest	Number of Shares held[(1)]	Approximate percentage of the Company's issued share capital[(2)]
Mr. Gao Tieta[(3)]	Interest in a controlled corporation	63,263,528	42.75%
Mr. Zhang Jianjun[(4)(6)]	Interest in controlled corporations	7,112,360	4.81%
Mr. Zhao Xinli[(5)]	Interest in a controlled corporation	3,436,116	2.32%
Mr. Liu Xinwei[(6)]	Interest in a controlled corporation	955,879	0.65%

Notes:

(1) All interests stated are long positions.

(2) The percentage is calculated based on the total number of 147,970,369 ordinary shares of the Company in issue as at June 30, 2024.

(3) As at June 30, 2024, Mr. Gao Tieta wholly owns GT HoldCo, and therefore he is deemed to be interested in the 63,263,528 Shares directly held by GT HoldCo.

(4) As at June 30, 2024, Mr. Zhang Jianjun held 74.42% equity interest in GMC IV, and therefore he is deemed to be interested in the 6,156,481 Shares directly held by GMC IV.

(5) As at June 30, 2024, Mr. Zhao Xinli held 33.33% equity interest in GMC V, and therefore he is deemed to be interested in the 3,436,116 Shares directly held by GMC V.

(6) As at June 30, 2024, GMC Teleon is held by Hima Holding Ltd and Huyang Group Ltd as to 62.22% and 33.33%, respectively. Hima Holding Ltd is wholly owned by Mr. Liu Xinwei, and Huyang Group Ltd is wholly owned by Mr. Zhang Jianjun. Therefore, both Mr. Liu Xinwei and Mr. Zhang Jianjun are deemed to be interested in the 955,879 Shares directly held by GMC Teleon.

Save as disclosed above, as at June 30, 2024, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

As of June 30, 2024 or at any time during the Reporting Period, none of the Company or any of its subsidiaries was a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

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

As at June 30, 2024, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholders	Capacity and nature of interest	Number of Shares held[(1)]	Approximate percentage of the Company's issued share capital[(2)]
GT HoldCo[(3)]	Beneficial owner	63,263,528	42.75%
OrbiMed Advisors III Limited[(4)]	Interest in a controlled corporation	18,039,426	12.19%
OrbiMed Asia GP III, L.P.[(4)]	Interest in a controlled corporation	18,039,426	12.19%
OrbiMed Asia[(4)]	Beneficial owner	18,039,426	12.19%
Warburg Pincus (Bermuda) Private Equity GP Ltd.[(5)]	Interest in a controlled corporation	10,171,640	6.87%
Warburg Pincus Partners II (Cayman), L.P.[(5)]	Interest in a controlled corporation	10,171,640	6.87%
Warburg Pincus (Cayman) China-Southeast Asia II GP LLC[(5)]	Interest in a controlled corporation	10,171,640	6.87%
Warburg Pincus (Cayman) China-Southeast Asia II GP, L.P.[(5)]	Interest in a controlled corporation	10,171,640	6.87%
Warburg Pincus China-Southeast Asia II (Cayman), L.P.[(5)]	Interest in a controlled corporation	10,171,640	6.87%
Cuprite Gem[(5)]	Beneficial owner	10,171,640	6.87%

Notes:

(1) All interests stated are long positions.

(2) The percentage is calculated based on the total number of 147,970,369 ordinary shares of the Company in issue as at June 30, 2024.

(3) As at June 30, 2024, GT HoldCo is wholly owned by Mr. Gao Tieta.

(4) As at June 30, 2024, OrbiMed Asia directly held 18,039,426 Shares. To the best knowledge of the Company, OrbiMed Advisors III Limited is the general partner of OrbiMed Asia GP III, L.P.; and OrbiMed Asia GP III, L.P. is the general partner of OrbiMed Asia. OrbiMed Advisors III Limited and OrbiMed Asia GP III, L.P. were therefore deemed to be interested in the Shares which are owned by OrbiMed Asia under the SFO.

(5) As at June 30, 2024, Cuprite Gem directly held 10,171,640 Shares. To the best knowledge of the Company, Cuprite Gem is wholly owned by certain investment funds managed by their fund manager, Warburg Pincus LLC, among which, approximately 52.10% of Cuprite Gem is owned by Warburg Pincus China-Southeast Asia II (Cayman), L.P. The general partner of Warburg Pincus China-Southeast Asia II (Cayman), L.P. is Warburg Pincus (Cayman) China-Southeast Asia II GP, L.P., the general partner of which is Warburg Pincus (Cayman) China-Southeast Asia II GP LLC ("**WPC-SEA II Cayman GP LLC**"). The managing member of WPC-SEA II Cayman GP LLC is Warburg Pincus Partners II (Cayman), L.P., the general partner of which is Warburg Pincus (Bermuda) Private Equity GP Ltd.

Save as disclosed above, as at June 30, 2024, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in any Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be recorded in the register referred to therein.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined in the Listing Rules)) during the Reporting Period. The Company did not hold any treasury shares as of June 30, 2024.

CHANGE TO INFORMATION IN RESPECT OF DIRECTORS AND CHIEF EXECUTIVES OF THE COMPANY

The changes in the information of Directors and chief executives of the Company since the publication of the 2023 annual report and up to the date of this interim report as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are as follows:

Mr. Liu Xinwei has been appointed as the new Chief Executive Officer and ceased to act as the co-chief executive officer of the Company with effect from March 25, 2024; and Mr. Gao has ceased to act as the Chief Executive Officer due to a redesignation of duties in the Group with effect from the same date but remains as an executive Director and the Chairman. For details, please refer to the announcement of the Company dated March 25, 2024.

Ms. Li Wenqi has resigned from her position as the joint company secretary of the Company due to a redesignation of duties in the Group with effect from April 23, 2024 but remains as an executive Director and the chief financial officer of the Company. For details, please refer to the announcement of the Company dated April 23, 2024.

Save as disclosed above, there has been no other change to information which is required to be disclosed and has been disclosed by the Directors and the chief executives of the Company pursuant to Rule 13.51B(1) of the Listing Rules during the Reporting Period and up to the date of this interim report.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

As disclosed in the announcement of the Company dated February 2, 2024, on February 2, 2024, Gaush Netherlands, as the borrower (the "**Borrower**"), entered into a facility agreement (the "**Facility Agreement**") with, among others, a bank, as the lender (the "**Lender**"), pursuant to which Gaush Netherlands was granted by the Lender a facility of EUR52.5 million (the "**Facility**"). The Borrower shall repay the loans made under the Facility in full on the date falling 48 months after the utilization date, but no later than the date falling seven years after the disbursement of the Bridge Facility Loan. All amounts borrowed by the Borrower under the Facility shall be applied towards all amounts outstanding in respect of the Senior Facility Loan and relevant fees and expenses (if applicable).

The Facility Agreement imposes, among others, specific performance obligations on Mr. Gao, the Chairman, an executive Director and the Controlling Shareholder. Pursuant to the Facility Agreement, a change of control event occurs if, among others: (i) Mr. Gao is not or ceases to be, directly or indirectly, the single largest beneficial shareholder of the share capital of the Company or does not or ceases to control the Company; or (ii) any persons acting in concert hold or beneficially own, directly or indirectly, an aggregate percentage of the share capital of the Company that is equal to or greater than the percentage of the share capital of the Company that is beneficially owned, directly or indirectly, by Mr. Gao.

If a change of control event as abovementioned occurs: (i) the Lender shall not be obliged to fund a utilisation of the Facility; and (ii) the Lender shall, by not less than three days' notice to the Borrower, cancel the available commitment under the Facility Agreement and declare all outstanding loans made under the Facility Agreement, together with accrued interest, and all other amounts accrued or outstanding under the related finance documents shall become immediately due and payable, unless the Borrower cures such event in accordance with the Facility Agreement by providing security deposit, prepayment of the whole or any part of the Facility or any other means approved by the Lender within a specific period.

As of the date of this interim report, the above specific performance obligations imposed on the Controlling Shareholder under the Facility Agreement continued to exist.

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules as of June 30, 2024.

On behalf of the Board
Mr. Gao Tieta
Chairman and Executive Director

Hong Kong, August 28, 2024

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To the board of directors of Gaush Meditech Ltd
(Incorporated in the Cayman Islands as an exempted company with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 26 to 51, which comprises the condensed consolidated statement of financial position of Gaush Meditech Ltd (the "**Company**") and its subsidiaries (the "**Group**") as at 30 June 2024 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("**IAS 34**") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong

28 August 2024

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2024

	Notes	**2024 (Unaudited) RMB'000**	2023 (Unaudited) RMB'000
REVENUE	4	**642,034**	700,703
Cost of sales		**(343,681)**	(345,096)
Gross profit		**298,353**	355,607
Other income and gains		**16,824**	21,761
Selling and distribution expenses		**(115,475)**	(120,888)
Administrative expenses		**(73,608)**	(62,525)
Research and development expenses		**(35,140)**	(26,105)
Other expenses		**(11,956)**	(1,938)
Finance costs		**(20,603)**	(23,683)
PROFIT BEFORE TAX	5	**58,395**	142,229
Income tax expense	6	**(31,467)**	(31,808)
PROFIT FOR THE PERIOD		**26,928**	110,421
Attributable to:			
Owners of the parent		**28,474**	111,296
Non-controlling interests		**(1,546)**	(875)
		26,928	110,421
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic			
For profit for the period (in RMB)		**0.19**	0.75
Diluted			
For profit for the period (in RMB)		**0.19**	0.75

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
PROFIT FOR THE PERIOD	**26,928**	110,421
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods		
Exchange differences:		
Exchange differences on translation of foreign operations	**(19,818)**	36,749
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**7,110**	147,170
Attributable to:		
Owners of the parent	**8,656**	148,045
Non-controlling interests	**(1,546)**	(875)
	7,110	147,170

Interim Condensed Consolidated Statement of Financial Position

June 30, 2024

	Notes	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	**74,306**	80,865
Right-of-use assets		**56,763**	45,210
Goodwill		**937,830**	961,389
Intangible assets		**247,487**	269,827
Long-term prepayments and other receivables		**45,677**	38,581
Deferred tax assets		**59,087**	57,009
Total non-current assets		**1,421,150**	1,452,881
CURRENT ASSETS			
Financial assets at fair value through profit or loss	10	**178,724**	175,602
Inventories		**366,663**	328,527
Trade receivables	11	**143,783**	146,543
Contract assets		**1,856**	2,548
Prepayments, other receivables and other assets		**115,065**	72,186
Term deposits		**28,634**	38,741
Pledged deposits		**5,057**	7,994
Cash and cash equivalents	12	**546,839**	618,695
Total current assets		**1,386,621**	1,390,836
CURRENT LIABILITIES			
Trade payables	13	**109,179**	90,564
Derivative financial instruments		**365**	9
Other payables and accruals	14	**249,586**	132,847
Tax payable		**17,733**	5,204
Interest-bearing bank and other borrowings	15	**216,198**	523,269
Contract liabilities		**124,280**	125,458
Lease liabilities		**22,735**	14,316
Total current liabilities		**740,076**	891,667
NET CURRENT ASSETS		**646,545**	499,169
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,067,695**	1,952,050

	Notes	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
NON-CURRENT LIABILITIES			
Government grant		**1,322**	—
Interest-bearing bank and other borrowings	15	**351,959**	95,293
Contract liabilities		**30,963**	29,974
Deferred tax liabilities		**60,670**	66,553
Other payables and accruals	14	**32,033**	31,764
Lease liabilities		**34,807**	31,480
Total non-current liabilities		**511,754**	255,064
Net assets		**1,555,941**	1,696,986
EQUITY			
Equity attributable to owners of the parent			
Share capital	16	**102**	102
Other reserves		**1,540,466**	1,680,365
		1,540,568	1,680,467
Non-controlling interests		**15,373**	16,519
Total equity		**1,555,941**	1,696,986

Xinwei Liu
Director

Wenqi Li
Director

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Note	Attributable to owners of the parent						
		Share capital	Capital reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total	Non-controlling interests	Total equity
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2023 (Audited)		**102**	**2,084,522**	**8,768**	**(412,925)**	**1,680,467**	**16,519**	**1,696,986**
Total comprehensive income for the period		**—**	**—**	**(19,818)**	**28,474**	**8,656**	**(1,546)**	**7,110**
Final 2023 dividend declared	7	**—**	**—**	**—**	**(148,555)**	**(148,555)**	**—**	**(148,555)**
Capital injection from non-controlling shareholders**		**—**	**—**	**—**	**—**	**—**	**400**	**400**
At 30 June 2024 (Unaudited)		**102**	**2,084,522**	**(11,050)**	**(533,006)**	**1,540,568**	**15,373**	**1,555,941**

* These reserve accounts comprise the consolidated reserves of RMB(1,540,466,000) in the interim condensed consolidated statement of financial position as at 30 June 2024.

** Gaush Precision Ltd. (高視精密醫療器械(蘇州)有限公司) received a capital injection of RMB400,000 from non-controlling shareholders.

	Attributable to owners of the parent						
	Share capital	Capital reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2022 (Audited)	102	2,082,974	(27,071)	(586,448)	1,469,557	17,128	1,486,685
Total comprehensive income for the period	—	—	36,749	111,296	148,045	(875)	147,170
Issue of shares	—	1,548	—	—	1,548	—	1,548
At 30 June 2023 (Unaudited)	102	2,084,522	9,678	(475,152)	1,619,150	16,253	1,635,403

* These reserve accounts comprise the consolidated reserves of RMB(1,619,048,000) in the interim condensed consolidated statement of financial position as at 30 June 2023.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**58,395**	142,229
Adjustments for:		
Finance costs	**20,603**	23,683
Interest income	**(2,250)**	(2,953)
Losses/(gains) on disposal of property, plant and equipment	**97**	(1)
Fair value losses on derivative financial instruments	**400**	—
Fair value gains on financial assets at fair value through profit or loss	**(2,059)**	(1,150)
Depreciation of property, plant, and equipment	**9,711**	8,001
Depreciation of right-of-use assets	**11,723**	10,594
Amortisation of intangible assets	**18,719**	18,323
Impairment loss/(gain) recognised on trade receivables, net	**773**	(526)
Impairment gain recognised on contract assets, net	**(6)**	(8)
Impairment loss/(gain) recognised on other receivables, net	**94**	(228)
Gain on disposal of financial assets at fair value through profit or loss	**(423)**	(578)
Write-down of inventories to net realisable value	**5,135**	2,690
Scrap for inventories	**(4,203)**	(3,036)
Foreign exchange differences, net	**—**	2,730
Decrease in pledged bank deposits for retention	**—**	3,444
Increase in inventories	**(39,325)**	(24,568)
Decrease in trade receivables	**1,987**	8,525
Decrease in contract assets	**698**	843
Increase in prepayments, other receivables and other assets	**(47,277)**	(15,716)
Increase in trade payables	**19,407**	27,878
Decrease in other payables and accruals	**(32,712)**	(25,155)
Decrease in contract liabilities	**(189)**	(21,695)
Cash generated from operations	**19,298**	153,326
Income tax paid	**(30,127)**	(42,139)
Net cash flows (used in)/from operating activities	**(10,829)**	111,187

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	**2,250**	2,953
Proceeds from disposal of financial assets at fair value through profit or loss	**—**	178,709
Purchases of property, plant, and equipment and other long-term assets	**(7,507)**	(5,162)
Purchases of financial assets at fair value through profit or loss	**—**	(260,008)
Maturity of term deposits	**216,634**	—
Purchases of term deposits	**(203,910)**	(28,253)
Additions of intangible assets	**(2,719)**	(4,248)
Investment income from financial assets at fair value through profit or loss	**423**	578
Net cash flows from/(used in) investing activities	**5,171**	(115,431)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings	**—**	7,923
Repayment of bank borrowings	**(31,415)**	(48,346)
Payments of lease liabilities	**(12,178)**	(9,659)
Contributions by non-controlling shareholders	**400**	—
Issuance of ordinary shares	**—**	1,547
Pledged bank deposits for loans	**2,937**	(1,530)
Payment of listing expenses	**—**	(1,836)
Interest paid	**(19,048)**	(18,532)
Net cash flows used in financing activities	**(59,304)**	(70,433)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(64,962)**	(74,677)
Cash and cash equivalents at beginning of period	**618,695**	721,523
Effect of foreign exchange rate changes, net	**(6,894)**	(4,341)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**546,839**	642,505

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 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 2023.

The interim condensed consolidated financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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 2023, except for the adoption of the following revised International Financial Reporting Standards ("**IFRSs**") for the first time for the current period's financial information.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current* (the "**2020 Amendments**")
Amendments to IAS 1	*Non-current Liabilities with Covenants* (the "**2022 Amendments**")
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and impact of the revised IFRSs are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

Six months ended 30 June 2024	**Proprietary products RMB'000 (Unaudited)**	**Distribution products RMB'000 (Unaudited)**	**Technical services RMB'000 (Unaudited)**	**Others RMB'000 (Unaudited)**	**Total RMB'000 (Unaudited)**
External sales	**178,005**	**351,048**	**110,047**	**2,934**	**642,034**
Intersegment sales	**72,581**	**—**	**—**	**—**	**72,581**
Total segment revenue	**250,586**	**351,048**	**110,047**	**2,934**	**714,615**
Elimination of intersegment sales					**(72,581)**
Segment revenue	**178,005**	**351,048**	**110,047**	**2,934**	**642,034**
Segment cost	**84,371**	**197,367**	**61,206**	**737**	**343,681**
Segment gross profit	**93,634**	**153,681**	**48,841**	**2,197**	**298,353**

Six months ended 30 June 2023	Proprietary products RMB'000 (Unaudited)	Distribution products RMB'000 (Unaudited)	Technical services RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
External sales	193,868	399,365	103,325	4,145	700,703
Intersegment sales	54,641	—	—	4,343	58,984
Total segment revenue	248,509	399,365	103,325	8,488	759,687
Elimination of intersegment sales					(58,984)
Segment revenue	193,868	399,365	103,325	4,145	700,703
Segment cost	74,100	214,915	54,562	1,519	345,096
Segment gross profit	119,768	184,450	48,763	2,626	355,607

3. OPERATING SEGMENT INFORMATION *(Continued)*

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Greater China	**497,129**	556,024
Asia Pacific (excluding Greater China)	**24,978**	31,279
Germany	**81,404**	74,116
Europe (excluding Germany)	**21,394**	22,076
Americas (including Canada)	**6,753**	6,140
Oceania	**8,172**	7,121
Others	**2,204**	3,947
Total	**642,034**	700,703

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

(b) Non-current assets

	30 June 2024	31 December 2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Greater China	**142,789**	119,572
Germany	**21,218**	22,882
Netherlands	**1,193,043**	1,243,404
Total	**1,357,050**	1,385,858

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

4. REVENUE

An analysis of revenue is as follows:

Disaggregated revenue information for revenue from contracts with customers

Segments	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Types of goods or services		
Sale of ophthalmic medical devices	**273,009**	337,863
Sale of ophthalmic medical consumables	**256,044**	255,370
Technical services*	**110,047**	103,325
Others	**2,934**	4,145
Total	**642,034**	700,703
Geographical markets**		
Greater China	**496,770**	554,223
Germany	**72,950**	67,942
Netherlands	**72,314**	78,538
Total	**642,034**	700,703
Timing of revenue recognition		
Goods transferred at a point in time	**531,140**	595,739
Services transferred over time	**110,894**	104,964
Total	**642,034**	700,703

* Technical services include repair and maintenance services, which are either sold separately or bundled together with the sale of ophthalmic medical devices to customers.

** Allocated by the geographical location of entities generating revenue.

5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	**281,738**	289,015
Cost of services provided	**61,943**	56,081
Cost of sales	**343,681**	345,096
Depreciation of property, plant and equipment*	**9,711**	8,001
Depreciation of right-of-use assets*	**11,723**	10,594
Amortisation of intangible assets*	**18,719**	18,323
Research and development expenses	**35,140**	26,105
Lease payments not included in the measurement of lease liabilities	**331**	311
Employee benefit expenses (including directors' and chief executive's remuneration)**:		
Wages and salaries and pension scheme contributions	**183,995**	169,610
Foreign exchange losses/(gains), net****	**4,523**	(7,337)
Impairment/(reversal of impairment) of trade receivables, net***	**773**	(526)
Reversal of impairment of contract assets, net***	**(6)**	(8)
Impairment/(reversal of impairment) of other receivables, net***	**94**	(228)
Write-down of inventories to net realisable value***	**5,135**	2,690
Fair value losses/(gains), net:		
Derivative financial instruments***	**400**	—
Financial assets at fair value through profit or loss	**(2,059)**	(1,150)
Bank interest income	**(2,250)**	(2,953)
Investment income from financial assets at fair value through profit or loss	**(423)**	(578)
Losses/(gains) on disposal of property, plant, and equipment*****	**97**	(1)

5. PROFIT BEFORE TAX *(Continued)*

* Depreciation and amortisation are included in "Cost of sales", "Selling and distribution expenses", "Research and development expenses" and "Administrative expenses" in the interim condensed consolidated statement of profit or loss.

** Employee benefit expenses of approximately RMB37,685,000 and RMB20,913,000 (30 June 2023: RMB48,467,000 and RMB15,085,000) are included in "Cost of sales" and "Research and development expenses" in the interim condensed consolidated statement of profit or loss for the six months ended 30 June 2024, respectively.

*** The write-down of inventories to net realisable value, the impairment of trade receivables and other receivables, and fair value losses are included in "Other expenses" in the interim condensed consolidated statement of profit or loss. The reversal of impairment of trade receivables, contract assets and other receivables, and fair value gains are included in "Other income and gains" in the interim condensed consolidated statement of profit or loss.

**** Foreign exchange losses and gains are included in "Other expenses" and "Other income and gains" in the interim condensed consolidated statement of profit or loss, respectively.

***** Losses and gains on disposal of property, plant, and equipment are included in "Other income and gains" and "Other expenses" in the interim condensed consolidated statement of profit or loss, respectively.

6. INCOME TAX

Income tax for the Cayman Islands and the British Virgin Islands

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands. In addition, upon payments of dividends by the Company and the subsidiaries incorporated in the British Virgin Islands to their shareholders, no withholding tax is imposed.

Hong Kong profits tax

Hong Kong profits tax has been provided at the two-tiered profits tax rates on the estimated assessable profits arising in Hong Kong. The first HKD2,000,000 of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Corporate income tax for Chinese Mainland

Under the Law of the PRC on Corporate Income Tax (the "**CIT Law**") and the Implementation Regulation of the CIT Law, the CIT rate for PRC subsidiaries is 25% except for those subsidiaries that are subject to tax exemption as set out below.

The Group's subsidiary, Wenzhou Gaush Raymond Photoelectric Technology Co., Ltd., was accredited as a "High and New Technology Enterprise" in 2020 for a term of three years, and the certificate has been reissued in December 2023 for a term of three years, therefore the subsidiary was entitled to a preferential CIT rate of 15% for the six months ended 30 June 2024.

6. INCOME TAX *(Continued)*

Corporate income tax for Chinese Mainland *(Continued)*

Pursuant to Caishui [2022] No.13 "Circular of the Ministry of Finance, the State Administration of Taxation issued on the Further Implementation of Preferential Tax Policies for Small Meagre-profit Enterprises" (財政部、稅務總局關於進一步實施小微企業所得稅優惠政策的公告) and Caishui [2023] No.6 "Announcement on Preferential Income Tax Policies for Small Enterprises with Meagre Profit and Individually-owned Businesses" (關於小微企業和個體工商戶所得稅優惠政策的公告), for certain small low-profit subsidiaries, the portion of the annual taxable income not exceeding RMB3,000,000 shall be computed at a reduced rate of 25% as the taxable income amount, and be subject to corporate income tax at a tax rate of 20%.

Income tax for other jurisdictions

The Group's tax provision in respect of other jurisdictions has been calculated at the applicable tax rates in accordance with the prevailing practices of the jurisdictions in which the Group operates.

Subsidiaries established in Germany were subject to corporate income tax at the rate of 15.825%. Furthermore, subsidiaries established in Germany were also subject to trade tax at trade tax rates of 14.35% and 15.75%, depending on the locations of the respective subsidiaries.

From 1 January 2023, subsidiaries established in the Netherlands were subject to corporate income tax at the rate of 19% for taxable income of EUR200,000 or less and at the rate of 25.8% for the portion exceeding EUR200,000. The management of the Group expects that Teleon Holding B.V., a subsidiary of the Company, together with its Dutch subsidiaries should qualify for the innovation box. A reduced tax rate of 9% applies to activities covered by the innovation box. The innovation box provides tax relief to encouraged innovative research. Qualifying profits earned from qualifying innovative activities are taxed at this special rate.

An analysis of the provision for tax in the interim condensed consolidated financial information is as follows:

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current — Hong Kong	**9,639**	7,564
Current — Chinese Mainland	**20,050**	32,712
Current — Other jurisdictions	**8,768**	11,104
Deferred	**(6,990)**	(19,572)
Total tax charge for the period	**31,467**	31,808

6. INCOME TAX *(Continued)*

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, is as follows:

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit before tax	**58,395**	142,229
Tax at the statutory tax rate	**17,927**	25,696
Lower tax rates for specific jurisdictions or enacted by local authority	**(1,834)**	(5,169)
Tax losses utilised from previous periods	**(653)**	(964)
Expenses not deductible for tax	**4,367**	4,259
Super Deduction for research and development expenses*	**(4,801)**	(2,938)
Unrecognised temporary differences and tax losses	**13,011**	8,464
Income not subject to tax	**(864)**	—
Adjustments in respect of current tax of previous period	**4,863**	1,465
Other items	**(549)**	995
Tax charge at the Group's effective rate	**31,467**	31,808

* According to relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that were effective from 2018, enterprises engaging in research and development activities were entitled to claim 200% of their eligible research and development costs so incurred as tax deductible expenses when determining their assessable profits for that period ("**Super Deduction**"). Enterprises can also amortise the intangible assets based on 200% of the actual costs incurred, if the research and development expenses incurred have been capitalised. The Group made its best estimate for the Super Deduction to be claimed for the Group's PRC subsidiaries in ascertaining their assessable profits for the six months ended 30 June 2024.

7. DIVIDENDS

The proposed final dividend of HKD1.10 per ordinary share of the Company for the year ended 31 December 2023 was declared payable by the shareholders of the Company at the annual general meeting of the Company on 30 May 2024.

No dividends have been declared and paid by the Company for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

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

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 147,970,369 (2023: 147,968,604) in issue during the period, as adjusted to reflect the rights issue during the period.

No dilution issues effected the earning per share attributable to ordinary equity holders of the parent for the six months ended 30 June 2024.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings:		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	**28,474**	111,296

	Number of shares	
	2024	2023
	(Unaudited)	(Unaudited)
Shares:		
Weighted average number of ordinary shares in issue during the period, used in the basic earnings per share calculation	**147,970,369**	147,968,604
Effect of dilution — weighted average number of ordinary shares:		
Over-allotment option*	**—**	107,906
Total	**147,970,369**	148,076,510

* The Company grants the over-allotment option to the international underwriters, exercisable by the overall coordinators and the joint global coordinators at any time up to 30 days after the last date for the lodging of applications under the Hong Kong public offering, pursuant to which the Company may be required to allot and issue up to an aggregate of 1,960,200 additional shares representing no more than 15.0% of the initial offer shares, at the same price per offer share under the international offering. On 9 January 2023, the Company issued 35,500 ordinary shares for HKD51.40 per share due to the exercise of the over-allotment option. The Company was listed on the Main Board of the Stock Exchange on 12 December 2022, and the over-allotment option expired on 11 January 2023. The over-allotment option had dilution effect.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired assets at a cost of RMB4,164,000 (30 June 2023: RMB7,320,000).

Assets (other than those classified as held for sale) with a net book value of RMB26,000 were disposed of by the Group during the six months ended 30 June 2024 (30 June 2023: RMB3,000), resulting in a net loss on disposal of RMB11,000 (30 June 2023: a net gain on disposal of RMB1,030).

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Subscription for investment in private funds*	**178,696**	175,530
Foreign Exchange Forward Transaction	**28**	72
Total	**178,724**	175,602

* The Group subscribed for relevant participating shares attributable to two segregated portfolios. The subscribed private funds totalled RMB178,696,000 (equivalent to approximately USD24,300,000) with expected rates of return ranging from 2.5% to 4.5% per annum. The segregated portfolios seek to achieve the investment objective by investing in cash or cash equivalents, U.S. national debt and other money market instruments. The subscriptions of the above funds were approved by the board of directors and were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

11. TRADE RECEIVABLES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Trade receivables	**149,738**	151,725
Impairment	**(5,955)**	(5,182)
Total	**143,783**	146,543

The Group's trading terms with its customers are mainly on payment in advance, except for some transactions which are traded on credit. The credit period is generally one or three months. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

11. TRADE RECEIVABLES *(Continued)*

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 1 year	**123,478**	122,437
1 to 2 years	**11,897**	19,332
2 to 3 years	**7,907**	3,916
3 to 4 years	**352**	726
4 to 5 years	**149**	132
Over 5 years	**—**	—
Total	**143,783**	146,543

12. CASH AND CASH EQUIVALENTS

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Cash and bank balances	**546,839**	618,695

The Group's cash and cash equivalents were denominated in the following currencies:

	30 June 2024 '000 (Unaudited)	31 December 2023 '000 (Audited)
RMB	**260,250**	383,465
USD	**3,135**	2,093
EUR	**29,894**	27,865
HKD	**27,605**	1,562

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

12. CASH AND CASH EQUIVALENTS *(Continued)*

Cash and cash equivalents earn interest at floating rates based on daily bank deposit rates or the specific rates in the agreement deposit contracts with bank. The bank balances are deposited with creditworthy banks with no recent history of default.

13. TRADE PAYABLES

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 1 year	**101,999**	84,359
Over 1 year	**7,180**	6,205
Total	**109,179**	90,564

14. OTHER PAYABLES AND ACCRUALS

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Payroll payable	**39,065**	67,130
Other taxes payable	**37,255**	45,129
Other payables	**18,622**	13,641
Accruals	**38,122**	38,711
Dividends payable*	**148,555**	—
	281,619	164,611
Classified as:		
Non-current portion	**32,033**	31,764
Current portion	**249,586**	132,847

* Details of the dividends payable are set out in Note 7 to the interim condensed consolidated financial information.

15. INTEREST-BEARING BANK AND OTHER BORROWINGS

	As at 30 June 2024		
	Effective interest rate (%)	**Maturity**	**RMB'000**
Current			
Bank loan — secured*	**Euribor+1**	**2025**	**53,626**
Vendor loan — secured	**7.00**	**2025**	**162,572**
Total — current			**216,198**
Non-current			
Bank loan — secured*	**2025: Euribor+1 2026–2027: Euribor+0.7**	**2027**	**351,959**
Total — non-current			**351,959**
Total			**568,157**

* In anticipation of the due date of the outstanding senior facility loan, Gaush Coöperatief U.A., the Group's subsidiary, as the borrower entered into a facility agreement with China Minsheng Banking Corp. Ltd Shanghai Pilot Free Trade Zone Branch (中國民生銀行股份有限公司上海自貿試驗區分行) (the "**Minsheng Bank**"), as the lender, pursuant to which Gaush Coöperatief U.A. was granted by the lender a facility of EUR52.5 million to repay the senior facility loan on 2 February 2024. The replacement loan amounting to RMB402,239,000 (equivalent to EUR52,500,000) as at 30 June 2024 was guaranteed by Gaush Meditech Ltd and pledged by 100% of shares of Gaush Coöperatief U.A., 100% of shares of Teleon Holding B.V., and the Company's debt service reserve account ("**DSRA**") balance in Minsheng Bank amounting to RMB5,057,000 (equivalent to EUR660,000). The maturity date of the replacement facility loan is 22 December 2027.

15. INTEREST-BEARING BANK AND OTHER BORROWINGS *(Continued)*

	As at 31 December 2023		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans — secured	5.10–5.32	2024	8,461
Vendor loan — secured	7.00	2024	95,293
Senior facility loan — secured	5.44–7.12	2024	419,515
Total — current			523,269
Non-current			
Vendor loan — secured	7.00	2025	95,293
Total — non-current			95,293
Total			618,562

16. SHARE CAPITAL

Shares

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Issued and fully paid:	**102**	102

16. SHARE CAPITAL *(Continued)*

Shares *(Continued)*

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

	Number of shares in issue	Share capital RMB'000
At 1 January 2023 (Audited)	**147,934,869**	102
Issuance of ordinary shares (i)	**35,500**	—
At 31 December 2023 and 1 January 2024 (Audited)	**147,970,369**	102
At 30 June 2024 (Unaudited)	**147,970,369**	102

(i) The Company grants the over-allotment option to the international underwriters, exercisable by the overall coordinators and the joint global coordinators at any time up to 30 days after the last date for the lodging of applications under the Hong Kong public offering, pursuant to which the Company may be required to allot and issue up to an aggregate of 1,960,200 additional shares representing no more than 15.0% of the initial offer shares, at the same price per offer share under the international offering. On 9 January 2023, the Company issued 35,500 ordinary shares for HKD51.40 per share due to the exercise of the over-allotment option. Calculated at a nominal price of USD0.0001 per share, an additional share capital of RMB24.23 was added due to the exercise of over-allotment option.

17. CONTINGENT LIABILITIES

As at 30 June 2024, the Group did not have any contingent liabilities or guarantees that would have a material impact on the financial position or operations of the Group.

18. COMMITMENTS

The Group did not have significant contractual commitments at the end of the reporting period.

19. RELATED PARTY TRANSACTIONS

(a) Name and relationship

The directors are of the opinion that the following personnels are related parties that had transactions or balances with the Group during the reporting period.

Name of related parties	Relationship with the Group
Mr. Gao Tieta	Executive Director and Chairman
Mr. Zhang Jianjun	Executive Director and Honorary President
Mr. Zhao Xinli	Executive Director and Chief Compliance Officer
Mr. Liu Xinwei	Executive Director and Chief Executive Officer
Ms. Li Wenqi	Executive Director and Chief Financial Officer
Mr. Alexey Nikolaevich Simonov	Chief Technology Officer

(b) Transactions with a related party

The Group had the following transactions with a related party during the reporting period.

		For the six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
	Notes	**(Unaudited)**	(Unaudited)
Depreciation of right-of-use assets	(i), (ii)		
Mr. Gao Tieta		**683**	580
Interest expense on lease liabilities	(i)		
Mr. Gao Tieta		**73**	16
Lease payments to	(i)		
Mr. Gao Tieta		**737**	736

Notes:

(i) The depreciation of right-of-use assets and interest expense on lease liabilities related to the leases of building from the related party pursuant to the terms of the agreements signed between the Group and the related party.

(ii) The Group renewed the building leasing agreement with Mr. Gao Tieta, and accordingly recognised right-of use assets of RMB4,096,000 during the six months ended 30 June 2024.

19. RELATED PARTY TRANSACTIONS *(Continued)*

(c) Balances with a related party

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Amount due from a related party:		
Trade balance		
Mr. Gao Tieta	**100**	100
Total	**100**	100
Amount due to a related party:		
Trade balance (lease liabilities)		
Mr. Gao Tieta	**2,730**	720
Total	**2,730**	720

(d) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Salaries, other allowances and benefits in kind	**2,882**	2,330
Performance related bonuses	**1,164**	1,086
Pension scheme contributions	**217**	216
Total	**4,263**	3,632

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Carrying amounts of:		
Non-current portion of interest-bearing bank and other borrowings	**351,959**	95,293
Fair values of:		
Non-current portion of interest-bearing bank and other borrowings	**338,371**	88,866

Management has assessed that the fair values of cash and cash equivalents, term deposits, pledged deposits, trade receivables, financial assets included in prepayments, other receivables and other assets, trade payables and financial liabilities included in other payables and accruals, and the current portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's corporate finance team headed by the chief financial officer ("**CFO**") is responsible for determining the policies and procedures for the fair value management of financial instruments. The corporate finance team reports directly to management. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the CFO.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The fair values of the non-current portion of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank and other borrowings as at 30 June 2024 was assessed to be insignificant.

The fair value of subscription for investment in private funds has been calculated based on the investment statements provided by the investment manager of the private funds.

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value

As at 30 June 2024 (Unaudited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
Financial assets at fair value through profit or loss	**—**	**178,724**	**—**	**178,724**

As at 31 December 2023 (Audited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	—	175,602	—	175,602

21. EVENTS AFTER THE REPORTING PERIOD

There was no significant event after the reporting period.

Definitions

"associates"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"Bridge Facility Loan"	the secured loan granted by Credit Suisse to Gaush Netherlands pursuant to a bridge facility agreement of EUR100 million dated December 18, 2020 to partially finance the acquisition of Teleon
"cataract"	a dense, cloudy area that forms in the lens of the eye which begins when proteins in the eye form clumps that prevent the lens from sending clear images to the retina
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chairman"	the chairman of the Board
"Chief Executive Officer"	the chief executive officer of the Company
"China" or "PRC"	the People's Republic of China, but for the purpose of this interim report and for geographical reference only and except where the context requires otherwise, references in this interim report to "China" and the "PRC" do not include Hong Kong, Macau and Taiwan
"Companies Ordinance"	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Company"	Gaush Meditech Ltd 高视医疗科技有限公司, an exempted company incorporated under the laws of the Cayman Islands with limited liability on November 1, 2017, the Shares of which are listed on the Main Board of the Stock Exchange
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to Mr. Gao Tieta and GT HoldCo
"Credit Suisse"	Credit Suisse AG, Singapore Branch, which is the Singapore branch of Credit Suisse AG, an international financial services firm incorporated in Switzerland
"Cuprite Gem"	Cuprite Gem Investments Ltd, an exempted company incorporated under the laws of the Cayman Islands with limited liability on August 24, 2020, further details of which are set out in "History, Reorganization and Development — Pre-IPO Investments — Information on the Pre-IPO Investors" of the Prospectus
"Director(s)"	the director(s) of the Company

"Distribution Products"	products of the brand partners which the Group distributes
"EUR" or "Euro"	the lawful currency of the European Union
"electrophysiological equipment"	electrophysiological equipment uses an objective and non-invasive diagnostic technique, which can evaluate visual disorder by measuring electrical signals produced by the visual system
"Gaush Neotech"	Gaush Neotech Ltd* (高視創新科技有限公司), a company with limited liability incorporated under the laws of the PRC on February 15, 2023 and an indirect wholly-owned subsidiary of the Company
"Gaush Netherlands"	Gaush Coöperatief U.A., a cooperative (coöperatie) company duly incorporated under the laws of the Netherlands on October 29, 2020 and an indirect wholly-owned subsidiary of the Company
"Gaush Tech"	Gaush Tech Ltd* (深圳高視科技有限公司), a company with limited liability incorporated under the laws of the PRC on January 6, 2022 and an indirect wholly-owned subsidiary of the Company
"Gaush Teleon"	Gaush Teleon Ltd* (高視泰靚醫療科技有限公司), a company with limited liability incorporated under the laws of the PRC on June 22, 2021 and an indirect wholly-owned subsidiary of the Company
"Geuder"	Geuder AG, a company established in Germany
"glaucoma"	a group of eye diseases that are usually characterized by progressive structural and functional changes of the optic nerve, which is caused by fluid building up in the front part of the eye
"Global Offering"	the Hong Kong Public Offering and the International Offering (both as defined in the Prospectus)
"GMC IV"	GMC FOUR Ltd, a company duly incorporated under the laws of the British Virgin Islands on October 27, 2017, which was owned as to 74.42% by Zhang Jianjun, 12.79% by Gao Feng, 7.67% by Wang Cheng and 5.12% by Wu Hui
"GMC Teleon"	GMC Teleon Ltd, a company duly incorporated under the laws of the British Virgin Islands on May 18, 2021, which was owned as to 62.22% by Liu Xinwei, 33.33% by Zhang Jianjun, 2.00% by Mark Lansu, 1.11% by Hendrik Ligt, 1.11% by Rik Renssen and 0.23% by Alexey Simonov
"GMC V"	GMC FIVE Ltd, a company duly incorporated under the laws of the British Virgin Islands on October 27, 2017, which was owned as to 66.67% by Gao Jinta and 33.33% by Zhao Xinli

"Group", "Gaush Meditech" or "Gaush"	the Company and all of its subsidiaries or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)
"GT HoldCo"	GAUSH HOLDING Ltd, a company duly incorporated under the laws of the British Virgin Islands on October 27, 2017, which was wholly owned by Gao Tieta
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"intraocular lens"	an artificial replacement for the lens of human eye removed during cataract surgery
"KOL"	key opinion leaders, being physicians with influence on their peers' medical practice for the purpose of this interim report
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange on December 12, 2022
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"OrbiMed Asia"	Orbimed Asia Partners III, L.P., an exempted limited partnership registered under the laws of the Cayman Islands on June 10, 2013, further details of which are set out in "History, Reorganization and Development — Pre-IPO Investments — Information on the Pre-IPO Investors" of the Prospectus
"OK-Lens"	orthokeratology lenses, also known as orthokeratology, is a non-surgical method to eliminate the refractive error of the eye and improve the naked vision by changing the geometry of the cornea within the pressure of the eyelids during sleep which is placed on the upper surface of the cornea when wearing
"Proprietary Products"	products that the Group develops and manufactures
"Prospectus"	the prospectus of the Company dated November 30, 2022

"refractive error"	eye disorder caused by irregularity in the shape of the eye, which makes it difficult for the eyes to focus images clearly
"R&D"	research and development
"Reporting Period"	for the six months ended June 30, 2024
"RMB"	the lawful currency of the PRC
"Roland"	Roland Consult Stasche & Finger GmbH, a limited liability company (Gesellschaft mit beschränkter Haftung) duly incorporated under the laws of Germany and founded on November 29, 1995 and an indirect subsidiary of the Company which it holds 80% equity interest
"SBM"	SBM Sistemi S.r.l., a company established in Italy
"Senior Facility Loan"	the secured loan granted by Credit Suisse and other lenders to Gaush Netherlands pursuant to a senior facility agreement of EUR75 million dated December 30, 2020, which was subsequently refinanced by the facility granted by the lender to Gaush Netherlands under the facility agreement in February 2024
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of the Company with a par value of US$0.0001 each
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under Section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Teleon"	Teleon Holding B.V., an indirect wholly-owned subsidiary of the Company acquired in January 2021, and its subsidiaries
"United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US dollars", "USD" or "US$"	United States dollars, the lawful currency of the United States
"Vendor Loan"	the secured loan granted by Stichting Administratiekantoor OPM to Gaush Netherlands pursuant to a facility agreement of EUR24.25 million dated December 23, 2020 to partially finance the acquisition of Teleon and which shall mature in 2025

"vitreoretinal diseases"	diseases that develop from the back surface of the eye and the vitreous fluid around it, with the most representative vitreoretinal diseases being wet age-related macular degeneration (wAMD), diabetic macular edema (DME), retinal vein occlusion (RVO) and myopic choroidal neovascularization (mCNV)
"%"	per cent

* *For identification purposes only*