



TOWN HEALTH

INTERNATIONAL MEDICAL GROUP LIMITED

康健國際醫療集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code : 3886)



INTERIM REPORT
2025

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Choi Ka Tsan Karson, *GBS, JP*
(*Chairman and Chief Executive Officer*)
Dr. Fok Siu Wing Dominic
Ms. Zhang Xiaoxue
Mr. Liu Shiyin
(*Resigned on 24 February 2025*)
Mr. Huang Yu
(*Appointed on 24 February 2025*)

Non-executive Directors

Ms. Lee Wai Ling Linda
Ms. Lau Suk Hing Clara
Mr. Liu Yang
Ms. Zhang Leidi

Independent Non-executive Directors

Mr. Yu Xuezhong
Dr. Xu Weiguo
Mr. Han Wenxin
Mr. Chan Wai Kan
Mr. Cheung Ka Ming
Mr. Tsui Wing Cheong Sammy

BOARD COMMITTEES

Audit Committee

Mr. Chan Wai Kan (*Chairman*)
Mr. Liu Yang
Dr. Xu Weiguo
Mr. Cheung Ka Ming

Remuneration Committee

Mr. Cheung Ka Ming (*Chairman*)
Mr. Liu Yang
Mr. Yu Xuezhong
Mr. Chan Wai Kan

Nomination Committee

Mr. Choi Ka Tsan Karson, *GBS, JP*
(*Chairman*)
Ms. Lau Suk Hing Clara
(*Appointed on 6 June 2025*)
Mr. Yu Xuezhong
Dr. Xu Weiguo
Mr. Tsui Wing Cheong Sammy

COMPANY SECRETARY

Mr. Lo Wai Keung Eric

AUDITORS

Moore CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

CORPORATE INFORMATION

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

6th Floor, Town Health Medical Group Centre
10-12 Yuen Shun Circuit
Siu Lek Yuen
Shatin, New Territories
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd.
Dah Sing Bank, Limited
Hang Seng Bank Limited
Nanyang Commercial Bank, Limited
Standard Chartered Bank
(Hong Kong) Limited
UBS AG, Hong Kong Branch

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

WEBSITE

www.townhealth.com

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2025:

- The Group recorded revenue of approximately HK\$900,923,000 (2024: HK\$914,280,000).
- The Group recorded a net profit of approximately HK\$35,593,000 (2024: net loss of approximately HK\$28,542,000), including a profit attributable to owners of the Company of approximately HK\$12,727,000 (2024: loss of approximately HK\$47,676,000).

As at 30 June 2025:

- The Group had net assets of approximately HK\$3,436,900,000 (31 December 2024: HK\$3,380,347,000), including net current assets of approximately HK\$1,306,142,000 (31 December 2024: HK\$1,300,647,000).
- The Group had a current ratio (defined as total current assets divided by total current liabilities) of 3.19 (31 December 2024: 3.19) and a gearing ratio (defined as total bank borrowings divided by equity attributable to owners of the Company) of 0.38% (31 December 2024: 2.71%).

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2025 (2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Company hereby reports the results of the Group for the six months ended 30 June 2025.

During the period under review, the Group recorded an unaudited profit of approximately HK\$35,593,000 (2024: loss of approximately HK\$28,542,000), including an unaudited profit attributable to owners of the Company of approximately HK\$12,727,000 (2024: loss of approximately HK\$47,676,000). If the “other gains and losses, net”, which comprise the gains and losses incurred outside the Group’s ordinary course of business, as shown in the condensed consolidated statement of profit or loss are excluded, the Group would have recorded an unaudited operating profit of approximately HK\$38,919,000 (2024: HK\$41,030,000), including an unaudited operating profit attributable to owners of the Company of approximately HK\$16,053,000 (2024: HK\$21,896,000) with respect to its business operations for the six months ended 30 June 2025. Such turnaround from unaudited loss to unaudited profit of the Group was mainly attributable to the net effects of the following factors:

Decrease in Fair Value Losses on Investment Properties

The Group recorded fair value losses on the Group’s investment properties of approximately HK\$2,546,000 for the six months ended 30 June 2025 (2024: HK\$26,870,000), which was mainly due to the continuing contraction in the Hong Kong property market, although to a lesser extent, during the period under review.

Decrease in Impairment Losses Recognised on Interests in Associates

The Group did not record any impairment losses recognised on the Group’s interests in associates for the six months ended 30 June 2025 whereas impairment losses of approximately HK\$36,700,000 were recorded for the six months ended 30 June 2024.

Decrease in Share of Losses of Associates

The Group recorded share of profits of associates of approximately HK\$7,264,000 for the six months ended 30 June 2025 (2024: share of losses of approximately HK\$1,991,000), which was mainly attributable to the cost control measures adopted by the associates.

Decrease in Gross Profit

The Group recorded a gross profit of approximately HK\$230,179,000 for the six months ended 30 June 2025 (2024: HK\$249,553,000). The decrease in gross profit was mainly attributable to the overall adverse economic conditions.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is one of the largest listed healthcare groups with the longest history in Hong Kong and one of the few local comprehensive medical institutions that provide healthcare services in both Hong Kong and the Mainland China. Leveraging extensive medical resources and a professional team, the Group's business spans five core areas, including medical services and managed medical network in Hong Kong; hospital management and health management in the Mainland China; aesthetic medical and beauty and wellness in both Hong Kong and the Mainland China.

In the first half of 2025, the macroeconomic and geopolitical environment was fraught with challenges. The competitive advantages of the Group's abundant medical resources and a large customer base helped us to withstand the adverse impacts of the operating environment. The Group has taken decisive cost control measures, including the elimination of unnecessary procedures, the simplification of organisational structure and the optimisation of workforce. These initiatives are aimed at improving operational effectiveness and efficiency, thereby enhancing overall competitiveness.

In Hong Kong, cross-border consumption has become increasingly common in recent years. This trend is reshaping the competitive landscape for non-urgent medical services in the Guangdong-Hong Kong-Macao Greater Bay Area, intensifying competition in terms of service quality and price among cities in the region.

Driven by the demand of value-for-money medical services, the Group is dedicated to optimising the layout of its medical centre chain in Hong Kong. On one hand, the Group has closed underperforming medical centres. On the other hand, the Group aims to establish integrated medical centres with multiple consultation rooms in populous residential communities, providing one-stop medical services. During the period under review, a new medical centre operating under this business model was opened at Infinity Eight, which is connected to Exit A3 of Choi Hung MTR station. The Group is committed to offering value-for-money medical services and aims to ease the financial burden of healthcare on the public through reasonable service pricing, making private medical services more affordable and accessible. Meanwhile, the application of smart medical technologies is advancing rapidly, and telemedicine has become an inevitable trend. Seizing this opportunity, the Group launched the "General Practice Video Consultation Service" during the period under review, providing greater convenience for the public in accessing medical consultations.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (CONTINUED)

In the Mainland China, the healthcare industry, as a key pillar of the national economy, is undergoing a historic transformation from scale expansion to quality enhancement. Driven by an aging population, breakthroughs in technological innovation and policy reforms, the industry is experiencing profound changes.

Cross-border living and consumption within the Guangdong-Hong Kong-Macao Greater Bay Area are increasingly becoming the norm. The Group supports Hong Kong residents in accessing health check and medical services in the Guangdong-Hong Kong-Macao Greater Bay Area, and provides comprehensive concierge services for residents from the Mainland China seeking medical treatment in Hong Kong. In July 2025, the Group and the Hong Kong branch of CLIO signed a cooperation agreement, pursuant to which the Group became a partner of “ENRICH”, a one-stop health management brand. The Group is ready to integrate its existing healthcare resources across various business segments in Hong Kong and the Mainland China. To meet the health needs of more than 86 million residents in the Guangdong-Hong Kong-Macao Greater Bay Area, it will connect its medical centre chain, medical imaging and diagnostic centres, health management centres, hospitals and internet hospital to build a full-cycle, integrated and one-stop healthcare service ecosystem.

These achievements demonstrate the Management’s effective execution of strategies in a challenging macroeconomic environment and reflect a strong commitment to sustainable growth.

Despite the severe operating environment in the first half of 2025, there was no material adverse change in the Group’s operating performance. During the period under review, the Group achieved turnaround from loss to profit, and recorded an unaudited profit of approximately HK\$35,593,000 (2024: loss of approximately HK\$28,542,000), including an unaudited profit attributable to owners of the Company of approximately HK\$12,727,000 (2024: loss of approximately HK\$47,676,000). If the “other gains and losses, net”, which comprise the gains and losses incurred outside the Group’s ordinary course of business, as shown in the condensed consolidated statement of profit or loss are excluded, the Group would have recorded an unaudited operating profit of approximately HK\$38,919,000 (2024: HK\$41,030,000), including an unaudited operating profit attributable to owners of the Company of approximately HK\$16,053,000 (2024: HK\$21,896,000) with respect to its business operations for the six months ended 30 June 2025. The Group is committed to the ongoing enhancement of its operational efficiency, particularly to meet the growing demand for value-for-money medical services. The Group demonstrated operational resilience and adaptability.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (CONTINUED)

Healthcare Service Network of the Group

As of 30 June 2025, the Group had 422 healthcare service points covering multiple practices, including 247 general practice service points, 63 specialist service points, 20 dental service points and 92 auxiliary service points. As of 30 June 2025, the Group had 810 doctors, dentists and auxiliary service staff (including 408 general practitioners, 223 specialists, 32 dentists and 147 auxiliary service staff), all of whom provided healthcare services via the Group's network of self-operated and affiliated medical service centres.

Businesses in Hong Kong

Medical Services

In Hong Kong, the Group owns one of the largest and most extensive medical centre chains in Hong Kong to provide general practice services, specialist services and dental services as well as allied health services, enabling citizens of Hong Kong to have access to comprehensive medical services in the local communities that are close to their homes and workplaces. The Group's medical services system covers areas from primary care under the "Town Health" brand to high-end multiple specialty fields under the "Hong Kong Medical Consultants" brand. Through a multi-level and diversified strategic layout, it continues to strengthen its competitiveness in the industry and expand its market share. During the period under review, as a proactive response to the government's primary healthcare development strategy, the Group strengthened public-private partnership to enhance the accessibility of private medical services, striving to provide Hong Kong citizens with warm and people-oriented quality medical care.

In the first half of 2025, the revenue from the Group's medical services in Hong Kong was approximately HK\$377,546,000 (2024: HK\$394,462,000), accounting for approximately 41.91% (2024: 43.14%) of the Group's revenue for the six months ended 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (CONTINUED)

Businesses in Hong Kong (Continued)

Medical Services (Continued)

In respect of general practice services, the Group's general practice medical centres, located in densely populated communities, provide consultation, health check and chronic disease management services to cater for the primary healthcare needs of nearby residents and workers. During the period under review, the Group's medical centres of general practice services continued to participate in a number of government-funded or public-private partnership programmes for primary healthcare. The Group is dedicated to optimising the layout of its medical centre chain in Hong Kong. In the first quarter of 2025, the Group took advantage of the refurbishment of Hilton Plaza in Shatin as an opportunity to re-open three general practice medical centres and a paediatric medical centre in Lucky Plaza, Shatin to complement the Group's existing medical centres in Citylink, Shatin to further provide primary care and multi-specialty services. In July 2025, the Group established a "Town Health Medical Centre" at Infinity Eight, 8 Clear Water Bay Road, Choi Hung, providing general practice medical services, which further enhanced the Group's medical service network in Kowloon East. Furthermore, in June 2025, the Group launched the "General Practice Video Consultation Service" which allows customers in Hong Kong to receive professional medical diagnosis from general practitioners via video calls without visiting a medical centre in person. Medications can also be delivered free of charge to designated addresses on the same day (excluding outlying islands and remote areas), enabling the convenience of "medical consultation at home".

In respect of specialist services, the Group has a team of specialists with outstanding reputation in their respective specialties and has established multiple specialty brands. Its flagship brands include "Hong Kong Medical Consultants", "Hong Kong Cardiac Centre" and "Hong Kong Traumatology & Orthopaedics Institute", among others.

"Hong Kong Medical Consultants", the premier integrated specialty brand of the Group, brings together experienced top specialists and an allied health team consisting of clinical psychologists, counselling psychologists, dietitians, occupational therapists, podiatrists and speech therapists. During the period under review, it provided over 20 types of specialist medical and allied health services. "Hong Kong Medical Consultants" has established the Integrated Medical Centre, the Oncology Day Centre, the Paediatric Centre, the Dental & Maxillofacial Centre, the Speech and Swallowing Therapy Centre in Central Building, Central, as well as the Ophthalmology Centre in Prince's Building, Central which mainly provide comprehensive, quality and efficient interdisciplinary medical and clinical services to Hong Kong residents and travellers from the Guangdong-Hong Kong-Macao Greater Bay Area. In addition, under the brand name of "Hong Kong Imaging and Diagnostics Centre", "Hong Kong Medical Consultants" established the Imaging and Cardiovascular Centre in the Central Building, Central and the MRI Centre in the Euro Trade Centre, Central. Imaging and diagnostic services are provided by radiologists and professional technicians. Customers of "Hong Kong Medical Consultants" can receive seamless outpatient and imaging examination and diagnosis services at the hub of Central.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (CONTINUED)

Businesses in Hong Kong (Continued)

Medical Services (Continued)

The Group's cardiology brand, "Hong Kong Cardiac Centre", is managed by a professional medical team composed of a number of cardiologists. With advanced equipment and steady medical technique, it provides patients with comprehensive cardiac specialist consultation and examination services. During the period under review, the "Hong Kong Cardiac Centre" operated six medical centres located in Central, Jordan, Kwun Tong, Shatin, Tuen Mun and Yuen Long. The Group's cardiology department also operates two centres under the brand name of "Hong Kong Cardiac Diagnostic Centre" situated in Tsim Sha Tsui and Jordan, which specialise in providing cardiac imaging diagnostic services.

The Group's orthopaedics brand, "Hong Kong Traumatology & Orthopaedics Institute", has a number of specialists in traumatology and orthopaedics and registered physiotherapists and is equipped with advanced instruments and equipment. It is dedicated to offering professional medical advice, thorough assessments and comprehensive treatment options. Its services include trauma management, adult joint reconstruction, sports medicine and arthroscopy, spinal treatments, hand, elbow and ankle treatments, paediatric orthopaedics, bone and soft tissue tumour management, osteoporosis care, and work related injury treatments, etc. During the period under review, the "Hong Kong Traumatology & Orthopaedics Institute" operated a total of six medical centres, located in Tsim Sha Tsui, Kwun Tong, Shatin, Tsuen Wan, Tai Po and Yuen Long. Additionally, the "Hong Kong Traumatology & Orthopaedics Institute" has established the sub-brands "TOI Physiotherapy Centre" which specialises in providing physiotherapy services; and "Elite Physiotherapy and Sports Rehabilitation" which is dedicated to offering sport injury rehabilitation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (CONTINUED)

Businesses in Hong Kong (Continued)

Medical Services (Continued)

In respect of dental services, the Group pays close attention to the changes in the local dental services market, flexibly adjusts its business strategy and focuses on maintaining good relationships with customers and satisfying their needs. Since July 2023, the Group's self-operated dental centres have participated in Phase I of the Pilot Scheme on Dental Services (Dental Scaling) for Civil Service Eligible Persons (the **"Pilot Scheme"**), which helped reduce the waiting time for public dental services for civil servants. The Hong Kong Government has decided to extend the service period of the Pilot Scheme by 18 months and continue to operate the scheme under the public-private partnership model. The Group's self-operated dental centres have participated in Phase II of the Pilot Scheme and continue to provide dental scaling services to civil servants from 1 February 2025 to 31 July 2026. In addition, in the first half of 2025, the Group's self-operated dental centres joined the Primary Dental Co-care Pilot Scheme for Adolescents. Eligible adolescents can receive subsidised dental services once a year, which helps them establish long-term partnerships with dentists, guides them to maintain the habit of having regular oral examinations throughout their lives, and prevents dental problems.

Managed Medical Network – Vio

Dr. Vio & Partners Ltd. (Vio) operates the managed medical network business of the Group in Hong Kong. With 77 years of rich experience and over 600 affiliated service providers, Vio has developed into a large multidisciplinary medical network. As the first and only medical network in Hong Kong with both ISO 9001:2015 Quality Management System and ISO 27001:2022 Information Security Management System certifications, Vio demonstrates its commitment to quality service and data security protection capabilities.

Despite economic uncertainties, cross-border consumption of residents, rising costs, and other challenges, Vio continued to make investments in upgrading its IT systems (e.g., web-CMS clinic management system) and streamlining operations to deliver efficient and environmentally friendly medical scheme management services for blue chip corporations, insurers, government departments and public institutions. In the first half of 2025, the Group's managed medical network business in Hong Kong recorded revenue of approximately HK\$233,162,000 (2024: HK\$250,043,000), accounting for approximately 25.88% (2024: 27.35%) of the Group's revenue for the six months ended 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (CONTINUED)

Businesses in Hong Kong (Continued)

Managed Medical Network – Vio (Continued)

Vio's core competitive advantages are its seasoned management team, loyal client base, and many inherent synergies with the Group's self-operated medical centres. Through four self-operated medical centres (in Central, Tsim Sha Tsui, Tsuen Wan and Shatin) and an expanding affiliated medical network, Vio provides convenient consultations and health check services in populous areas. Vio values talent cultivation and enhances employees' sense of belonging through a mentorship system and a family-friendly culture. It conducts regular training sessions to strengthen customer service and data security awareness, further consolidating its "customer-oriented" service philosophy. Vio has continued to recruit more general practitioners and specialists to join its medical service network.

Businesses in Mainland China

Hospital Management Business

Nanyang Xiangrui, a subsidiary of the Company, is mainly engaged in hospital management business in the Mainland China. During the period under review, Nanyang Xiangrui continued to provide professional hospital management services to Nanshi Hospital, a national Grade III Level A hospital. Its operation model of "general hospital + branches" has proven to be effective.

Nanshi Hospital established the internet hospital of Nanshi Hospital as the first registered internet hospital in Nanyang City after obtaining the licence for internet hospital issued by the Health Commission of Nanyang City in March 2022. The internet hospital of Nanshi Hospital has recorded over 1,500,000 visits since it was put into service from March 2022 to June 2025. At the same time, the comprehensive management platform of Nanshi Hospital has started the "AI + Pre-diagnosis Assessment System" trial since February 2025, forming a complete medical treatment process of "pre-diagnosis assessment (questionnaire) – AI examination suggestions – doctor's diagnosis – automatic retrieval of examination results – AI diagnosis and treatment suggestions – doctor's treatment programme" which allows the utilisation of knowledge base and data sharing. It has transformed the previous experience-based examination and medication by doctors into a new model of "experience-based clinical practice + intelligent analysis". Since the implementation of the trial, it has been highly praised by patients.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (CONTINUED)

Businesses in Mainland China (Continued)

Hospital Management Business (Continued)

Nanyang Xiangrui has always supported Nanshi Hospital to realise its strategic vision of becoming a regional comprehensive medical and rehabilitation centre. The paediatrics, emergency medicine, urology, cardiovascular medicine, general surgery, and ophthalmology departments of Nanshi Hospital were selected as the “key clinical specialties” of Nanyang City. Meanwhile, the oncology department of Nanshi Hospital was selected as the provincial key clinical specialty of Henan Province in 2024. At present, Nanshi Hospital has one national key clinical specialty (burn and plastic surgery) and five provincial key specialties (burn and plastic surgery, neurology, rehabilitation medicine, spine and oncology). The Gamma Knife of Nanshi Hospital has successfully passed the on-site acceptance by the expert team of the Health Commission of Henan Province. As a revolutionary technology in the field of tumor treatment, Gamma Knife precisely focuses gamma rays on tumor lesions. Not only has the Gamma Knife at Nanshi Hospital filled the gap in advanced radiotherapy in the southwest region of Henan Province, it has also enabled cancer patients in Nanyang City to receive non-invasive treatment “without surgery or bleeding” at their doorstep. Notably, in March 2025, the Health Commission of Nanyang City approved the establishment of the “Nanyang Burn Medical Quality Control Centre” at Nanshi Hospital. This is the first municipal-level medical quality control centre of Nanshi Hospital, fully demonstrating the comprehensive strength of the hospital's burn department.

Furthermore, Nanshi Hospital remains committed to a patient-centered approach, developing distinctive specialist brands and enhancing the medical experience. In April 2025, the Nanshi Hospital established a joint weight management clinic, breaking down disciplinary barriers to realise multi-disciplinary collaborative diagnosis and treatment. It constructed a full-cycle health management system covering “prevention – treatment – rehabilitation”, helping patients establish long-term healthy lifestyles through personalised services. In the same month, the day surgery room of Nanshi Hospital was officially relocated to the second floor of the hospital's surgical building. The new day surgery room has an area nearly 50% larger than the original site, with six standardised operating rooms, all equipped with internationally advanced minimally invasive surgical equipment and digital anesthesia systems, which significantly improved the medical hardware and environment of the outpatient surgery department, and could meet the day surgery needs of multiple disciplines. Meanwhile, a pre-operative assessment area and a post-operative recovery area were added to ensure seamless connection throughout the entire process from the patient's admission to discharge.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (CONTINUED)

Businesses in Mainland China (Continued)

Hospital Management Business (Continued)

During the period under review, Nanshi Hospital, relying on its outstanding comprehensive strength, innovative management model and prominent specialist advantages, ranked among the “First Tier (Tier A) of Private Hospitals” and “Top 30 Private Hospitals • Integrated Medical And Rehabilitation Institutions” in the “China Hospital Competitiveness Ranking 2025” released by the Asclepius Hospital Management Research Centre. These honors mark Nanshi Hospital's leading position among non-public medical institutions nationwide.

Health Management Business

During the period under review, the Group's health management institutions in Guangzhou City and Shenzhen City in Guangdong Province and Jinan City in Shandong Province operated steadily.

In Guangdong Province, Guangzhou Integrated Clinic continued its strategic cooperation with nearby hospitals and reproductive medicine centres to provide peripheral supporting services for assisted reproductive services and life cycle healthcare services for female. Meanwhile, Guangzhou Integrated Clinic proactively introduced whole life cycle health management programmes such as traditional Chinese medicine, rehabilitation, and chronic disease management, and successfully built a comprehensive healthcare service platform. Its scope of services included distinctive specialist diagnosis and treatment, digital healthcare monitoring, and pharmacy. Ganghe Clinic in Shenzhen City continued to leverage its geographical advantages in the Guangdong-Hong Kong-Macao Greater Bay Area to promote the implementation of cross-border medical linkage and cooperation projects. Meanwhile, it continued to provide characterised services, such as weight management and digestive health management, etc. for the insurers and individual customers.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (CONTINUED)

Businesses in Mainland China (Continued)

Health Management Business (Continued)

In Shandong Province, the Town Health International Health Management Centre, located in China Life Building in Jinan City, continues to deepen its presence in the health management market of Shandong Province. The Town Health International Health Management Centre primarily serves two core customer groups: CLIS and its prefecture-level city branches, and regional corporate clients, providing their employees and customers with comprehensive health management services focusing on high-end health check. During the period under review, the revenue from health check and the number of group customers showed a growing trend. In addition to health check services, the Town Health International Health Management Centre joined hands with quality medical institutions in the province and invited renowned experts to provide customers with diversified health management services, including color Doppler ultrasound examination, video consultation, dental care treatment, traditional Chinese medicine healthcare and treatment, and chronic disease management.

Other Businesses

During the period under review, TBMG, which was engaged in aesthetic medical and beauty and wellness, maintained a stable team size. It employed 14 full-time or part-time doctors (2024: 12 doctors) and operated 11, 8, 8 and 3 centres in Hong Kong, Shenzhen, Shanghai and Guangzhou, respectively (2024: 13, 9, 9 and 3 centres). Against the backdrop of the continuing upsurge in Hong Kong residents' consumption in the Mainland China and the rising wave of consumption downgrade in the Mainland China, the competition in the beauty service industry has intensified significantly. In such a challenging operating environment, TBMG has promoted the sustainable development of its business by optimising resource allocation, effectively reducing costs and improving operational efficiency.

TBMG made strategic adjustments to its centre network and seized the opportunity of lease expirations to integrate overlapping centres or centres in synergistic operation. Meanwhile, TBMG proactively expanded its range of services and products, and explored new profit drivers in the dynamic market environment. By optimising its business scope and resource allocation, TBMG has effectively enhanced its ability to respond to market changes and meet customer needs.

TBMG continued to upgrade its customer relationship management system. Leveraging a well-established database, it gained insights into customers' consumption behavior characteristics and developed personalised service plans accordingly, thus maintaining high levels of customer satisfaction and repurchase rates. In terms of precision marketing, TBMG achieved accurate matching between marketing content and customer needs, which not only enhanced the stickiness of existing customers and the conversion rate of new customers but also effectively reduced customer acquisition costs. This series of digital initiatives provided sustained momentum for TBMG's business expansion.

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

In the first half of 2025, Hong Kong and the Mainland China faced a complex and ever-changing macroeconomic environment. The slowdown in global economic growth and ongoing geopolitical uncertainties exerted impacts of varying degrees on the markets of both places. In this context, the healthcare industry was confronted with both challenges and opportunities.

In Hong Kong, the aging population has intensified the demand for primary healthcare. The government has strengthened public-private collaboration through the Primary Healthcare Blueprint, opening up new space for private medical institutions to participate in public healthcare services. In the Mainland China, under the guidance of the “Healthy China 2030” policy, medical reform continues to deepen, the supply of medical resources is expanding, and digital transformation is accelerating, creating structural growth opportunities for the healthcare industry. However, unbalanced regional development and stricter supervision have also prompted the industry to accelerate innovation and resource integration.

Looking ahead, the Group will align with market trends and leverage the synergistic advantages of its businesses in Hong Kong and the Mainland China. In Hong Kong, the Group will strengthen the layout of primary healthcare and the complementarity of specialty brands, and empower managed medical network through technology. In the Mainland China, the Group will focus on improving hospital operation efficiency and enhancing characteristic health management to seize opportunities of benefits arising from policies.

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK (CONTINUED)

Hong Kong

In terms of medical services, the Group will make good use of its abundant medical resources and continue to support the Hong Kong Government's Primary Healthcare Blueprint. The Group will strengthen its partnership and business cooperation with the Hong Kong Government by participating in more government-funded and public-private partnership programmes for primary healthcare. Meanwhile, the Group plans to establish more integrated medical centres with multiple consultation rooms in populous residential communities to provide value-for-money medical services. The Group will seek to strengthen mutually beneficial synergies with its premier integrated specialty brand, "Hong Kong Medical Consultants", to further improve the two-way referral mechanism between the general practice services and specialist services. The Group will also continue to invite outstanding doctors, allied health professionals and nurses to join the team to promote the professional development of the healthcare team and inject new momentum into healthcare services. Medical services constitute a crucial cornerstone for the Group's sustainable development. In the future, the Group will proactively expand service scope, develop smart healthcare, increase market coverage, and enhance brand influence to drive the long-term and steady growth of this core business.

For the managed medical network, Vio will fully leverage its competitive advantage as Hong Kong's only medical network with double ISO certifications in Quality Management and Information Security Management, to further develop long-term cooperation with blue chip corporations, insurers, government departments and public institutions. Vio attaches great importance to building good relationship with clients and will continue to provide customised medical solutions and value-added services to meet their diverse needs, enabling clients to benefit from evidence-based medicine and improved service standards at a reasonable cost. To comply with the new ISO 9001:2026 requirements, Vio will further optimise service processes, enhance environmental efficiency and customer satisfaction. Vio will proactively make preparation to satisfy the licensing requirements for polyclinics as stipulated in the Private Healthcare Facilities Ordinance. Meanwhile, Vio plans to deepen cooperation with the Group's self-operated medical centres to strengthen market coverage and operational efficiency.

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK (CONTINUED)

Mainland China

In terms of hospital management, in the digital era, private hospitals must rely on differentiated competition, strengthen refined management, and drive development through innovation, to achieve high-quality and sustainable growth. Nanyang Xiangrui will conduct an in-depth analysis of the opportunities and challenges currently faced by private hospitals, and propose practical cost-reduction and efficiency-enhancement strategies to Nanshi Hospital from multiple dimensions such as technological innovation, management optimisation, cost control and service upgrade. Nanyang Xiangrui's medical technologies and services, sales and delivery of medical devices, property management, extended services for home care and other fields will continue to fully support Nanshi Hospital to promote the integrated and coordinated development of "medical treatment, education and research" and promote the steady advancement of the Group's hospital management business in the Mainland China.

In respect of health management, the Group will continue to deepen the construction of the health management service system, and by creating differentiated health check product portfolios and innovative service models, accurately meet the diversified health needs of the market. We will further strengthen the resource integration and business collaboration between health management institutions in various regions and strategic partners, focus on promoting the construction of the "insurance + healthcare" service ecosystem, and continuously improve operational efficiency and market competitiveness to lay a foundation for the sustainable growth of business. In the future, we will expand the coverage of high-quality customer groups through product innovation and service upgrade, and further consolidate and enhance the Group's market position in the field of health management in Guangzhou City and Shenzhen City of Guangdong Province, as well as Jinan City of Shandong Province.

Others

In terms of other businesses, facing the structural adjustment of the consumer medical market, TBMG will implement a multi-dimensional development strategy. In respect of optimising operation, TBMG will enhance the efficiency of individual centre through strategic restructuring of its centre network. In the second half of 2025, TBMG will select a location in the New Territories of Hong Kong to build a new conceptual centre, and introduce internationally leading aesthetic medical equipment and technologies, striving to improve customers' service experience. TBMG will also continue to invest resources in upgrading its customer relationship management system, and make good use of big data to enhance customer satisfaction and retention rate, promote customer conversion between beauty and wellness and aesthetic medical, and further expand its high-quality customer base. TBMG will also evaluate high-quality acquisition targets in Hong Kong and the Mainland China, expand the ecosystem of strategic partners, and explore opportunities for cross-border business collaboration. TBMG aims to continuously enhance its market competitiveness and profitability through a strategy that combines endogenous growth and exogenous expansion.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts a prudent cash and financial management policy. As at 30 June 2025, the Group held total bank balances and deposits of approximately HK\$1,410,255,000 (31 December 2024: HK\$1,420,245,000), including fixed bank deposits of approximately HK\$155,604,000 (31 December 2024: HK\$227,741,000), pledged bank deposits of approximately HK\$1,016,000 (31 December 2024: HK\$1,107,000) and bank balances and cash of approximately HK\$1,253,635,000 (31 December 2024: HK\$1,191,397,000). The majority of the Group's bank balances and cash are deposited with banks in Hong Kong and the Mainland China and denominated mostly in HK\$ and RMB. In order to strengthen fund management, the Group's treasury activities are relatively centralised. Under the premise of ensuring the safety of funds, the Group, adhering to standardised operation, risk prevention, prudent investment and capital preservation and appreciation as the primary principles, mainly utilises funds to place time deposits with banks to generate more returns for the Group and its Shareholders. As at 30 June 2025, the Group had bank borrowings of approximately HK\$11,436,000 (31 December 2024: HK\$80,683,000) of which approximately HK\$1,251,000 (31 December 2024: HK\$6,746,000) are repayable within one year. The Group's loans were arranged on a floating interest rate basis and denominated in HK\$. As at 30 June 2025, the Group had available unutilised banking facilities of HK\$20,000,000 (31 December 2024: HK\$20,000,000). Details of the bank borrowings of the Group are set out in note 20 to the condensed consolidated financial statements for the six months ended 30 June 2025 set out in this interim report.

As at 30 June 2025, the Group's net current assets amounted to approximately HK\$1,306,142,000 (31 December 2024: HK\$1,300,647,000) and the Group had a current ratio (defined as total current assets divided by total current liabilities) of 3.19 (31 December 2024: 3.19). As at 30 June 2025, the Group's gearing ratio (defined as total bank borrowings divided by equity attributable to owners of the Company) was 0.38% (31 December 2024: 2.71%). The Group considers the level of liabilities of a company reflects its financial health. The Group strives to keep the level of borrowings at a minimum and to maintain ample internal resources to support its business operations, not only to reduce interest burden, but also to enable the Group to respond to changes and capture business opportunities in a timely manner when they arise. As such, both current ratio and gearing ratio are useful in assessing the Group's financial positions. While higher current ratio reflects sufficiency of the Group's assets and the capability of the Group to meet its debt repayment obligations, lower gearing ratio represents lesser reliance on debt financing and greater financial stability of the Group. During the period under review, the Group's liquidity position was well-managed and the Group's financial resources were sufficient to support its business operations. Where necessary, the Group may also consider other fund raising activities when opportunity arises under favourable market conditions.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES *(CONTINUED)*

Major currencies used for the Group's transactions were HK\$ and RMB. As the fiscal policy of the Central Government of the PRC in relation to RMB was stable throughout the period under review, the Group considers that the foreign exchange exposure of the Group was manageable. The Group regularly reviews the currency exchange risks and closely monitors the fluctuation of foreign currencies. The Group will take appropriate measures to avoid excessive foreign exchange rate risks when necessary.

During the period under review, the Group did not use any financial instruments for hedging activities.

CAPITAL STRUCTURE

As at 30 June 2025, the Group had equity attributable to owners of the Company of approximately HK\$3,009,308,000 (31 December 2024: HK\$2,976,914,000).

SHARE CAPITAL

Details of movements in the share capital of the Company during the period under review are set out in note 22 to the condensed consolidated financial statements for the six months ended 30 June 2025 set out in this interim report.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any significant investment, material acquisition and disposal during the period under review.

PLEDGE OF ASSETS

As at 30 June 2025, the Group pledged certain assets of approximately HK\$29,893,000 (31 December 2024: HK\$120,545,000), among which (i) leasehold land and building of approximately HK\$28,877,000 (31 December 2024: leasehold land and building of approximately HK\$30,438,000 together with an investment property of approximately HK\$89,000,000) was pledged for the mortgage loans while (ii) bank deposits of approximately HK\$1,016,000 (31 December 2024: HK\$1,107,000) were pledged for the general banking facilities.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group had no significant contingent liabilities (31 December 2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

LITIGATION

On 11 July 2022, the Company and Speedy Light International Limited (an indirect wholly-owned subsidiary of the Company, the “Buyer”) entered into the Share Purchase Agreement to purchase 100% of the issued shares in Central Medical from the Seller. Under the Share Purchase Agreement, each of the seller parties, namely (i) the Seller; (ii) Central Healthcare Group Limited; (iii) Dr. Tsang Wah Tak, Kenneth; (iv) Dr. Leung Wing Hung; (v) Dr. Fong Ka Yeung; (vi) Mr. Shiu Shu Ming; and (vii) Dr. Chu Leung Wing (collectively the “Seller Parties”) has guaranteed to the Buyer that the audited consolidated net profit or loss of Central Medical and its subsidiaries (“Central Medical Group”) after tax attributable to shareholders (excluding all listing expenses and share-based payments) as set out in the consolidated accounts of Central Medical Group audited by Central Medical’s auditors (the “Adjusted Net Profit”) for each of the three financial years ended 31 March 2022, 2023 and 2024 should be no less than the performance target of HK\$30,000,000 (the “Profit Guarantee”).

2023 Profit Guarantee

Based on the audited consolidated accounts of Central Medical Group with respect to the year ended 31 March 2023, the Adjusted Net Profit of Central Medical Group for the year ended 31 March 2023 amounted to HK\$23,469,554, which was below the performance target of HK\$30,000,000. Due to non-fulfillment of the Profit Guarantee, the Seller Parties would be liable jointly and severally to pay to the Buyer an amount calculated in accordance with the adjustment mechanism as set out in the Share Purchase Agreement. After calculation, such amount would be HK\$97,956,690 (the “Claim Amount”).

On 23 April 2024, the Buyer served a notice in accordance with the Share Purchase Agreement to the Seller, Central Healthcare Group Limited, Dr. Tsang Wah Tak, Kenneth and Mr. Shiu Shu Ming (the “Respondents”) to demand them, along with the other Seller Parties, to pay to the Buyer the Claim Amount on or before 30 April 2024. Notwithstanding the lapse of 30 April 2024, the Respondents have failed to pay the Claim Amount. Due to the failure to pay the Claim Amount, after taking legal advice, on 4 June 2024, the Buyer has initiated proceedings against the Respondents claiming, among others, the Claim Amount, the related interest, the legal fees and costs.

During the course of the proceedings, the Company has identified certain transactions of Central Medical Group in the total sum of HK\$5,000,000 that may not be directly attributable to Central Medical Group’s operational activities for the financial year ended 31 March 2023. As advised by the Company’s legal adviser, for the purposes of the performance target and the Profit Guarantee pursuant to the Share Purchase Agreement, such amount (which would overstate Central Medical Group’s profit from operation for the financial year ended 31 March 2023 by HK\$5,000,000) should be excluded in the determination of the Adjusted Net Profit for the financial year ended 31 March 2023 (the “2023 Excluded Amount”).

MANAGEMENT DISCUSSION AND ANALYSIS

LITIGATION (CONTINUED)

2023 Profit Guarantee (Continued)

According to the legal advice, the Buyer is therefore legally entitled to claim a further sum of HK\$75,000,000 (being the 2023 Excluded Amount of HK\$5,000,000 x 15) for the Seller Parties' non-satisfaction of the performance target for the financial year ended 31 March 2023.

Consequently, on 8 September 2025, the Buyer took steps in the proceedings to amend the original Claim Amount of HK\$97,956,690 to HK\$172,956,690 (the "Revised FY2023 Claim Amount"). The proceedings for the Revised FY2023 Claim Amount are still ongoing and no award has been handed down.

Due to the confidential nature of those proceedings, the Company is not able to disclose further information at this time. The Company will issue further announcement(s) to update the development of the matter, as and when appropriate, in accordance with the Listing Rules.

2024 Profit Guarantee

Based on the consolidated accounts of Central Medical Group as audited by Central Medical's auditors with respect to the financial year ended 31 March 2024, which were issued on 28 August 2025, the Adjusted Net Profit of Central Medical Group for the financial year ended 31 March 2024 is HK\$28,255,287.

However, the Company has identified certain transactions of Central Medical Group in the total sum of HK\$13,860,000 that may not be directly attributable to Central Medical Group's operational activities for the financial year ended 31 March 2024. As advised by the Company's legal advisers, for the purposes of the performance target and the Profit Guarantee pursuant to the Share Purchase Agreement, such amount of HK\$13,860,000 should be excluded in the determination of the Adjusted Net Profit for the financial year ended 31 March 2024 (the "2024 Excluded Amount"). Therefore, the actual Adjusted Net Profit for the financial year ended 31 March 2024 should be HK\$14,395,287 (being the Adjusted Net Profit of Central Medical Group of HK\$28,255,287 minus the 2024 Excluded Amount of HK\$13,860,000), which falls below the performance target of HK\$30,000,000.

MANAGEMENT DISCUSSION AND ANALYSIS

LITIGATION (CONTINUED)

2024 Profit Guarantee (Continued)

The Seller Parties have failed to meet the Profit Guarantee for the financial year ended 31 March 2024. After taking legal advice, on 29 August 2025, the Buyer served notices in accordance with the Share Purchase Agreement to the Respondents to demand them, along with the other Seller Parties, to pay to the Buyer on or before 5 September 2025 an amount in the sum of HK\$234,070,695 (i.e. (HK\$30,000,000 – HK\$14,395,287) x 15) (the “FY2024 Claim Amount”), being the Buyer’s legal entitlement under the Share Purchase Agreement pursuant to the legal advice. Notwithstanding the lapse of 5 September 2025, the Respondents have failed to pay the FY2024 Claim Amount. Therefore, on 8 September 2025, the Buyer initiated proceedings against the Respondents claiming, among others, the FY2024 Claim Amount, the related interest, the legal fees and costs.

However, due to the confidential nature of those proceedings, the Company is not able to disclose further information at this time. The Company will issue further announcement(s) to update the development of the above matter, as and when appropriate, in accordance with the Listing Rules.

EVENTS AFTER REPORTING PERIOD

Save as disclosed in this report, there was no important event affecting the Group which has occurred since 30 June 2025.

HUMAN RESOURCES AND TRAINING SCHEME

As at 30 June 2025, the Group employed 1,388 staff (31 December 2024: 1,441 staff). Total employee costs for the six months ended 30 June 2025 amounted to approximately HK\$363,782,000 (2024: HK\$380,535,000), including directors’ emoluments of approximately HK\$6,834,000 (2024: HK\$5,484,000). The salary and benefit levels of the employees of the Group are competitive and individual performance is rewarded through the Group’s salary and bonus system. Remuneration packages are reviewed annually. Training is valued as essential to the personal growth of employees, which also ensures and improves the Group’s customer services. Apart from the strict code of conduct that all employees shall follow, employees are also provided with customised trainings and handbooks with respect to their specialities.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF NET PROCEEDS FROM ISSUE OF SHARES

Issue of subscription shares and convertible preference shares

Pursuant to the CPS Subscription Agreement and agreement for Ordinary Shares Subscription both dated 31 October 2014 and entered into among the Company, Fubon Life, Fubon Insurance and Broad Idea, on 29 December 2014, the Company allotted and issued (i) 459,183,673 Shares at HK\$0.98 per Share (with its net price as approximately HK\$0.96 per Share); and (ii) 374,999,999 Convertible Preference Shares at HK\$1.2 per Share (with its net price as approximately HK\$1.17 per Share). The closing share price per Share on 30 October 2014 as quoted on the Stock Exchange was HK\$1.20, being the trading day preceding the date of the CPS Subscription Agreement and the agreement for Ordinary Shares Subscription. The aggregate nominal value of the Ordinary Shares Subscription was approximately HK\$4,591,837. Each of the net proceeds from the Ordinary Shares Subscription and the CPS Subscription amounted to approximately HK\$440 million. The aggregate net proceeds from the Ordinary Shares Subscription and the CPS Subscription amounted to approximately HK\$880 million (collectively, the “First Net Proceeds”). The reasons for the entry of both agreements were to facilitate the Group’s business expansion into the healthcare market in the Mainland China and the Group’s development of a “one-stop, IT O2O platform” for the integration of the Group’s growing variety of healthcare and well-being business.

Details on the use of the First Net Proceeds, which should have been utilised by the end of 2023, are set out as follows:

Use of the First Net Proceeds	Amount (HK\$ million)	Total utilisation up to 31 December 2023 (HK\$ million)	Unutilised balance as at 31 December 2023 (HK\$ million)	Original timeline for utilisation
Acquisition, investment and development of hospitals and medical institutions in the Mainland China, and medical or healthcare related business in Hong Kong	650	602	48	End of 2023
Investment and development of several medical specialty centres in Hong Kong and one dental chain in the Mainland China	150	13	137	End of 2023
Developing a “one-stop, IT O2O platform” to integrate the Group’s growing variety of healthcare and well-being business segments	80	18	62	End of 2023
Total	880	633	247	

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF NET PROCEEDS FROM ISSUE OF SHARES (CONTINUED)

Issue of subscription shares and convertible preference shares (Continued)

On 1 January 2024, the Board announced that it has resolved to extend the timeline for the utilization of the unutilized balances of the First Net Proceeds from the end of 2023 to the end of 2026, in view of the adverse impacts of COVID-19 and the post-pandemic slow-down in the global economic growth on the medical and healthcare industry.

On 12 January 2024, the Board further announced that it has resolved to change the intended uses of the First Net Proceeds. One of the original intended uses of “Developing a “one-stop, IT O2O platform” (the “Platform”) to integrate the Group’s growing variety of healthcare and well-being business segments” has been terminated as the original objectives of developing the Platform to integrate the Group’s growing variety of healthcare and well-being business segments were considered not able to be achieved within the original budget. The Board has therefore decided not to inject further fund into such investment. The remaining unused balance of around HK\$62 million originally allocated to the use for development of the Platform has therefore been reallocated to the use for “Acquisition, investment and development of hospitals and medical institutions, and medical or healthcare related business”, which was expected to generate a reasonable return to the Group. The geographical restrictions to the Mainland China and Hong Kong have been removed from such use, which provides the Group with a greater degree of flexibility and enables the Group to seize any global opportunities for the acquisition, investment or development of businesses in the medical and healthcare industry that may arise as long as they are aligned with the goals and needs of the Group.

Through the above change of use of the First Net Proceeds, the Group has been able to deploy its financial resources to better cope with the business environment in a more efficient and flexible manner that meets the Group’s business and operational needs and aligns with the Group’s strategy to seize any global opportunities for the acquisition, investment or development of businesses in the medical and healthcare industry to create long-term sustainable growth of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF NET PROCEEDS FROM ISSUE OF SHARES (CONTINUED)

Issue of subscription shares and convertible preference shares (Continued)

Details on the use of the remaining First Net Proceeds and the utilisation are set out as follows:

Use of the remaining First Net Proceeds	Unutilised balance as at 31 December 2023 (HK\$ million)	Unutilised balance as at 31 December 2024 (HK\$ million)	Utilisation during the period under review (HK\$ million)	Unutilised balance as at 30 June 2025 (HK\$ million)	Timeline for utilisation
Acquisition, investment and development of hospitals and medical institutions, and medical or healthcare related business	110	110	0	110	End of 2026
Investment and development of medical specialty centres and dental chains	137	17	0	17	End of 2026
Total	247	127	0	127	

As at 30 June 2025, the unutilised First Net Proceeds amounted to approximately HK\$127 million.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF NET PROCEEDS FROM ISSUE OF SHARES (CONTINUED)

Issue of shares to China Life Insurance

On 5 January 2015, the Company entered into an investment agreement with China Life Insurance, pursuant to which China Life Insurance has agreed to subscribe for 1,785,098,644 Shares. The closing share price per Share on 2 January 2015 as quoted on the Stock Exchange was HK\$1.22, being the last trading day before the date of the investment agreement. The aggregate nominal value of the Shares subscribed was approximately HK\$17,850,986.44. Upon completion of the CLG Subscription which took place on 29 May 2015, 1,785,098,644 Shares were allotted and issued to China Life Insurance at HK\$0.98 per Share (with its net price as approximately HK\$0.978 per Share). The net proceeds from the issue of Shares to China Life Insurance amounted to approximately HK\$1,746 million (the "Second Net Proceeds"). The reasons for the entry of the investment agreement were to explore and develop the insurance market in the Mainland China, acquire mainland hospitals and invest in the development of related healthcare businesses and offer other insurance related services such as health check or laboratory testing services in the Mainland China.

Details of the use of the Second Net Proceeds, which should have been utilised by the end of 2023, are set out as follows:

Use of the Second Net Proceeds	Amount (HK\$ million)	Utilisation up to 31 December 2023 (HK\$ million)	Unutilised balance as at 31 December 2023 (HK\$ million)	Original timeline for utilisation
Developing a dental chain in the Mainland China and investing in or acquiring dental clinics and/or hospitals in the Mainland China; developing or acquiring medical clinics in the Mainland China; developing hospitals, investing in or acquiring public or private hospitals in the Mainland China; and developing or acquiring rehabilitation hospitals and where appropriate in conjunction with nursing and/or aged care homes in the Mainland China	1,500	646	854	End of 2023
Developing or acquiring business in provision of health check, laboratory testing and medical diagnostic services in the Mainland China	150	104	46	End of 2023
Developing managed care business in the Mainland China and cross border healthcare platform for medical tourism business	96	0	96	End of 2023
Total	1,746	750	996	

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF NET PROCEEDS FROM ISSUE OF SHARES (CONTINUED)

Issue of shares to China Life Insurance (Continued)

On 1 January 2024, the Board announced that it has resolved to extend the timeline for the utilization of the unutilized balances of the Second Net Proceeds from the end of 2023 to the end of 2026, in view of the adverse impacts of COVID-19 and the post-pandemic slow-down in the global economic growth on the medical and healthcare industry. On 12 January 2024, the Board further announced that it has resolved to change the intended uses of the Second Net Proceeds. To enable the Group to better cope with the business environment, the original allocation of the unutilized balance of the Second Net Proceeds has been changed to allow the unutilized balance of such net proceeds in the amount of HK\$996 million in aggregate to be used in the “Acquisition, investment and development of medical and healthcare related business in the provision of medical, dental, rehabilitation, nursing, aged care, health check, laboratory testing, medical diagnostic, managed care and medical tourism services”, so that the Group may deploy the funds in a more efficient and flexible manner. No geographical restrictions to the Mainland China and Hong Kong have been imposed on the utilization of the Second Net Proceeds, in order to provide the Group with a greater degree of flexibility when it uses the net proceeds.

Details on the use of the remaining Second Net Proceeds and the utilisation are set out as follows:

Use of the remaining Second Net Proceeds	Unutilised balance as at 31 December 2023 (HK\$ million)	Unutilised balance as at 31 December 2024 (HK\$ million)	Utilisation during the period under review (HK\$ million)	Unutilised balance as at 30 June 2025 (HK\$ million)	Timeline for utilisation
Acquisition, investment and development of medical and healthcare related business in the provision of medical, dental, rehabilitation, nursing, aged care, health check, laboratory testing, medical diagnostic, managed care and medical tourism services	996	977	65	912	End of 2026
Total	996	977	65	912	

As at 30 June 2025, the unutilised Second Net Proceeds amounted to approximately HK\$912 million.

MANAGEMENT DISCUSSION AND ANALYSIS

ISSUE OF THE CONVERTIBLE BONDS

According to the Share Purchase Agreement in relation to the Acquisition at the consideration of HK\$476,000,000, the Company had paid HK\$120,000,000 in cash to the Seller and issued the Convertible Bonds to the nominees of the Seller in three tranches on 26 August 2022 as follows:

- (i) Tranche A in the sum of HK\$120,000,000, with maturity date falling on 12 months from the date of issue of the Convertible Bonds;
- (ii) Tranche B in the sum of HK\$120,000,000, with maturity date falling on 24 months from the date of issue of the Convertible Bonds; and
- (iii) Tranche C in the sum of HK\$116,000,000, with maturity date falling on 36 months from the date of issue of the Convertible Bonds.

The Convertible Bonds do not bear any interest. The Convertible Bonds carry the Conversion Rights to convert the outstanding principal amount of the Convertible Bonds into the Conversion Shares (in integral multiples of 1,000,000 Shares) at the conversion price of HK\$0.76 per Conversion Share.

Redemption of the Convertible Bonds

Up to 30 June 2025, the Tranche A and Tranche B Convertible Bonds have been fully redeemed and the outstanding principal amount of the Convertible Bonds was HK\$116,000,000.

Dilutive impact of the Convertible Bonds

Assuming the above outstanding Convertible Bonds of HK\$116,000,000 are converted in full at the conversion price of HK\$0.76 per Conversion Share, a maximum of 152,631,579 Conversion Shares will be issued, representing (i) approximately 2.25% of the issued share capital of the Company as at 30 June 2025; and (ii) approximately 2.20% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (assuming that there is no change in the issued share capital of the Company from 30 June 2025 up to the full conversion of the outstanding Conversion Bonds).

MANAGEMENT DISCUSSION AND ANALYSIS

ISSUE OF THE CONVERTIBLE BONDS (CONTINUED)

Dilutive impact of the Convertible Bonds (Continued)

Assuming that there is no other change in the shareholding of the substantial shareholders of the Company since 30 June 2025, the shareholding of the substantial shareholders of the Company immediately before and after the exercise of the Conversion Rights is set out below for illustration purposes:

Name of Shareholder	Shareholding immediately before the exercise of the Conversion Rights		Shareholding immediately after the exercise of the Conversion Rights	
	Number of Shares held	Approximate percentage of shareholding	Number of Shares held	Approximate percentage of shareholding
China Life Insurance	1,785,098,644	26.35%	1,785,098,644	25.77%
Broad Idea	1,418,576,764	20.94%	1,418,576,764	20.48%
Choi Ka Tsan Karson	1,911,136,764	28.21%	1,911,136,764	27.59%
Dr. Choi	1,419,198,764	20.95%	1,419,198,764	20.49%
Classictime	830,742,000	12.26%	830,742,000	11.99%
Minerva Group	830,742,000	12.26%	830,742,000	11.99%
Kwok Wai King Pinki	357,874,000	5.28%	357,874,000	5.17%

Taking into account that as at 30 June 2025, the Group had total net assets of approximately HK\$3,436,900,000 and total net current assets of approximately HK\$1,306,142,000 and the measures taken by the Group to maintain its financial position, the Company expects that it will be able to meet its redemption obligations under the outstanding Convertible Bonds.

An analysis of the Company's share price at which it would be equally financially advantageous for the holders of the outstanding Convertible Bonds to convert or redeem the outstanding Convertible Bonds based on their implied internal rate of return on the maturity date is set out below:

	Share price (HK\$)
26 August 2025 (i.e. the maturity date of the Tranche C Convertible Bonds) for the Tranche C Convertible Bonds	0.76 per Share

Further details of the Acquisition are set out in the announcements of the Company dated 11 July 2022, 15 August 2022 and 26 August 2022.

DISCLOSURE OF INTERESTS

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors and the chief executives 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) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions in the Shares

Name of Shareholder	Capacity	Number of Shares held	Total number of Shares held	Approximate% of shareholding of the Company (Note 1)
Choi Ka Tsan Karson	Interest of a controlled corporation	1,418,576,764 (Note 2)	1,911,136,764	28.21%
	Beneficial owner	492,560,000		

Notes:

1. The total number of Shares as at 30 June 2025 (i.e. 6,773,522,452 Shares) has been used for the calculation of the approximate percentage.
2. Such 1,418,576,764 Shares were held by Broad Idea. The equity interest of Broad Idea was beneficially owned as to 51% by Mr. Choi Ka Tsan Karson and 49% by Dr. Choi. As such, Mr. Choi Ka Tsan Karson and Dr. Choi were deemed to be interested in the 1,418,576,764 Shares held by Broad Idea under Part XV of the SFO.

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executives of the Company had any interests or short positions 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) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DISCLOSURE OF INTERESTS

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 June 2025 was the Company, its subsidiaries, its fellow subsidiaries or its holding companies, a party to any arrangement to enable the Directors or chief executives of the Company or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Substantial Shareholders' long positions in the Shares

Name of Shareholder	Capacity	Number of Shares held	Total number of Shares held	Approximate% of shareholding of the Company (Note 1)
China Life Insurance	Beneficial owner	1,785,098,644	1,785,098,644	26.35%
Broad Idea	Beneficial owner	1,418,576,764 (Note 2)	1,418,576,764	20.94%
Choi Ka Tsan Karson	Interest of a controlled corporation	1,418,576,764 (Note 2)	1,911,136,764	28.21%
	Beneficial owner	492,560,000		
Dr. Choi	Interest of a controlled corporation	1,418,576,764 (Note 2)	1,419,198,764	20.95%
	Beneficial owner	622,000		
Classictime	Beneficial owner	830,742,000 (Note 3)	830,742,000	12.26%
Minerva Group	Interest of a controlled corporation	830,742,000 (Note 3)	830,742,000	12.26%
Kwok Wai King Pinki	Beneficial owner	356,164,000	357,874,000	5.28%
	Interests held jointly with another person	1,710,000		

DISCLOSURE OF INTERESTS

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (CONTINUED)

Substantial shareholders' long positions in the Shares (Continued)

Notes:

1. The total number of Shares as at 30 June 2025 (i.e. 6,773,522,452 Shares) has been used for the calculation of the approximate percentage figure.
2. Such 1,418,576,764 Shares were held by Broad Idea. The equity interest of Broad Idea was beneficially owned as to 51% by Mr. Choi Ka Tsan Karson and 49% by Dr. Choi. As such, Mr. Choi Ka Tsan Karson and Dr. Choi were deemed to be interested in the 1,418,576,764 Shares held by Broad Idea under Part XV of the SFO.
3. Such 830,742,000 Shares were held by Classictime, a wholly-owned subsidiary of Minerva Group. Accordingly, Minerva Group was deemed to be interested in the 830,742,000 Shares held by Classictime under Part XV of the SFO.

Save as disclosed above, as at 30 June 2025, the Company has not been notified by any persons (other than the Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

During the period under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed Shares.

CORPORATE GOVERNANCE

With the aim of creating long-term sustainable growth for the Shareholders and delivering long-term values to all stakeholders, the Board is committed to maintaining a good corporate governance standard. The Board believes that a good corporate governance standard will provide a framework for the Group to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and manage the associated risks through effective internal control procedures. It will also enhance the transparency of the Group and strengthen the accountability to the Shareholders and creditors.

AUDITORS

Moore CPA Limited has been the auditors of the Group with effect from 15 February 2018. Moore CPA Limited was re-appointed as the auditors of the Company in the annual general meetings of the Company held on 29 June 2018, 27 June 2019, 29 June 2020, 28 June 2021, 28 June 2022, 20 June 2023, 12 June 2024 and 6 June 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the period under review, the Company has complied with the code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Listing Rules, save for the deviation as described below:

Code provision C.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the period under review, Mr. Choi Ka Tsan Karson, the chairman of the Board (the “Chairman”), also assumed the role as the Chief Executive Officer of the Company. Although such arrangement deviates from code provision C.2.1 of the CG Code, the Board believes that vesting the roles of both the Chairman and the Chief Executive Officer on the same person can ensure consistent leadership to shape and advance long-term strategies and optimise operation efficiency of the Group. Furthermore, the Board considers that the arrangement does not impair the balance of power and authority between the Board and the management of the Group as there are four non-executive Directors and six independent non-executive Directors, who form the majority in the 14-member Board. The Company does not propose to comply with code provision C.2.1 of the CG Code for the time being but will continue to review such positions as the Board reviews its compositions from time to time.

CORPORATE GOVERNANCE

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code contained in Appendix C3 to the Listing Rules as the code of conduct regarding the Directors' securities transactions. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this interim report, there was a sufficient public float of the Company as required under the Listing Rules.

CHANGES IN DIRECTORS' INFORMATION

Save for Mr. Choi Ka Tsan Karson, the Chairman and Chief Executive Officer and the executive Director of the Company, being awarded the Gold Bauhinia Star ("**GBS**") by The Government of the Hong Kong Special Administrative Region of the People's Republic of China on 1 July 2025, there was no change in information in respect of the Directors and chief executives of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

AUDIT COMMITTEE

As at 30 June 2025, the Audit Committee comprised three independent non-executive Directors, namely Mr. Chan Wai Kan as the chairman of the Audit Committee, Dr. Xu Weiguo and Mr. Cheung Ka Ming, and one non-executive Director, namely Mr. Liu Yang. The Audit Committee together with the management of the Company have reviewed the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters, including the review of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025 and this interim report.

REVIEW OF INTERIM RESULTS

The condensed consolidated financial information of the Group for the six months ended 30 June 2025 has not been audited, but has been reviewed by the Audit Committee. Moore CPA Limited, as the Company's auditors, has reviewed the condensed consolidated interim financial statements of the Group for the six months ended 30 June 2025 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.

By Order of the Board
Town Health International Medical Group Limited
Choi Ka Tsan Karson
Chairman and Chief Executive Officer

INDEPENDENT AUDITOR'S REVIEW REPORT



Moore CPA Limited

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Independent Auditor's Review Report to the Board of Directors of Town Health International Medical Group Limited

(Incorporated in Cayman Islands and continued in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Town Health International Medical Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 38 to 77, which comprise the condensed consolidated statement of financial position as of 30 June 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and certain 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 Hong Kong Accounting Standard ("HKAS") 34 *"Interim Financial Reporting"* ("HKAS 34"), issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34.

Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, 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.

INDEPENDENT AUDITOR'S REVIEW 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 HKICPA. A review of these condensed consolidated financial statements 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 condensed consolidated financial statements as at 30 June 2025 are not prepared, in all material respects, in accordance with HKAS 34.

Moore CPA Limited

Certified Public Accountants

Chan King Keung

Practising Certificate Number: P06057

Hong Kong, 29 August 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		(unaudited)	(unaudited)
	Notes	HK\$'000	HK\$'000
Revenue	4	900,923	914,280
Cost of sales		(670,744)	(664,727)
Gross profit		230,179	249,553
Other income	6	19,377	18,660
Administrative expenses		(192,421)	(194,598)
Other gains and losses, net	7	(3,326)	(69,572)
Finance costs	8	(7,957)	(11,969)
Share of results of associates		7,264	(1,991)
Profit (loss) before tax		53,116	(9,917)
Income tax expenses	9	(17,523)	(18,625)
Profit (loss) for the period	10	35,593	(28,542)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June 2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000
	Note		
Other comprehensive income (expense) for the period			
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value changes in equity instruments at fair value through other comprehensive income		(1,106)	(22,422)
Fair value changes in revaluation of properties upon transfer from "property, plant and equipment" to "investment properties"		5,720	–
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on foreign currency translation		34,696	(35,719)
Share of other comprehensive income of associates		–	2,677
		39,310	(55,464)
Total comprehensive income (expense) for the period		74,903	(84,006)
Profit (loss) for the period attributable to:			
Owners of the Company		12,727	(47,676)
Non-controlling interests		22,866	19,134
		35,593	(28,542)
Total comprehensive income (expense) attributable to:			
Owners of the Company		40,522	(96,094)
Non-controlling interests		34,381	12,088
		74,903	(84,006)
Earnings (loss) per share (HK cent(s))			
Basic and diluted	12	0.19	(0.70)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		30 June 2025 (unaudited) HK\$'000	31 December 2024 (audited) HK\$'000
	Notes		
NON-CURRENT ASSETS			
Investment properties	13	487,594	535,621
Property, plant and equipment	13	339,442	305,417
Right-of-use assets	13	97,107	122,326
Loans receivable	14	15,864	23,592
Goodwill	15	600,662	593,253
Intangible assets		392,686	391,003
Interests in associates	16	174,334	168,794
Equity instruments at fair value through other comprehensive income	17	23,338	24,444
Deferred tax assets		3,938	3,755
Fixed bank deposits		65,748	63,853
		2,200,713	2,232,058
CURRENT ASSETS			
Inventories		46,928	51,150
Trade and other receivables	18	488,003	462,852
Financial assets at fair value through profit or loss		1,460	2,012
Loans receivable	14	20,900	21,500
Amounts due from associates		686	583
Tax recoverable		356	356
Pledged bank deposits		1,016	1,107
Fixed bank deposits		89,856	163,888
Bank balances and cash		1,253,635	1,191,397
		1,902,840	1,894,845

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		30 June 2025 (unaudited) HK\$'000	31 December 2024 (audited) HK\$'000
	Notes		
CURRENT LIABILITIES			
Trade and other payables	19	332,077	326,406
Contract liabilities		11,001	7,308
Amounts due to non-controlling interests		35,622	38,040
Bank borrowings	20	11,436	17,594
Lease liabilities		63,198	69,660
Convertible bonds	21	115,119	112,365
Tax payable		28,245	22,825
		596,698	594,198
NET CURRENT ASSETS		1,306,142	1,300,647
TOTAL ASSETS LESS CURRENT LIABILITIES		3,506,855	3,532,705
NON-CURRENT LIABILITIES			
Bank borrowings	20	–	63,089
Lease liabilities		37,096	56,870
Deferred tax liabilities		32,859	32,399
		69,955	152,358
		3,436,900	3,380,347
CAPITAL AND RESERVES			
Share capital	22	67,735	67,735
Reserves		2,941,573	2,909,179
Equity attributable to owners of the Company		3,009,308	2,976,914
Non-controlling interests		427,592	403,433
Total equity		3,436,900	3,380,347

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company											Non-controlling interests HK\$'000	Total HK\$'000
	Share capital-Shares HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Capital reserve HK\$'000	Distributable reserve HK\$'000	Other reserves HK\$'000	Property revaluation reserve HK\$'000	Investment revaluation reserves HK\$'000	Convertible bonds reserve HK\$'000	Translation reserve HK\$'000	Accumulated profits HK\$'000		
At 1 January 2025 (audited)	67,735	3,023,652	9,020	10,033	62,677	(53,733)	107,434	(138,743)	20,895	(103,927)	(28,329)	2,976,914	3,380,347
Profit for the period	-	-	-	-	-	-	-	-	-	-	12,727	12,727	35,593
Exchange differences on foreign currency translation	-	-	-	-	-	-	-	-	-	23,181	-	23,181	34,696
Fair value changes in revaluation of properties upon transfer from "property, plant and equipment" to "investment properties"	-	-	-	-	-	-	5,720	-	-	-	-	5,720	5,720
Fair value changes in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(1,106)	-	-	-	(1,106)	(1,106)
Other comprehensive income (expense) for the period	-	-	-	-	-	-	5,720	(1,106)	-	23,181	-	27,795	39,310
Total comprehensive income (expense) for the period	-	-	-	-	-	-	5,720	(1,106)	-	23,181	12,727	40,522	74,903
Dividends declared	-	-	-	-	-	-	-	-	-	-	(8,128)	(8,128)	(8,128)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(10,222)	(10,222)
At 30 June 2025 (unaudited)	67,735	3,023,652	9,020	10,033	62,677	(53,733)	113,154	(139,849)	20,895	(80,746)	(23,730)	3,009,308	3,436,900

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company											Non-controlling interests HK\$'000	Total HK\$'000
	Share capital- Shares HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Capital reserve HK\$'000	Distributable reserve HK\$'000	Other reserves HK\$'000	Property revaluation reserve HK\$'000	Investment revaluation reserves HK\$'000	Convertible bonds reserve HK\$'000	Translation reserve HK\$'000	Accumulated profits HK\$'000		
At 1 January 2024 (audited)	67,735	3,023,652	9,020	10,033	62,677	(57,346)	107,434	(114,425)	33,115	(74,861)	174,895	3,242,129	3,618,746
(Loss) profit for the period	-	-	-	-	-	-	-	-	-	-	(47,676)	(47,676)	(28,542)
Exchange differences on foreign currency translation	-	-	-	-	-	-	-	-	-	(28,673)	-	(28,673)	(35,719)
Share of other comprehensive income of an associate	-	-	-	-	-	-	-	-	-	2,677	-	2,677	2,677
Fair value changes in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(22,422)	-	-	-	(22,422)	(22,422)
Other comprehensive expense for the period	-	-	-	-	-	-	-	(22,422)	-	(25,996)	-	(48,418)	(55,464)
Total comprehensive (expense) income for the period	-	-	-	-	-	-	-	(22,422)	-	(25,996)	(47,676)	(96,094)	(84,008)
Redemption of convertible bonds (note 21)	-	-	-	-	-	-	-	-	(12,220)	-	12,220	-	-
Dividends declared	-	-	-	-	-	-	-	-	-	-	(8,128)	(8,128)	(8,128)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,887)	(1,887)
At 30 June 2024 (unaudited)	67,735	3,023,652	9,020	10,033	62,677	(57,346)	107,434	(136,847)	20,895	(100,657)	131,311	3,137,907	3,524,725

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
NET CASH GENERATED FROM OPERATING ACTIVITIES	78,478	141,587
INVESTING ACTIVITIES		
Repayment of loans receivable	8,328	780
Interest received	14,900	13,937
Dividend received from associates	502	6,270
Dividend received from equity instruments at fair value through other comprehensive income	1,135	595
(Advance to) repayment from associates	(103)	353
Proceeds from disposal of property, plant and equipment	179	21
Proceeds from disposal of an associate	1,222	10
Purchase of property, plant and equipment	(9,368)	(7,053)
Decrease (increase) in fixed bank deposits	77,586	(248,641)
Decrease (increase) in pledged bank deposits	91	(3,215)
NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES	94,472	(236,943)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
FINANCING ACTIVITIES		
Repayment to non-controlling interests	(2,418)	(5,728)
Interest paid for bank borrowings	(2,060)	(2,704)
Repayment of lease liabilities	(36,146)	(37,522)
Interest paid for lease liabilities	(3,143)	(3,388)
Dividends paid to non-controlling interests	(10,222)	(1,887)
Repayment of bank borrowings	(69,247)	(3,371)
Redemption of convertible bonds	–	(120,000)
NET CASH USED IN FINANCING ACTIVITIES	(123,236)	(174,600)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	49,714	(269,956)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	1,191,397	1,032,079
EFFECT OF FOREIGN EXCHANGE RATES CHANGES	12,524	(13,347)
CASH AND CASH EQUIVALENTS AT 30 JUNE		
representing bank balances and cash	1,253,635	748,776

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL

The Company is registered in Bermuda as an exempted company with limited liability under the laws of Bermuda.

The Company's shares are listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange").

The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of the principal place of business of the Company is 6th Floor, Town Health Medical Group Centre, 10-12 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong.

The condensed consolidated financial statements are presented in Hong Kong Dollars ("HK\$"), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Listing Rules.

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the condensed consolidated financial statements:

Amendments to HKAS 21 and
HKFRS 1

Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 10 and
HKAS 28

Amendments to HKFRS 9 and
HKFRS 7

Amendments to HKFRS 9 and
HKFRS 7

Amendments to HKFRS 1, HKFRS 7,
HKFRS 9, HKFRS 10 and HKAS 7
HKFRS 18

Amendments to HK Int 5

Sale or Contribution of Assets between an
Investor and its Associate or Joint Venture¹

Amendments to the Classification and
Measurement of Financial Instruments²
Contracts Referencing Nature-dependent
Electricity²

Annual Improvements to HKFRS Accounting
Standards — Volume 11²

Presentation and Disclosure in Financial
Statements³

Hong Kong Interpretation 5 Presentation of
Financial Statements – Classification by the
Borrower of a Term Loan that Contains a
Repayment on Demand Clause³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

The Group is assessing the full impact of the new and amendments to HKFRS Accounting Standards.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

4. REVENUE

Revenue represents the aggregate of the net amounts received and receivable from third parties for the period. There is no seasonality and cyclicity of the operations of the Group. The performance obligation is part of a contract that has an original expected duration of one year or less. Disaggregation of revenue from contracts with the customers are as follows:

	Six months ended 30 June	
	2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000
Revenue recognised under HKFRS 15		
Hong Kong medical services		
– Medical services	348,690	360,904
– Dental services	28,856	33,558
	377,546	394,462
Hong Kong managed medical network business	233,162	250,043
Mainland hospital management and medical services	285,985	264,377
	896,693	908,882
Revenue recognised under other accounting standard		
Others		
– Rental income	4,230	5,398
Total	900,923	914,280
Revenue recognised under HKFRS 15		
Timing of revenue recognition		
At a point in time	859,712	876,563
Over time	36,981	32,319
	896,693	908,882

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

4. REVENUE (CONTINUED)

Revenue from Hong Kong medical services (including provision of medical and dental services), Hong Kong managed medical network business and majority of Mainland hospital management and medical services (including selling healthcare and pharmaceutical products and provision of medical and dental services) are recognised at a point in time, whereas other sources of revenue from Mainland hospital management and medical services are recognised over time.

5. SEGMENT INFORMATION

The chief operating decision maker, being the chief executive officer (“CEO”), regularly evaluated the current business units of the Group and the locations of the different types of business which are most relevant for the purposes of resources allocation and assessment of segment performance. The Group has identified four operating and reportable segments, namely Hong Kong medical services, Hong Kong managed medical network business, Mainland hospital management and medical services and others.

Specifically, the Group’s operating and reportable segments are as follows:

- | | |
|---|--|
| • Hong Kong medical services | – Provision of medical and dental services in Hong Kong |
| • Hong Kong managed medical network business | – Managing healthcare networks & provision of third party medical network administrator services in Hong Kong |
| • Mainland hospital management and medical services | – Provision of hospital management services and related services, provision of medical and dental services in the Mainland China |
| • Others | – Leasing of properties and provision of other healthcare related services |

No segment information of assets and liabilities is provided to the CEO for the assessment of performance of different segments. Accordingly, no segment information of assets and liabilities is presented.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

5. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results

Six months ended 30 June 2025

	Hong Kong medical services (unaudited) HK\$'000	Hong Kong managed medical network business (unaudited) HK\$'000	Mainland hospital management and medical services (unaudited) HK\$'000	Others (unaudited) HK\$'000	Elimination (unaudited) HK\$'000	Total (unaudited) HK\$'000
Revenue						
External sales	377,546	233,162	285,985	4,230	-	900,923
Inter-segment sales	18,130	-	-	-	(18,130)	-
	395,676	233,162	285,985	4,230	(18,130)	900,923
Segment results before impairment losses	15,977	19,733	34,508	14,019	-	84,237
Impairment loss recognised on right-of-use assets	(399)	-	-	-	-	(399)
Segment results	15,578	19,733	34,508	14,019	-	83,838
Unallocated finance costs						(2,754)
Unallocated other income						3,342
Unallocated corporate expenses						(31,310)
Profit before tax						53,116

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

5. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

Six months ended 30 June 2024

	Hong Kong medical services (unaudited) HK\$'000	Hong Kong managed medical network business (unaudited) HK\$'000	Mainland hospital management and medical services (unaudited) HK\$'000	Others (unaudited) HK\$'000	Elimination (unaudited) HK\$'000	Total (unaudited) HK\$'000
Revenue						
External sales	394,462	250,043	264,377	5,398	–	914,280
Inter-segment sales	27,325	–	–	–	(27,325)	–
	421,787	250,043	264,377	5,398	(27,325)	914,280
Segment results before impairment losses	39,726	18,851	25,559	(17,796)	–	66,340
Impairment loss recognised on right-of-use assets	(1,329)	–	–	–	–	(1,329)
Impairment loss recognised on interests in associates	–	–	–	(36,700)	–	(36,700)
Segment results	38,397	18,851	25,559	(54,496)	–	28,311
Unallocated finance costs						(5,877)
Unallocated other income						4,128
Unallocated corporate expenses						(36,479)
Loss before tax						(9,917)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

5. SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's revenue from external customers based on geographical location of operations are detailed below:

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Hong Kong	614,938	649,903
Other regions of the PRC	285,985	264,377
	900,923	914,280

6. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Dividend income from equity instruments at fair value through other comprehensive income		
– relating to investments held at the end of the reporting period	1,135	595
Interest income	14,900	13,937
Rental income	1,505	1,416
Sundry income	1,837	2,712
	19,377	18,660

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

7. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Fair value changes on investment properties	(2,546)	(26,870)
Fair value changes on financial assets at fair value through profit or loss	(552)	(4,348)
Impairment loss recognised on interests in associates	–	(36,700)
Impairment loss recognised on right-of-use assets	(399)	(1,329)
Gain (loss) on disposal/written off of property, plant and equipment	63	(23)
Others	108	(302)
	(3,326)	(69,572)

8. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Interest on bank borrowings	2,060	2,704
Interest on lease liabilities	3,143	3,388
Interest on convertible bonds	2,754	5,877
	7,957	11,969

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

9. INCOME TAX EXPENSES

	Six months ended 30 June	
	2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000
Current tax		
– Hong Kong Profits Tax	8,556	11,990
– PRC Enterprise Income Tax	9,602	8,243
	18,158	20,233
Provision in prior years		
– Over provision of Hong Kong Profits Tax	–	(10)
Deferred Tax	(635)	(1,598)
	17,523	18,625

Hong Kong Profits Tax is calculated at the rate of 16.5% on the estimated assessable profits for both interim periods, except for the first HK\$2,000,000 of a qualified group entity's assessable profit which is calculated at the rate of 8.25%, in accordance with the two-tiered tax rate regime with effect from the year of assessment 2018/2019. The profits of group entities not qualifying for the two-tiered profits tax rates regime continued to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries in the Mainland China is 25% for both interim periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

10. PROFIT (LOSS) FOR THE PERIOD

	Six months ended 30 June	
	2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000
Profit (loss) for the period has been arrived at after charging:		
Staff costs		
– Directors' emoluments	6,834	5,484
– Other staff's salaries, bonus and other benefits	350,065	368,365
– Other staff's retirement benefits scheme contributions	6,883	6,686
	363,782	380,535
Amortisation of intangible assets	1,966	5,601
Depreciation of property, plant and equipment	28,434	27,509
Depreciation of right-of-use assets	35,878	36,283

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

11. DIVIDENDS

During the current interim period, a final dividend of Hong Kong 0.12 cent per share of the Company ("Share") for the year ended 31 December 2024 (2024: a final dividend of Hong Kong 0.12 cent per Share for the year ended 31 December 2023) was declared to the owners of the Company. The aggregate amount of final dividend declared during the interim period amounted to approximately HK\$8,128,000 (2024: HK\$8,128,000).

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2025 (2024: nil).

12. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per Share attributable to the owners of the Company is based on the following data:

Profit (loss) for the purposes of basic and diluted earnings (loss) per Share

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Profit (loss) for the period attributable to owners of the Company	12,727	(47,676)

Number of Shares

	30 June 2025	30 June 2024
	(unaudited)	(unaudited)
Weighted average number of Shares for the purposes of basic and diluted earnings (loss) per Share	6,773,522,452	6,773,522,452

The computation of diluted earnings (loss) per Share for the six months ended 30 June 2025 and 2024 do not assume the conversion of the Company's outstanding convertible bonds since their assumed conversion would have anti-dilutive effect.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

13. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INVESTMENT PROPERTIES

During the six months ended 30 June 2025, the Group acquired property, plant and equipment of approximately HK\$9,368,000 (2024: HK\$7,053,000).

During the six months ended 30 June 2025, the Group entered into new lease agreements for the use of retail shops and office for average of 1.91 years (2024: 3.10 years). The Group is required to make fixed monthly payments during the contract period. On lease commencement, the Group recognised approximately HK\$12,369,000 (2024: HK\$6,289,000) of right-of-use assets and approximately HK\$11,248,000 (2024: HK\$6,289,000) of lease liabilities.

During the six months ended 30 June 2025, the use of two premises situated in Hong Kong which were previously self-used premises had been changed to leased out for rental income. The investment properties with fair value of HK\$12,480,000 had been transferred from property, plant and equipment.

During the six months ended 30 June 2025, the use of two premises situated in Hong Kong which were previously leased out for rental income had been changed to self-used premises. The investment properties with fair value of HK\$57,961,000 had been transferred to property, plant and equipment.

The Group's investment properties as at the end of the current interim period were valued by Ascent Partners Valuation Service Limited, an independent professional qualified valuer not connected with the Group. The fair value of all investment properties located in Hong Kong was derived using the market comparable approach based on the price per square feet observed in recent market transactions and adjusting the observed prices per square feet with certain unobservable inputs including the adjustments of the building age, location, fair market rent and people flows to reflect different locations and conditions. The resulting decrease in fair value of investment properties of approximately HK\$2,546,000 (2024: HK\$26,870,000) has been recognised directly in profit or loss for the six months ended 30 June 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

13. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INVESTMENT PROPERTIES *(CONTINUED)*

During the six months ended 30 June 2025, the management performed impairment testing of property, plant and equipment and right-of-use assets of certain cash generating units ("CGUs") which represented medical centres that have been suffering from continuous losses. The recoverable amounts of these assets were lower than carrying amounts of the CGUs. Based on the results of the impairment assessments, impairment loss of approximately HK\$399,000 (2024: HK\$1,329,000) have been recognised related to right-of-use assets and no impairment loss (2024: nil) have been recognised related to property, plant and equipment in the profit or loss during the six months ended 30 June 2025.

The recoverable amount of the medical centres CGUs has been determined based on a value-in-use calculation. Such calculation uses cash flow projections based on forecasts approved by the management of the Group covering the remaining lease term period which are all less than 5 years with a pre-tax discount rate of 13.40% per annum (31 December 2024: 13.06% per annum) as at 30 June 2025. The revenue growth rates and gross profit margins used were with reference to the market development and past performance of the medical centres.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

14. LOANS RECEIVABLE

	30 June 2025 (unaudited) HK\$'000	31 December 2024 (audited) HK\$'000
Fixed-rate loans receivable (unsecured)	34,164	41,892
Less: Allowance for expected credit loss	(3,300)	(3,300)
Variable-rate loan receivable (unsecured)	5,900	6,500
	36,764	45,092
Analysed for reporting purposes as:		
Non-current portion	15,864	23,592
Current portion	20,900	21,500
	36,764	45,092

Included in the balance, an amount of HK\$30,000,000 (31 December 2024: HK\$37,500,000) represented the loan to an associate, bearing fixed-rate interest of 5% per annum and due for repayment in instalments in 1 to 2 years from the end of the reporting period; and an amount of RMB3,000,000 (equivalent to HK\$3,300,000) (31 December 2024: RMB3,000,000 (equivalent to HK\$3,300,000)) represented the loan to a joint venture, bearing fixed-rate interest of 4.35% per annum and due for repayment in 2 years from the end of the reporting period, which was fully impaired as at 30 June 2025 and 31 December 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

15. GOODWILL

During the six months ended 30 June 2025, there was no addition in goodwill (2024: nil).

For the purposes of impairment testing, goodwill have been allocated to groups of individual cash generating units (“CGUs”) in 4 (31 December 2024: 4) divisions of the Group, namely, Hong Kong medical services, Hong Kong managed medical network business, Mainland hospital management and medical services and Hong Kong specialist medical services. The carrying amounts of goodwill (net of accumulated impairment losses) as at 30 June 2025 and 31 December 2024 allocated to these units are as follows:

	30 June 2025 (unaudited) HK\$'000	31 December 2024 (audited) HK\$'000
Hong Kong medical services:		
Town Health Medical & Dental Services Limited	2,161	2,161
Hong Kong Traumatology and Orthopaedics Institute Limited	3,544	3,544
Healthy Base Limited	2,224	2,224
	7,929	7,929
Hong Kong managed medical network business:		
Dr. Vio & Partners Limited	198,199	198,199
Mainland hospital management and medical services:		
Nanyang Xiangrui Hospital Management Advisory Co., Ltd.	256,339	248,930
Hong Kong specialist medical services:		
Central Medical Holdings Limited (“CMHL Group”)	138,195	138,195
	600,662	593,253

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

15. GOODWILL (CONTINUED)

The basis of calculation of the recoverable amount of the CGU of CMHL Group and its major underlying assumptions are summarised below:

For the impairment testing, customer relationship and trade name of intangible assets, property, plant and equipment, and right-of-use assets that generate cash flows together with the related goodwill are also included in the CGU of CMHL Group for the purpose of impairment testing.

The recoverable amount of the CGU of CMHL Group as at 30 June 2025 was based on its value in use and was determined with the assistance of Ascent Partners Valuation Service Limited, an independent professional qualified valuer not connected with the Group. The calculation used cash flow projections based on financial budgets approved by management covering a five-year period and at a pre-tax discount rate of 13.70% (31 December 2024: 15.04%). Average annual revenue growth rate of 2.20% (31 December 2024: 3.71%) and average net profit margin of 7.96% (31 December 2024: 8.77%) were used in the financial budgets. Cash flows after the five-year period were extrapolated using a growth rate of 1.99% (31 December 2024: 1.99%) per annum, which was determined after taking into consideration the economic conditions of the market. Other key assumptions for the value-in-use calculations related to the estimation of cash inflows/outflows include budgeted revenue, gross margin and other related expenses. Such estimation was based on historical performance and future plans of CMHL Group, and also management's expectations for the market development.

The recoverable amount of the CGU of CMHL Group calculated based on its value in use is higher than the carrying amount of the CGU of CMHL Group, with a headroom of HK\$2,749,000. Accordingly, no impairment loss on goodwill was recognised in profit or loss for the six months ended 30 June 2025 on the CGU of CMHL Group.

The Group has performed a sensitivity analysis on key assumptions used for the impairment test. A reasonably possible change in key assumptions used in the impairment test would not cause the carrying amount of the CGU of CMHL Group to exceed its respective recoverable amount.

There was no change in both the valuation methods and the key assumptions compared to those applied as at 31 December 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

15. GOODWILL (CONTINUED)

During the six months ended 30 June 2025, the management determined that there was no indicator showing that the relevant goodwill of the other three divisions might be impaired and there was no impairment loss recognised on the CGUs of the other three divisions for the six months ended 30 June 2025 accordingly.

During the six months ended 30 June 2024, the management determined that there was no indicator showing that the relevant goodwill of all divisions might be impaired and there was no impairment loss recognised on the CGUs of all divisions for the six months ended 30 June 2024 accordingly.

16. INTERESTS IN ASSOCIATES

During the six months ended 30 June 2025, there was no objective evidence which indicated that the interests in associates may be impaired.

During the six months ended 30 June 2024, the Group has performed impairment assessment on investments in Auspicious Idea Corporate Development Limited ("Auspicious Idea") and Luck Key Investment Limited ("Luck Key").

The recoverable amounts of the investments in Auspicious Idea and Luck Key as at 30 June 2024 were determined based on value in use calculations and were determined with the assistance of Valplus Consulting Limited and Ascent Partners Valuation Service Limited respectively. These valuers are independent professional qualified valuers not connected with the Group.

These value-in-use calculations used cash flow projections based on financial budgets approved by management covering a five-year period and at a pre-tax discount rate of 16.22% and 13.89% respectively. The cash flows beyond the five-year period were extrapolated using a growth rate of 3.00% and 2.31% per annum, respectively, which were determined after taking into consideration the economic conditions of the market. Other key assumptions for the value-in-use calculations related to the estimation of cash inflows/outflows include the budgeted revenue, gross margins and other related expenses. Such estimation was based on historical performance and future plans of those associates, and also management's expectations for the market development.

An impairment loss on interests in associates of HK\$36,700,000 was recognised in profit or loss for the six months ended 30 June 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

17. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Listed investments:		
– Equity securities	85	107
Unlisted investments:		
– Equity securities	23,253	24,337
	23,338	24,444

Note:

All listed investments are stated at fair value which is determined based on the quoted market bid prices available on the Stock Exchange. During the six months ended 30 June 2025, fair value loss on listed securities amounting to approximately HK\$22,000 (2024: HK\$nil) was recognised in other comprehensive expense.

The above unlisted equity investments represent the Group's interest in private entities established in Hong Kong, Cayman Islands and British Virgin Islands. The directors of the Company have elected to designate these investments in equity instruments at fair value through other comprehensive income ("FVTOCI") as they believe that these investments are held for long-term purposes and for realising their performance potential in the long run.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

17. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

The unlisted equity instruments at FVTOCI mainly represent investments in ordinary shares of Company A with carrying amount of approximately HK\$21,988,000 as at 30 June 2025 (31 December 2024: HK\$22,427,000). The Group held 6.04% (31 December 2024: 6.04%) of the issued ordinary share capital of Company A, whose subsidiaries are principally engaged in the provision of telemedicine and clinical solution services in Southeast Asia.

The fair value of Company A as at 30 June 2025 and 30 June 2024 were determined using cash flow projection based on the valuation performed as at that date by Valplus Consulting Limited, an independent professional qualified valuer not connected with the Group. During the six months ended 30 June 2025, a fair value loss of approximately HK\$439,000 (2024: HK\$22,261,000) of Company A was recognised in investment revaluation reserve.

During the six months ended 30 June 2025, a fair value loss of approximately HK\$1,084,000 (2024: HK\$22,422,000) of the above unlisted investments was recognised in investment revaluation reserve.

18. TRADE AND OTHER RECEIVABLES

	30 June 2025 (unaudited) HK\$'000	31 December 2024 (audited) HK\$'000
Trade receivables	422,773	381,461
Bills receivables	2,164	15,770
	424,937	397,231
Deposits	36,839	41,929
Other receivables	13,233	14,590
Prepayments	12,994	9,102
	488,003	462,852

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

The following is an ageing analysis of trade and bills receivables, net of allowance, presented based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates:

	30 June 2025 (unaudited) HK\$'000	31 December 2024 (audited) HK\$'000
0 – 60 days	212,379	206,289
61 – 120 days	138,364	90,723
121 – 180 days	43,561	71,456
181 – 240 days	23,115	25,249
Over 240 days	7,518	3,514
	424,937	397,231

Most of the patients of the medical and dental practices settle in cash. Payments arising from use of medical cards by patients will normally be settled within 180 to 240 days (31 December 2024: 180 to 240 days) whilst settlement by corporate customers for the Group's managed medical network operation is from 60 to 180 days (31 December 2024: 60 to 180 days). The Group allows credit period of 180 to 270 days (31 December 2024: 180 to 270 days) and 60 to 240 days (31 December 2024: 60 to 240 days) to its customers under mainland hospital management services and related services and trade customers under other business activities respectively.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

19. TRADE AND OTHER PAYABLES

	30 June 2025 (unaudited) HK\$'000	31 December 2024 (audited) HK\$'000
Trade payables	178,132	172,409
Other payables	44,914	35,279
Deposits received	4,785	5,183
Accruals	104,246	113,535
	332,077	326,406

The following is an ageing analysis of trade payables presented based on the invoice dates at the end of the reporting period:

	30 June 2025 (unaudited) HK\$'000	31 December 2024 (audited) HK\$'000
0 – 60 days	99,175	89,539
61 – 120 days	47,644	28,608
Over 120 days	31,313	54,262
	178,132	172,409

The average credit period on purchase of goods is 60 to 120 days (31 December 2024: 60 to 120 days).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

20. BANK BORROWINGS

	30 June 2025 (unaudited) HK\$'000	31 December 2024 (audited) HK\$'000
Unsecured:		
Term loan	–	3,405
Secured:		
Mortgage loans	11,436	77,278
	11,436	80,683
The bank borrowings are repayable as follows:		
On demand and within one year	1,251	6,746
In more than one year but not more than two years	1,332	3,856
In more than two years but not more than three years	1,416	4,109
In more than three years but not more than four years	1,509	4,367
In more than four years but not more than five years	1,606	4,664
Over five years	4,322	56,941
	11,436	80,683
Less: Amounts due within one year shown under current liabilities	(1,251)	(6,746)
Carrying amount of bank borrowing that is not repayable within one year from the end of reporting period but contain a repayment on demand clause (shown under current liabilities)	(10,185)	(10,848)
Non-current portion	–	63,089

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

20. BANK BORROWINGS (CONTINUED)

As at 30 June 2025, the bank borrowings of the Group carried variable interest rate of Hong Kong Interbank Offered Rate (“HIBOR”) +2.25% per annum (31 December 2024: variable interest rates ranging from HIBOR +1.40% per annum to HIBOR +2.25% per annum).

As at 30 June 2025, the Group’s mortgage loans were secured by the Group’s leasehold land and building with carrying value of approximately HK\$28,877,000 (31 December 2024: leasehold land and building with carrying value of approximately HK\$30,438,000 and an investment property with carrying value of approximately HK\$89,000,000).

In addition, mortgage loan with carrying amount of approximately HK\$11,436,000 (31 December 2024: HK\$12,035,000) was also supported by personal guarantee provided by non-controlling interests of the Company’s non-wholly owned subsidiary which will be released upon repayment of the mortgage.

21. CONVERTIBLE BONDS

On 11 July 2022, Speedy Light International Limited, the indirect wholly-owned subsidiary of the Company, (“Speedy Light”) and Hong Kong Medical Consultants Holdings Limited (“HKMCHL”) and the seller guarantors as defined in the share purchase agreements (collectively the “Seller Parties”) entered into a share purchase agreement, pursuant to which Speedy Light agreed to acquire the entire equity interests in CMHL Group at a consideration of HK\$476,000,000, of which HK\$356,000,000 was settled by non-interest bearing convertible bonds (the “CBs”). The initial conversion price was HK\$0.76 per share. The CBs holders have the right to convert the whole or any part of the outstanding principal amount of the CBs into fully-paid ordinary shares of the Company at any time during the period beginning on, and including, the issue date and ending on the respective maturity dates. The CBs holders have the right to request the Company to repay 100% of the outstanding principal amount of the CBs, unless previously converted into Shares or repaid in accordance with the terms and conditions of the CBs by providing written notices to the Company during the redemption period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

21. CONVERTIBLE BONDS (CONTINUED)

The CBs are denominated in HKD and issued in three tranches:

Tranche A CBs amounted to HK\$120,000,000 with maturity date being 12 months from 26 August 2022. Redemption period is from and including the date falling 3 months from the issue date of the CBs to and including the date falling 12 months from the issue date of the Tranche A CBs. The Tranche A CBs have been fully redeemed as at 30 June 2023.

Tranche B CBs amounted to HK\$120,000,000 with maturity date being 24 months from 26 August 2022. Redemption period is from and including the date falling 18 months from the issue date of the CBs to and including the date falling 24 months from the issue date of the Tranche B CBs. The Tranche B CBs have been fully redeemed as at 30 June 2024.

Tranche C CBs amounted to HK\$116,000,000 with maturity date being 36 months from 26 August 2022. Redemption period is from and including the date falling 36 months from the issue date of the CBs to and including the date falling 12 months after maturity date.

The CBs cannot be redeemed at the option of the Company before the maturity date.

The CBs contains two components, liability and equity components. The equity component is presented in equity heading “convertible bonds reserve”. The early redemption option is considered as closely related to the host debt. The effective interest rate of the liability component is 2.83%-4.89% per annum at the date of initial recognition.

The movement of the CBs for the six months ended 30 June 2025 is set out below:

	Liability component HK\$'000	Equity component HK\$'000	Total HK\$'000
At 1 January 2024	223,756	33,115	256,871
Redemption	(120,000)	(12,220)	(132,220)
Finance cost – interest charge	8,609	–	8,609
At 31 December 2024	112,365	20,895	133,260
Classified as:			
Current	112,365	20,895	133,260
At 1 January 2025	112,365	20,895	133,260
Finance cost – interest charge	2,754	–	2,754
At 30 June 2025	115,119	20,895	136,014
Classified as:			
Current	115,119	20,895	136,014

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

22. SHARE CAPITAL

	Number of Shares	Amount HK\$'000
Shares of HK\$0.01 each		
Authorised:		
At 1 January 2024, 31 December 2024 and 30 June 2025	30,000,000,000	300,000
Issued and fully paid:		
At 1 January 2024, 31 December 2024 and 30 June 2025	6,773,522,452	67,735

23. RELATED PARTY TRANSACTIONS

Transactions with related parties

Name of related party	Nature of transactions	Six months ended 30 June	
		2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000
Advance Bond Limited ¹	Rental income	492	487
China Life Insurance (Overseas) Company Limited ²	Medical related services income	370	456
	Insurance expenses	(356)	(421)
China Life Insurance Company Limited ²	Medical related services income	3,476	869
	Property management income	49	37
	Insurance expenses	(43)	(37)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

23. RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions with related parties (Continued)

Name of related party	Nature of transactions	Six months ended 30 June	
		2025	2024
		(unaudited) HK\$'000	(unaudited) HK\$'000
China Life Insurance Company Limited, Shandong Branch ³	Repayment of lease liabilities	(2,606)	–
	Rental expense	–	(728)
C.T. Scan Diagnostic Centre ⁶	Cost of sales	(81)	(119)
Early Light International (Holdings) Limited	Medical related services income	59	75
Hillwood MRI Centre Limited ⁴	Cost of sales	(2,080)	(2,023)
Hong Kong Bariatric and Metabolic Institute Limited ¹	Management services fee income	–	127
	Repayment of lease liabilities	–	(198)
Hong Kong Health Check and Medical Diagnostic Centre Limited ⁴	Rental income	2,111	2,665
	Laboratory fee income	785	879
	Cost of sales	(3,374)	(3,611)
	Staff welfare	(6)	(39)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

23. RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions with related parties (Continued)

Name of related party	Nature of transactions	Six months ended 30 June	
		2025	2024
		(unaudited) HK\$'000	(unaudited) HK\$'000
My Beauty Company Limited ⁵	Rental income	757	962
My Beauty Salon Company Limited ⁵	Interest income	903	1,125
Yuen Foong Medical Diagnostic Centre ⁶	Cost of sales	(14)	(19)

Notes:

1. The related parties are the associates of the Company, which are not individually material, during the six months ended 30 June 2025 and 2024.
2. The related parties are the subsidiaries of China Life Insurance (Group) Company Limited, one of the beneficial owners of the Company.
3. China Life Insurance Company Limited, Shandong Branch is a branch office of China Life Insurance Company Limited.
4. The related parties are the subsidiaries of Luck Key, a principal associate of the Company.
5. The related parties are the subsidiaries of Auspicious Idea, a principal associate of the Company.
6. The related parties are the branches of the subsidiaries of Luck Key, a principal associate of the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

24. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how fair values of these financial assets are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable:

1. Level 1 fair value measurements are those derived from quoted process (unadjusted) in active market for identical assets or liabilities;
2. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
3. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Fair value hierarchy as at 30 June 2025

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Financial assets at FVTPL				
– Unlisted derivative	–	–	1,460	1,460
Equity instruments at FVTOCI				
– Listed equity securities	85	–	–	85
– Unlisted equity securities	–	–	23,253	23,253
	85	–	24,713	24,798

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

24. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(CONTINUED)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Fair value hierarchy as at 31 December 2024

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Financial assets at FVTPL				
– Unlisted derivative	–	–	2,012	2,012
Equity instruments at FVTOCI				
– Listed equity securities	107	–	–	107
– Unlisted equity securities	–	–	24,337	24,337
	107	–	26,349	26,456

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

24. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique	Significant unobservable input(s)	Range (weighted average)	Relationship of unobservable inputs for fair value
	30 June 2025 (unaudited) HK\$'000	31 December 2024 (audited) HK\$'000					
1 Financial asset at FVTPL – unlisted derivative	1,460	2,012	Level 3	Binomial Option Pricing Model	Volatility	67.38% (31 December 2024: 72.53%)	The increase in volatility would increase in fair value
					Risk-free rate	3.69% (31 December 2024: 4.30%)	The increase in risk-free rate would increase in fair value
					Time to maturity	2.58 years (31 December 2024: 3.08 years)	The increase in time to maturity would increase in fair value
					Dividend yield	0% (31 December 2024: 0%)	The increase in dividend yield would increase in fair value
2 Equity instruments at FVTOCI – unlisted equity securities in Hong Kong	23,253	24,337	Level 3	Discounted cash flow method	Yearly growth rates of revenue	Ranging from 8.46% to 83.57% (31 December 2024: Ranging from 8.54% to 98.86%)	The increase in yearly growth rates of revenue would increase in fair value
					Terminal growth rate	3.00% (31 December 2024: 3.00%)	The increase in terminal growth rate would increase in fair value
					Weighted average cost of capital	18.41% (31 December 2024: 18.50%)	The increase in weighted average cost of capital would decrease in fair value
					Discount rate for lack of marketability	15.60% (31 December 2024: 15.60%)	The increase in discount rate would decrease in fair value

There were no transfers of financial assets between different levels of the fair value hierarchy in the current period and prior year.

The quantitative information of significant unobservable inputs used in arriving at the Level 3 fair value measurement are set out above.

The directors of the Company consider that except for financial assets as disclosed in the above table, the carrying amounts of remaining financial assets and financial liabilities recognised in the condensed consolidated financial statements approximate their fair values.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

24. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(CONTINUED)

Reconciliation of Level 3 fair value measurements of financial assets

	Financial assets at fair value through profit or loss HK\$'000	Equity instruments at fair value through other comprehensive income HK\$'000
At 1 January 2024 (audited)	6,772	48,626
Fair value changes	(4,344)	(22,402)
At 30 June 2024 (unaudited)	2,428	26,224
At 1 January 2025 (audited)	2,012	24,337
Fair value changes	(552)	(1,084)
At 30 June 2025 (unaudited)	1,460	23,253

The fair value loss for the six months ended 30 June 2025 of approximately HK\$552,000 (2024: HK\$4,344,000) included in profit or loss related to derivatives held at the end of the reporting period and are reported as changes of “fair value change in financial assets at fair value through profit or loss”.

The fair value loss for the six months ended 30 June 2025 of approximately HK\$1,084,000 (2024: HK\$22,402,000) included in other comprehensive income related to equity instruments at fair value through other comprehensive income held at the end of the reporting period and are reported as changes of “investment revaluation reserves”.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

25. CONTINGENCIES

On 11 July 2022, the Company and Speedy Light International Limited (an indirect wholly-owned subsidiary of the Company, the “Buyer”) entered into a share purchase agreement (the “Share Purchase Agreement”) to purchase 100% of the issued shares in Central Medical Holdings Limited (“Central Medical”) from Hong Kong Medical Consultants Holdings Limited (the “Seller”). Under the Share Purchase Agreement, each of the seller parties, namely (i) the Seller; (ii) Central Healthcare Group Limited; (iii) Dr. Tsang Wah Tak, Kenneth; (iv) Dr. Leung Wing Hung; (v) Dr. Fong Ka Yeung; (vi) Mr. Shiu Shu Ming; and (vii) Dr. Chu Leung Wing (collectively the “Seller Parties”) has guaranteed to the Buyer that the audited consolidated net profit or loss of Central Medical and its subsidiaries (“Central Medical Group”) after tax attributable to shareholders (excluding all listing expenses and share-based payments) as set out in the consolidated accounts of Central Medical Group audited by Central Medical’s auditors (the “Adjusted Net Profit”) for each of the three financial years ended 31 March 2022, 2023 and 2024 should be no less than the performance target of HK\$30,000,000 (the “Profit Guarantee”).

Based on the audited consolidated accounts of Central Medical Group with respect to the year ended 31 March 2023, the Adjusted Net Profit of Central Medical Group for the year ended 31 March 2023 amounted to HK\$23,469,554, which was below the performance target of HK\$30,000,000. Due to non-fulfilment of the Profit Guarantee, the Seller Parties would be liable jointly and severally to pay to the Buyer an amount calculated in accordance with the adjustment mechanism as set out in the Share Purchase Agreement (the “Claim Amount”). On 23 April 2024, the Buyer served a notice in accordance with the Share Purchase Agreement to the Seller, Central Healthcare Group Limited, Dr. Tsang Wah Tak, Kenneth and Mr. Shiu Shu Ming (the “Respondents”) to demand them, along with the other Seller Parties, to pay to the Buyer the Claim Amount on or before 30 April 2024. Notwithstanding the lapse of 30 April 2024, the Respondents have failed to pay the Claim Amount. After taking legal advice, on 4 June 2024, the Buyer has initiated proceedings against the Respondents claiming, among others, the Claim Amount, the related interest, the legal fees and costs.

The proceedings are still at an early stage and the outcomes are subject to uncertainties, the Group is not practicable to estimate the financial effect at this moment.

For details of the Profit Guarantee for the year ended 31 March 2024, please refer to the section headed “**MANAGEMENT DISCUSSION AND ANALYSIS - LITIGATION**”.

GLOSSARY

Acquisition	the acquisition of 100% of the issued share capital of Central Medical by the Buyer from the Seller pursuant to the Share Purchase Agreement
Audit Committee	the audit committee of the Board
Board	the board of Directors
Broad Idea	Broad Idea International Limited
Buyer	Speedy Light International Limited, a company incorporated under the laws of the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
Central Medical	Central Medical Holdings Limited, a company incorporated under the laws of the British Virgin Islands
Chief Executive Officer	the chief executive officer of the Company
China Life Insurance	中國人壽保險(集團)公司 (in English, for identification purpose only, China Life Insurance (Group) Company)
CLIS	中國人壽保險股份有限公司山東省分公司 (in English, for identification purpose only, China Life Insurance Company Limited, Shandong Branch)
CLIO	China Life Insurance (Overseas) Company Limited, a company established in the Mainland China with limited liability and is a wholly-owned subsidiary of China Life Insurance
China or PRC	the People's Republic of China
Classictime	Classictime Investments Limited
CLG Subscription	the subscription for 1,785,098,644 Shares by China Life Insurance pursuant to an investment agreement dated 5 January 2015 entered into between the Company and China Life Insurance

GLOSSARY

Company	Town Health International Medical Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange
Conversion Rights	the conversion rights attaching to the Convertible Bonds to convert the principal amount or a part thereof into the Conversion Shares
Conversion Share(s)	new ordinary share(s) of the Company which may fall to be allotted and issued by the Company upon exercise of the Conversion Rights
Convertible Bonds	the convertible bonds in the aggregate amount of HK\$356,000,000 issued by the Company pursuant to the Share Purchase Agreement
Convertible Preference Shares	perpetual non-voting redeemable convertible preference shares of HK\$0.01 each in the share capital of the Company subscribed by Fubon Life, Fubon Insurance and Broad Idea pursuant to the CPS Subscription Agreement
Covid-19 Pandemic or Pandemic	pandemic arising from coronavirus 2019, a disease caused by a novel virus designated as severe acute respiratory syndrome coronavirus 2
CPS Subscription	the subscription for 212,121,212 Convertible Preference Shares by Fubon Life, 79,545,454 Convertible Preference Shares by Fubon Insurance and 83,333,333 Convertible Preference Shares by Broad Idea, pursuant to the CPS Subscription Agreement
CPS Subscription Agreement	the perpetual non-voting redeemable convertible preference shares subscription agreement dated 31 October 2014 entered into between the Company, Fubon Life, Fubon Insurance and Broad Idea
Director(s)	the director(s) of the Company

GLOSSARY

Dr. Choi	Dr. Choi Chee Ming, <i>GBS, JP</i>
eHealth	Electronic Health Record Sharing System developed by the Hong Kong government
Fubon Insurance	Fubon Insurance Co., Ltd.
Fubon Life	Fubon Life Insurance Co., Ltd.
Ganghe Clinic	深圳港和診所 (in English, for identification purpose only, Shenzhen Ganghe Clinic)
Group	the Company and its subsidiaries
Guangzhou Integrated Clinic	Guangzhou Integrated Clinic is a clinic under the operation of 廣州宜康醫療管理有限公司 (in English, for identification purpose only, Guangzhou Yikang Medical Management Co., Ltd.) (a company established in the PRC with limited liability and a subsidiary of the Company) in Guangzhou City, Guangdong Province in the PRC
HK\$	Hong Kong dollars, the lawful currency of Hong Kong
HKICPA	Hong Kong Institute of Certified Public Accountants
Hong Kong	Hong Kong Special Administrative Region of the PRC
Hong Kong Medical Consultants	Hong Kong Medical Consultants Limited, a company incorporated in Hong Kong with limited liability, which is a wholly-owned subsidiary of the Company
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange

GLOSSARY

Mainland China	the People's Republic of China, excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan
Minerva Group	Minerva Group Holding Limited (Formerly known as Power Financial Group Limited)
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
Nanshi Hospital	南陽南石醫院 (in English, for identification purpose only, Nanshi Hospital of Nanyang)
Nanyang Xiangrui	南陽祥瑞醫院管理諮詢有限公司 (in English, for identification purpose only, Nanyang Xiangrui Hospital Management Advisory Co., Ltd.), a subsidiary of the Company
Nomination Committee	the nomination committee of the Board
Ordinary Shares Subscription	the subscription of 459,183,673 Shares by Fubon Life, Fubon Insurance and Broad Idea and the allotment and issue of the subscription shares
period under review	the six months ended 30 June 2025
Remuneration Committee	the remuneration committee of the Board
RMB	Renminbi, the lawful currency of the PRC

GLOSSARY

Seller	Hong Kong Medical Consultants Holdings Limited, a company incorporated under the laws of the Cayman Islands
SFO	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
Share(s)	ordinary share(s) of HK\$0.01 each in the share capital of the Company
Shareholders	holders of the Share(s)
Share Purchase Agreement	the share purchase agreement dated 11 July 2022 entered into between the Company, the Buyer, the Seller and the guarantors of the Seller, namely, Central Healthcare Group Limited, Dr. Tsang Wah Tak, Kenneth, Dr. Leung Wing Hung, Dr. Fong Ka Yeung, Mr. Shiu Shu Ming and Dr. Chu Leung Wing in relation to the Acquisition
Stock Exchange	The Stock Exchange of Hong Kong Limited
TBMG	The Beauty Medical Group
Town Health International Health Management Centre	Town Health International Health Management Centre is a health management centre under the operation of 濟南歷康門診部有限公司 (in English, for identification purpose only, Jinan Likang Outpatient Department Co., Ltd.) (a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company) in Jinan City, Shandong Province in the PRC
Vio	Dr. Vio & Partners Limited, a subsidiary of the Company