

**ANGY (CHINA) MEDICAL LIMITED**  
**INTERIM FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2021**

**ANGY (CHINA) MEDICAL LIMITED**

**INTERIM REPORT  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

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**CONTENTS**

	<b>PAGES</b>
Review Report	1
Consolidated Statement of Profit and Loss	2
Consolidated Statement of Profit and Loss and Other Comprehensive Income	3
Consolidated Statement of Financial Position	4 to 5
Consolidated Statement of Changes in Equity	6 to 7
Condensed Consolidated Cash Flow Statement	8 to 9
Notes to the Unaudited Interim Financial Report	10 to 20

**REVIEW REPORT  
TO THE BOARD OF DIRECTORS OF  
ANGY (CHINA) MEDICAL LIMITED  
(Incorporated in Hong Kong with limited liability)**

**Introduction**

We have reviewed the interim financial report set out on pages 2 to 20 which comprises the consolidated statement of financial position of Angy (China) Medical Limited (the “Company”) and its subsidiaries (together, the “Group”) as of 30 June 2021 and the related consolidated statement of profit or loss, statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on the National Stock Exchange of Australia Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with HKAS 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion 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 (“HKSRE 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 the interim financial reports consists of making enquiries, 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 report as at 30 June 2021 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.



JS CPA & CO.  
Certified Public Accountants (Practising)  
Hong Kong  
Date: 13 September 2021

**ANGY (CHINA) MEDICAL LIMITED**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
FOR THE SIX MONTHS ENDED 30 JUNE 2021 - UNAUDITED**

		<b>Six months ended 30 June</b>	
	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>HK\$</b>	<b>HK\$</b>
<b>Revenue</b>	5	37,840,944	45,348,145
Costs of sales		<u>(31,889,472)</u>	<u>(35,203,883)</u>
<b>Gross profit</b>		5,951,472	10,144,262
Other income	6	1,700,718	22,629
Selling and distribution expenses		(2,045,850)	(1,898,377)
General and administrative expenses		<u>(9,935,107)</u>	<u>(8,857,103)</u>
<b>Loss from operations</b>		(4,328,767)	(588,589)
Finance costs	7(a)	<u>(152,132)</u>	<u>(16,185)</u>
<b>Loss before taxation</b>	7	(4,480,899)	(604,774)
Income tax	8	<u>55,268</u>	<u>105,892</u>
<b>Loss for the period</b>		<u>(4,425,631)</u>	<u>(498,882)</u>
<b>Attributable to:</b>			
Equity shareholders of the Company		(4,483,286)	(21,093)
Non-controlling interests		<u>57,655</u>	<u>(477,789)</u>
<b>Loss for the period</b>		<u>(4,425,631)</u>	<u>(498,882)</u>
<b>Loss per share</b>	9		
Basic		<u>(0.42)</u>	<u>(0.05)</u>

The notes on pages 10 to 20 form part of this interim financial report.

**ANGY (CHINA) MEDICAL LIMITED**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2021 - UNAUDITED**

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	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>Loss for the period</b>	(4,425,631)	(498,882)
<b>Other comprehensive income / (loss) for the period</b>		
Item that are or may be reclassified subsequently to profit or loss:		
Exchange differences on translation of:		
- financial statements of overseas subsidiaries	315,832	(326,400)
<b>Total comprehensive loss for the period</b>	<u>(4,109,799)</u>	<u>(825,282)</u>
<b>Attributable to:</b>		
Equity shareholders of the Company	(4,176,381)	(352,486)
Non-controlling interests	66,582	(472,796)
<b>Total comprehensive loss for the period</b>	<u>(4,109,799)</u>	<u>(825,282)</u>

The notes on pages 10 to 20 form part of this interim financial report.

ANGY (CHINA) MEDICAL LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021 - UNAUDITED**

	Note	At 30 June 2021 HK\$	At 31 December 2020 HK\$
<b>Non-current asset</b>			
Property, plant and equipment	10	6,977,246	6,485,608
Other financial assets	11	62,096	59,581
		7,039,342	6,545,189
<b>Current assets</b>			
Other financial assets	11	-	1,180,383
Inventories	12	10,811,674	15,433,728
Trade and other receivables	13	10,490,166	11,856,039
Cash and cash equivalents	14	7,470,744	2,550,741
Deferred tax assets		144,601	114,618
		28,917,185	31,135,509
<b>Current liabilities</b>			
Trade and other payables	15	8,939,223	12,794,960
Contract liabilities		4,161,081	2,254,149
Bank loans	16	9,490,067	6,028,090
Lease liabilities		624,542	237,909
Current taxation		247,277	194,561
		23,462,190	21,509,669
<b>Net current assets</b>		5,454,995	9,625,840
<b>Total assets less current liabilities</b>		12,494,337	16,171,029
<b>Non-current liabilities</b>			
Lease liabilities		494,033	60,926
<b>NET ASSETS</b>		12,000,304	16,110,103

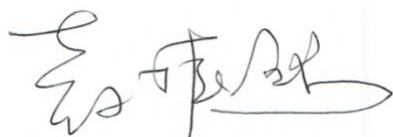
The notes on pages 10 to 20 form part of this interim financial report.

**ANGY (CHINA) MEDICAL LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021 – UNAUDITED (CONTINUED)**

	Note	At 30 June 2021 HK\$	At 31 December 2020 HK\$
<b>CAPITAL AND RESERVES</b>	17		
Share capital	17(a)	10,000,000	10,000,000
(Accumulated loss) / Reserves		<u>(1,251,189)</u>	<u>2,925,192</u>
<b>Total equity attributable to equity shareholders of the Company</b>		8,748,811	12,925,192
<b>Non-controlling interests</b>		<u>3,251,493</u>	<u>3,184,911</u>
<b>TOTAL EQUITY</b>		<u>12,000,304</u>	<u>16,110,103</u>

Approved and authorised for issue by the Board of Directors on 13 September 2021.



.....  
Executive Director  
Ao Zhenming

The notes on pages 10 to 20 form part of this interim financial report.

ANGY (CHINA) MEDICAL LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2021 - UNAUDITED**

	Attributable to equity shareholders of the Company				Total HK\$	Non- controlling interests HK\$	Total equity HK\$
	Share capital HK\$	Exchange reserve HK\$	Other reserve HK\$	Retained earnings / (Accumulated loss) HK\$			
<b>Balance at 1 January 2020</b>	10,000,000	(1,005,793)	59,695	8,962,912	18,016,814	(8,768)	18,008,046
Acquisition from subsidiary	-	-	-	-	-	3,000,000	3,000,000
<b>Changes in equity for the six months ended 30 June 2020:</b>							
Loss for the period	-	-	-	(21,093)	(21,093)	(477,789)	(498,882)
Other comprehensive (loss) / income	-	(331,393)	-	-	(331,393)	4,993	(326,400)
<b>Total comprehensive loss</b>	-	(331,393)	-	(21,093)	(352,486)	(472,796)	(825,282)
<b>Balance at 30 June 2020 and 1 July 2020</b>	10,000,000	(1,337,186)	59,695	8,941,819	17,664,328	2,518,436	20,182,764
Acquisition of additional interest in subsidiaries	-	(120)	(59,695)	3,347,729	3,287,914	500,320	3,788,234
<b>Changes in equity for the six months ended 31 December 2020:</b>							
(Loss) / income for the period	-	-	-	(8,317,901)	(8,317,901)	86,530	(8,231,371)
Other comprehensive income	-	290,851	-	-	290,851	79,625	370,476
<b>Total comprehensive income / (loss)</b>	-	290,851	-	(8,317,901)	(8,027,050)	166,155	(7,860,895)
<b>Balance at 31 December 2020</b>	<u>10,000,000</u>	<u>(1,046,455)</u>	<u>-</u>	<u>3,971,647</u>	<u>12,925,192</u>	<u>3,184,911</u>	<u>16,110,103</u>

The notes on pages 10 to 20 form part of this interim financial report.



**ANGY (CHINA) MEDICAL LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2021 – UNAUDITED (CONTINUED)**

	Attributable to equity shareholders of the Company				Total HK\$	Non- controlling interests HK\$	Total equity HK\$
	Share capital HK\$	Exchange reserve HK\$	Other reserve HK\$	Retained earnings / (Accumulated loss) HK\$			
<b>Balance at 1 January 2021</b>	10,000,000	(1,046,455)	-	3,971,647	12,925,192	3,184,911	16,110,103
<b>Changes in equity for the six months ended 30 June 2021:</b>							
Loss for the period	-	-	-	(4,483,286)	(4,483,286)	57,655	(4,425,631)
Other comprehensive income	-	306,905	-	-	306,905	8,927	315,832
Total comprehensive income / (loss)	-	306,905	-	(4,483,286)	(4,176,381)	66,582	(4,109,799)
<b>Balance at 30 June 2021</b>	<u>10,000,000</u>	<u>(739,550)</u>	<u>-</u>	<u>(511,639)</u>	<u>8,748,811</u>	<u>3,251,493</u>	<u>12,000,304</u>

The notes on pages 10 to 20 form part of this interim financial report.

**ANGY (CHINA) MEDICAL LIMITED**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2021 - UNAUDITED**

		<b>Six months ended 30 June</b>	
	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>HK\$</b>	<b>HK\$</b>
<b>Operating activities</b>			
Loss before taxation		(4,480,899)	(604,774)
Adjustments for:			
Amortisation of right-of-use asset		308,392	506,833
Depreciation		640,218	514,851
Finance costs		152,132	16,185
Impairment loss on inventories		60,284	499,456
Interest income		(492)	(110)
<b>Operating (loss) / profit before changes in working capital</b>		<b>(3,320,365)</b>	<b>932,441</b>
Decrease / (increase) in inventories		4,561,770	(4,099,538)
Decrease in trade and other receivables		1,365,873	41,396
(Decrease) / increase in trade and other payables		(3,855,737)	502,565
Increase in contract liabilities		1,906,932	1,195,694
<b>Cash generated from / (used in) operations</b>		<b>658,473</b>	<b>(1,427,442)</b>
Interest income		492	110
Tax repaid / (paid)			
- Overseas tax repaid / (paid)		78,001	(103,454)
<b>Net cash generated from / (used in) operating activities</b>		<b>736,966</b>	<b>(1,530,786)</b>
<b>Investing activities</b>			
Payment for the purchase of property, plant and equipment		(77,678)	-
Acquisition of subsidiary, net of cash acquired		-	3,000,000
Payment for the structured deposits		-	(5,606,333)
Proceeds from sale of structured deposits		1,177,868	-
<b>Net cash generated from / (used in) investing activities</b>		<b>1,100,190</b>	<b>(2,606,333)</b>
<b>Financing activities</b>			
Capital element of lease rentals paid		(287,635)	(509,940)
Proceeds from new bank loans		8,927,980	5,397,888
Repayment of bank loans		(5,466,003)	(806,757)
Interest on bank loans		(139,399)	(764)
Interest element of lease rentals paid		(12,733)	(15,421)
<b>Net cash generated from financing activities</b>		<b>3,022,210</b>	<b>4,065,006</b>

The notes on pages 10 to 20 form part of this interim financial report.

**ANGY (CHINA) MEDICAL LIMITED**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2021 - UNAUDITED**

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		<b>Six months ended 30 June</b>	
	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>HK\$</b>	<b>HK\$</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		4,859,366	(72,113)
<b>Cash and cash equivalents at 1 January</b>		2,550,741	6,892,185
<b>Effect of foreign exchange rates changes</b>		<u>60,637</u>	<u>(251,332)</u>
<b>Cash and cash equivalents at 30 June</b>	14	<u>7,470,744</u>	<u>6,568,740</u>

The notes on pages 10 to 20 form part of this interim financial report.

## **ANGY (CHINA) MEDICAL LIMITED**

### **NOTES TO UNAUDITED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2021**

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#### **1. GENEREAL INFORMATION**

Angy (China) Medical Limited (the “Company”) is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at Unit 2302, 23/F., New World Tower 1, 18 Queen’s Road Central, Central, Hong Kong.

The Company is an investment holding and trading of medical instrument. Its subsidiaries are principally engaged in trading of medical equipment maintenance; commission agents; provide consulting services, computer technology development, technical services; import and export; wholesale of software, cosmetics and health supplies, computer parts, electronic products, household device; groceries, computer; medical equipment in the People’s Republic of China (the “PRC”).

#### **2. BASIS OF PREPARATION**

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the National Stock Exchange of Australia Limited, including compliance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 13 September 2021.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2020 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2021 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2020 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The interim financial report is unaudited, but has been reviewed by JS CPA & CO. 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 HKICPA. JS CPA & CO.’s independent review report to the Board of Directors is included on page 1.

**NOTES TO UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

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**2. BASIS OF PREPARATION (Continued)**

The financial information relating to the financial year ended 31 December 2020 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2020 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

**3. CHANGES IN ACCOUNTING POLICIES**

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

- Amendment to HKFRS 16, Covid-19-related rent concessions beyond 30 June 2021
- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, Interest rate benchmark reform — phase 2

None of these amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

**4. SEGMENT REPORTING**

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

## ANGY (CHINA) MEDICAL LIMITED

### NOTES TO UNAUDITED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2021

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#### 4. SEGMENT REPORTING (Continued)

The Group mainly operates in a single business, trading of medical instrument in a single geographical region, which is the People's Republic of China (the "PRC"). Accordingly, no segmental analysis is presented.

#### 5. REVENUE

The principal activities of the Group are trading of medical instrument.

##### Disaggregation of revenue

Revenue represents the sales value of goods supplied to customers (net of value-added tax, other sales tax and discounts). Disaggregation of revenue from contracts with customers by major products is as follows:

	Six months ended 30 June	
	2021	2020
	HK\$	HK\$
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by major products lines		
- Medical instrument	37,840,944	45,348,145

The Group's customer base is diversified. There is 1 customer (six months ended 30 June 2020: Nil) had transactions which exceeded 10% of the Group's aggregate revenue for the six months ended 30 June 2021.

The timing of revenue recognition of all revenue from contracts with customers is at a point in time.

As no obvious seasonality in demand for products, the Group has no seasonality in operations.

#### 6. OTHER REVENUE

	Six months ended 30 June	
	2021	2020
	HK\$	HK\$
Government grant	1,608,894	-
Interest income	492	110
Net foreign exchange gain	46,692	-
Net realised gain on financial assets	11,820	-
Sundry income	32,820	22,519
	1,700,718	22,629

# **ANGY (CHINA) MEDICAL LIMITED**

## **NOTES TO UNAUDITED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2021**

### **7. LOSS BEFORE TAXATION**

Loss before taxation is arrived at after charging:

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$</b>	<b>HK\$</b>
(a) Finance costs		
Interest on bank loans	139,399	764
Interest on lease liabilities	12,733	15,421
	<u>152,132</u>	<u>16,185</u>
(b) Staff costs		
Contributions to defined contribution retirement plan	225,526	207,112
Salaries, wages and other benefits	4,837,825	4,039,093
	<u>5,063,351</u>	<u>4,246,205</u>
(c) Other items		
Cost of inventories	31,889,472	35,203,883
Depreciation	640,218	514,851
Amortisation of right-of-use asset	308,392	506,833
Impairment loss on inventories	60,284	499,456
Net foreign exchange loss	-	41,857
Research and development costs (other than amortisation)	1,781,296	1,635,405
	<u></u>	<u></u>

### **8. INCOME TAX**

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$</b>	<b>HK\$</b>
Current tax - Overseas	(25,285)	(124,276)
Deferred taxation	(29,983)	18,384
	<u>(55,268)</u>	<u>(105,892)</u>

No provision for Hong Kong Profits Tax has been made as the Group did not earn any profit subject to Hong Kong Profits Tax during the period. (2020: Nil)

Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be applicable in the relevant countries. The Group's PRC subsidiaries are subject to statutory tax rate of 25% on their assessable profits.

## ANGY (CHINA) MEDICAL LIMITED

### NOTES TO UNAUDITED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2021

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#### 9. LOSS PER SHARE

##### Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the parent of HK\$4,425,631 (six months ended 30 June 2020: HK\$498,882) and the weighted average of 10,000,000 ordinary shares (2020: 10,000,000 shares) in issue during the interim period.

There were no dilutive potential ordinary shares during each of the six months ended 30 June 2021 and 2020, and therefore, diluted earnings per share is the same as the basic earnings per share.

#### 10. PROPERTY, PLANT AND EQUIPMENT

##### (a) Right-of-use assets

During the six months ended 30 June 2021, the Group entered into a number of lease agreements for use of leasehold land, and therefore recognised the additions to right-of-use assets of HK\$1,107,375. (six months ended 30 June 2020: Nil)

The Group recognised depreciation charge of right-of-use assets of HK\$308,392 during the period ended 30 June 2021. (six months ended 30 June 2020: HK\$506,833)

##### (b) Acquisition of owned assets

During the six months ended 30 June 2021, the Group acquired items of plant and machinery with a cost of HK\$77,678. (six months ended 30 June 2020: Nil)

#### 11. OTHER FINANCIAL ASSETS

Other financial assets represent financial assets carried at fair value through profit and loss.

	At 30 June 2021 HK\$	At 31 December 2020 HK\$
<b>Non-current assets</b>		
Equity securities designated at FVOCI (non-recycling)		
- Unlisted equity securities	62,096	59,581
<b>Current assets</b>		
Wealth management products	-	1,180,383
	<u>62,096</u>	<u>1,239,964</u>



## ANGY (CHINA) MEDICAL LIMITED

### NOTES TO UNAUDITED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2021

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#### 12. INVENTORIES

	<b>At 30 June 2021 HK\$</b>	<b>At 31 December 2020 HK\$</b>
Finished goods	<u>10,811,674</u>	<u>15,433,728</u>

#### 13. TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	<b>At 30 June 2021 HK\$</b>	<b>At 31 December 2020 HK\$</b>
Within 1 month	484,180	2,745,010
1 – 6 months	-	2,558
6 months – within 1 year	<u>4,140</u>	<u>16,300</u>
Trade debtors, net of loss allowance	488,320	2,763,868
Other receivables	8,917,553	7,823,651
Deposits and prepayments	<u>1,084,293</u>	<u>1,268,520</u>
	<u>10,490,166</u>	<u>11,856,039</u>

Trade debtors are due within 120 days from the date of billing.

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

# **ANGY (CHINA) MEDICAL LIMITED**

## **NOTES TO UNAUDITED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2021**

### **14. CASH AND CASH EQUIVALENTS**

	<b>At 30 June 2021 HK\$</b>	<b>At 31 December 2020 HK\$</b>
Cash and cash equivalents in the statement of financial position and cash flow statement		
- Cash at bank and in hand	<u>7,470,744</u>	<u>2,550,741</u>

### **15. TRADE AND OTHER PAYABLES**

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	<b>At 30 June 2021 HK\$</b>	<b>At 31 December 2020 HK\$</b>
Within 1 month	3,102,598	7,438,011
1 – 6 months	-	-
6 months – within 1 year	-	-
Over 1 year	<u>24,534</u>	<u>23,540</u>
Trade creditors	3,127,132	7,461,551
Other payables and accruals	<u>5,812,091</u>	<u>5,333,409</u>
Financial liabilities measured at amortised cost	<u>8,939,223</u>	<u>12,794,960</u>

### **16. BANK LOANS**

	<b>At 30 June 2021 HK\$</b>	<b>At 31 December 2020 HK\$</b>
Within 1 year or on demand	<u>9,490,067</u>	<u>6,028,090</u>

## ANGY (CHINA) MEDICAL LIMITED

### NOTES TO UNAUDITED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2021

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#### 16. BANK LOANS (Continued)

At 30 June 2021, the bank loans were unsecured as follows:

	At 30 June 2021 HK\$	At 31 December 2020 HK\$
Bank loans - unsecured	<u>9,490,067</u>	<u>6,028,090</u>

#### 17. CAPITAL, RESERVES AND DIVIDENDS

##### (a) Share capital

###### Issued and fully paid share capital

	Number of ordinary shares	HK\$
As at 31 December 2020 and 30 June 2021	<u>10,000,000</u>	<u>10,000,000</u>

There is no change in ordinary shares during the six months ended 30 June 2021.

##### (b) Dividend

The Board has resolved not to declare any interim dividends for the six months ended 30 June 2021. (six months ended 30 June 2020: Nil)

##### (c) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

**NOTES TO UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

**17. CAPITAL, RESERVES AND DIVIDENDS (Continued)**

(c) Capital management (continued)

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes lease liabilities), less cash and cash equivalents. Adjusted capital comprises all components of equity.

**18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**

(a) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

	Fair value at 30 June 2021 HK\$	Fair value measurements as at 30 June 2021 categorised into		
		Level 1 HK\$	Level 2 HK\$	Level 3 HK\$
<b>Recurring fair value measurement</b>				
Other financial assets:				
- Unlisted equity securities	62,096	-	-	62,096

**NOTES TO UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

**18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)**

(a) Fair value hierarchy (Continued)

	Fair value at 31 December 2020 HK\$	Fair value measurements as at 31 December 2020 categorised into		
		Level 1 HK\$	Level 2 HK\$	Level 3 HK\$
<b>Recurring fair value measurement</b>				
Other financial assets:				
- Unlisted equity securities	59,581	-	-	59,581
- Wealth management products	1,180,383	-	1,180,383	-

During the six months ended 30 June 2021, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2020: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(b) Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of financial assets in Level 2 is determined by discounting the expected future cash flows at prevailing market interest rate as at the end of the reporting period. The discount rate used is derived from the relevant onshore Renminbi Swap curve as at the end of the reporting period plus an adequate constant credit spread.

(c) Information about Level 3 fair value measurements

The fair value of the unlisted equity investment is determined by using the adjusted net assets value method and comparable company method with unobservable inputs of net assets value and price/book ratio respectively. The fair value measurements are positively correlated to the net assets value and the price/book ratio.

**NOTES TO UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

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**19. MATERIAL RELATED PARTY TRANSACTIONS**

**Key management personnel remuneration**

Remuneration for director and key management personnel of the Group, including amounts paid to the Company's executive directors are as follows:

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$</b>	<b>HK\$</b>
Salaries, wages and other benefits	<u>310,000</u>	<u>330,000</u>

**20. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD**

Subsequent to the end of the reporting period, the Group gives notice in accordance with Listing Rule 2.25 that it proposes to voluntarily withdraw its listing on the National Stock Exchange of Australia ("NSX"). The voluntary withdrawal is subject to the passing of a special resolution of shareholders of the Group at a duly convened general meeting. The Group is in the process of preparing relevant meeting documentation in accordance with regulatory requirements. Once prepared, this documentation will be released to NSX in accordance with Listing Rule 6.7. Subject to receiving approval from Shareholders at the general meeting, the Company will be delisted on completion of the 90 day notice period required under Listing Rule 2.25.

**21. IMPACTS OF COVID-19 PANDEMIC**

The COVID-19 pandemic since early 2020 has brought about additional uncertainties in the Group's operating environment and has impacted the Group's operations and financial position.

The Group has been closely monitoring the impact of the developments on the Group's business and has put in place contingency measures. The Group will keep the contingency measures under review as the situation evolves.

# ANGY (CHINA) MEDICAL LIMITED

## **DETAILED INCOME STATEMENT** **FOR THE SIX MONTHS ENDED 30 JUNE 2021** **(For management information only)**

	1/1/2021 to 30/6/2021 HK\$	1/1/2020 to 30/6/2020 HK\$
<b>Revenue</b>		
Sales of medical instrument	37,840,944	45,348,145
<b>Less: Cost of sales</b>		
Opening inventories	15,433,728	22,436,643
Purchases	27,267,418	32,298,630
	42,701,146	54,735,273
Less: Closing inventories	10,811,674	19,531,390
	31,889,472	35,203,883
<b>Gross profit</b>	5,951,472	10,144,262
<b>Add: Other income</b>		
Government grant	1,608,894	-
Interest income	492	110
Net foreign exchange gain	46,692	-
Net realised gain on financial assets	11,820	-
Sundry income	32,820	22,519
	1,700,718	22,629
<b>Less: Selling and distribution expenses</b>		
Advertisement	101,966	97,972
Conference expenses	627,561	563,511
Consultancy fee	125,182	136,961
Entertainment	165,817	158,207
Exhibition fee	396,202	346,244
Office expenses	75,924	75,111
Overseas travelling expenses	415,337	395,420
Transportation fee	76,758	75,423
Testing and repairing fee	61,103	49,528
	2,045,850	1,898,377
<b>Less: General and administrative expenses (Appendix I)</b>	9,935,107	8,857,103
<b>Less: Finance cost</b>		
Interest on bank loans	139,399	764
Interest on lease liabilities	12,733	15,421
	152,132	16,185
<b>Loss before taxation</b>	(4,480,899)	(604,774)

**DETAILED INCOME STATEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2021  
(For management information only)**

	<b>1/1/2021 to 30/6/2021 HK\$</b>	<b>1/1/2020 to 30/6/2020 HK\$</b>
<b>General and administrative expenses</b>		
Accounting fee	7,000	7,000
Auditors' remuneration	248,000	260,000
Amortisation of right-of-use asset	308,392	506,833
Bank charges	21,388	12,775
Consultancy fee	473,509	423,012
Depreciation	640,218	514,851
Directors' remuneration	310,000	330,000
Entertainment	483,407	460,630
Insurance	16,283	15,563
Legal and professional fee	183,404	164,812
Mandatory provident fund	225,526	207,112
Motor vehicle expenses	-	16,197
Net foreign exchange loss	-	41,857
Office expenses	215,004	152,042
Overseas travelling expenses	17,232	9,303
Rent	81,161	75,125
Repair and maintenance	32,510	26,916
Research and development costs	1,781,296	1,635,405
Salaries and wages	4,527,825	3,709,093
Staff welfare	156,477	126,927
Sundry expenses	112,369	82,081
Travelling expenses	38,464	25,303
Telephone expenses	55,642	54,266
	<b>9,935,107</b>	<b>8,857,103</b>