



Human Health Holdings Limited 盈健醫療集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1419



2025

ANNUAL REPORT

CONTENTS

Corporate Information	2
Chairman's Statement	4
Management Discussions and Analysis	7
Directors, Senior Management and Company Secretary	27
Corporate Governance Report	33
Directors' Report	53
Environmental, Social and Governance Report	73
Independent Auditor's Report	125
Consolidated Statement of Profit or Loss and Other Comprehensive Income	131
Consolidated Statement of Financial Position	132
Consolidated Statement of Changes in Equity	134
Consolidated Statement of Cash Flows	135
Notes to the Financial Statements	138
Five Years' Financial Summary	236

In case of any inconsistency, the English text of this annual report shall prevail over the Chinese text.

Corporate Information

EXECUTIVE DIRECTORS

Mr. Chan Kin Ping, BBS, JP
(Chairman and Chief Executive Officer)
Dr. Pang Lai Sheung (Chief Medical Officer)
Mr. Poon Chun Pong (Chief Operating Officer)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Lui Sun Wing
Mr. Chan Yue Kwong Michael
Mr. Chan Hey Man (with effect from 1 October 2024)
Mr. Sin Kar Tim (retired on 2 December 2024)

AUDIT COMMITTEE

Mr. Chan Hey Man (Chairman)
(with effect from 2 December 2024)
Dr. Lui Sun Wing
Mr. Chan Yue Kwong Michael
Mr. Sin Kar Tim (Chairman)
(retired on 2 December 2024)

REMUNERATION COMMITTEE

Dr. Lui Sun Wing (Chairman)
Mr. Chan Kin Ping, BBS, JP
Mr. Chan Yue Kwong Michael
Mr. Chan Hey Man (with effect from 1 October 2024)
Mr. Sin Kar Tim (retired on 2 December 2024)

NOMINATION COMMITTEE

Mr. Chan Yue Kwong Michael (Chairman)
Dr. Lui Sun Wing
Mr. Chan Kin Ping, BBS, JP
Mr. Chan Hey Man (with effect from 1 October 2024)
Mr. Sin Kar Tim (retired on 2 December 2024)

COMPANY SECRETARY

Ms. Man Ching Yan, CFA ACG HKACG

AUTHORISED REPRESENTATIVES

Mr. Poon Chun Pong
Ms. Man Ching Yan

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

LEGAL ADVISER TO THE COMPANY AS TO HONG KONG LAW

Howse Williams
27th Floor, Alexandra House
18 Chater Road
Central, Hong Kong

AUDITOR

Ernst & Young, Registered Public Interest
Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road, Central
Hong Kong

WEBSITE

www.humanhealth.com.hk

SHARE INFORMATION

Place of listing:	Main Board of The Stock Exchange of Hong Kong Limited
Stock code:	01419
Listing date:	1 April 2016
Board lot:	2,000 ordinary shares
Financial year end:	30 June

Chairman's Statement

Mr. Chan Kin Ping, BBS, JP
Chairman and CEO



Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Human Health Holdings Limited (“**Human Health**” or the “**Company**”) and its subsidiaries (collectively the “**Group**”, “**we**” or “**our**”), I am pleased to present the annual report of the Group for the year ended 30 June 2025 (“**FY2025**”).

FY2025 was a year that demonstrated the Group’s resilience and steadfast commitment to delivering person-centric, high-quality healthcare, despite a global environment marked by macroeconomic headwinds and evolving consumer dynamics. Throughout the year, the Group remained focused on strengthening our core healthcare businesses and investing prudently in growth initiatives aligned with long-term community needs. As a result, the Group achieved revenue growth as compared to the year ended 30 June 2024 (“**FY2024**”) and an encouraging increase in profit attributable to owners of the Company of approximately 8.9% year-on-year, reflecting a disciplined strategy, operational rigour, and the continued trust placed in the Group by its stakeholders.

FINANCIAL AND BUSINESS HIGHLIGHTS

During FY2025, we continued to enhance the Group’s healthcare service portfolio and expand the network to meet the growing and diverse needs of the community. The general practice segment maintained steady momentum, supported by the opening of new medical centres, improving accessibility and consolidating the Group’s footprint across key districts in Hong Kong. These additions catered to increasing demand for convenient, reliable primary care, which fortify our mission to foster community health.

The specialties segment recorded solid growth, bolstered by an expanded range of services and the engagement of additional specialists. In particular, under the POLYEYE brand at Healthy Square H2, the Group strengthened service capacities by introducing advanced treatments and expanding the team of ophthalmologists and optometrists, allowing us to serve a wider demographic, including elderly, teenage and paediatric patients.

Regarding the dental segment, the completion of the strategic acquisition of Monarch Dental Clinic Limited (previously known as Monarch Medical Services Limited, “**Monarch Dental**”) in February 2025 marked a significant milestone, resulting a year-on-year growth of revenue of approximately 15.9%. Monarch Dental, a reputable dental group with an established local brand, expands the Group’s dental network, facilitates operational integration and cross-referrals, and positions the segment for long-term growth.

ADVANCING PREVENTIVE HEALTH AND COMMUNITY CARE

Preventive care and health education remained focal areas for the Group throughout FY2025. We actively promoted comprehensive check-up packages featuring advanced diagnostics through the Impact Health and e-shop channels. Regular daily consultations and health seminars continued to encourage proactive health management, reinforcing the Group’s role as a trusted long-term healthcare partner.

Meanwhile, the Day Procedure Centre under the WeHealth brand at Healthy Square H2 further improved its efficiency and utilisation, aligning with the Group’s strategy to introduce and perform more day procedures that do not require hospitalisation, improving both operational efficiency and patient experience.

ENHANCING DIGITALISATION AND OPERATIONAL EFFICIENCY

Digital transformation remained central to the Group’s strategy to elevate patient experience and streamline operations. In FY2025, the Group fully implemented an integrated clinical operating system and omnichannel messaging platform across most medical centres, optimising appointment scheduling, enquiry handling, and workflow management.

A queuing system with priority queue for elderly patients was also introduced in most locations, along with a medical concierge service that provided tailored support for specialty consultations and health check-ups. All these initiatives demonstrate the Group’s dedication to embedding technology throughout operations to optimise service quality and patient satisfaction.

SUPPORTING PUBLIC HEALTH AND STRATEGIC PARTNERSHIPS

Throughout FY2025, the Group maintained close collaboration with the Hong Kong Government on key public health initiatives and strategic partners who sharing similar vision and values on business-to-business markets. The Group’s vital role in supporting Hong Kong’s healthcare infrastructure and advancing public and private health objectives has been highlighted through these partnerships and as such, contributing to the overall development of the healthcare sector and driving value for all its stakeholders.

Chairman's Statement

OUTLOOK AND PATH FORWARD

Looking ahead, the Board remains cautiously optimistic. We anticipate sustained demand for healthcare services, supported by rising health awareness, an ageing population, and growing expectations for personalised, high-quality care.

Building on our foundation established in FY2025, the Group plans to further extend our general practice network through targeted new centres, strengthen specialties capacities, drive higher utilisation of the Day Procedure Centre and foster preventive health promotion. Continued investments in digital platforms will also support enhanced data management, customer engagement, and telehealth services, furthering the Group's aim to deliver seamless, person-focused care.

Attracting and developing a diverse multi-segment team will remain essential to the Group's ability to uphold clinical standards and support future growth. Concurrently, we will sustain the collaboration with the Hong Kong Government and strategic partners and deepen customer engagement through platforms such as the e-shop membership and H2 Rewards App.

Through these efforts, the Group is committed to creating long-term value for the shareholders of the Company (the "**Shareholders**") and stakeholders, upholding strong governance and ESG practices, and advancing our mission to provide comprehensive, person-focused healthcare services.

ACKNOWLEDGEMENT

On behalf of the Board of Directors and the management team, I would like to extend our sincere appreciation to all staff members for their professionalism and dedication, which remain the cornerstone of the Group's achievements. Gratitude is also due to our valued business partners and Shareholders for their unwavering trust and support. The Group will continue to build on our strong foundation to create a healthier future for the communities we serve.

Chan Kin Ping, BBS, JP

Chairman and Chief Executive Officer

Hong Kong, 25 September 2025

FINANCIAL REVIEW

Financial Performance for FY2025

Revenue

The Group's revenue represents the value of healthcare services and comprises revenue from general practice services, specialties services and dental services. The following table sets forth the breakdown of the Group's revenue by service type:

	FY2025 HK\$'000	FY2024 HK\$'000	% of change
General practice services	410,825	398,388	3.1%
Specialties services	165,849	133,962	23.8%
Dental services	67,757	58,469	15.9%
	644,431	590,819	9.1%

In FY2025, the Group recorded revenue amounted to approximately HK\$644.4 million, representing an increase of approximately 9.1% as compared with that for FY2024.

The Group's revenue from general practice services increased by approximately HK\$12.4 million or 3.1% from FY2024 to approximately HK\$410.8 million for FY2025. The increase was mainly attributed to the increase in patient visits and the average spending per visit of the general practice services.

The Group's revenue from specialties services increased by approximately HK\$31.9 million or 23.8% from FY2024 to approximately HK\$165.8 million for FY2025. The increase was mainly attributable to the increase in patient visits and the average spending per visit of the specialties services.

The Group's revenue from dental services increased by approximately HK\$9.3 million or 15.9% from FY2024 to approximately HK\$67.8 million for FY2025. The increase was mainly attributable to the increase in patient visits after the acquisition of Monarch Dental. Details of the acquisition are set out in the section headed "Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures" of this annual report.

Management Discussions and Analysis

FINANCIAL REVIEW *(continued)*

Financial Performance for FY2025 *(continued)*

Cost of services rendered

The Group's cost of services rendered represents cost in relation to our healthcare services provided including fees payable to doctors and dentists, other direct cost, cost of pharmaceutical supplies and laboratory expenses. The following table sets forth the breakdown of our cost of services rendered:

	FY2025 HK\$'000	FY2024 HK\$'000	% of change
Fees payable to doctors and dentists	233,828	206,142	13.4%
Other direct cost	16,656	10,220	63.0%
Cost of pharmaceutical supplies	92,704	97,902	-5.3%
Laboratory expenses	4,139	4,685	-11.7%
Write-down of inventories to net realisable value	534	457	16.8%
Impairment of other non-financial assets	1,113	1,562	-28.7%
	348,974	320,968	8.7%

The Group's cost of services rendered increased by approximately HK\$28.0 million or 8.7% from FY2024 to approximately HK\$349.0 million for FY2025. The increase was mainly due to the increase in fees payable to doctors and dentists resulted from increase in revenue.

Gross profit and gross profit margin

The Group's gross profit increased by approximately HK\$25.6 million or 9.5% from FY2024 to approximately HK\$295.5 million for FY2025 as a result of the increase in revenue. The Group's gross profit margin increased from approximately 45.7% for FY2024 to approximately 45.8% for FY2025.



FINANCIAL REVIEW *(continued)*

Financial Performance for FY2025 *(continued)*

Gross profit and gross profit margin *(continued)*

The following table sets forth breakdown of our gross profit and gross profit margin by service types:

	Year ended 30 June			
	2025		2024	
	HK\$'000	Gross profit margin %	HK\$'000	Gross profit margin %
General practice services	217,347	52.9%	212,275	53.3%
Specialities services	49,053	29.6%	33,341	24.9%
Dental services	29,057	42.9%	24,235	41.4%
	<u>295,457</u>	<u>45.8%</u>	<u>269,851</u>	<u>45.7%</u>

The Group's gross profit margin for general practice services slightly decreased from approximately 53.3% for FY2024 to approximately 52.9% for FY2025 mainly as a result of the percentage increase in revenue being lower than the percentage increase in cost of services rendered of general practice services.

The Group's gross profit margin for specialities services increased from approximately 24.9% for FY2024 to approximately 29.6% for FY2025 mainly as a result of the percentage increase in revenue being higher than the percentage increase in cost of services rendered of specialities services.

The Group's gross profit margin for dental services increased from approximately 41.4% for FY2024 to approximately 42.9% for FY2025 mainly result of the percentage increase in revenue being higher than the percentage increase in cost of services rendered of dental services.

Other income and gains, net

The Group's other income and gains, net decreased by approximately HK\$17.3 million from FY2024 of approximately HK\$30.2 million to approximately HK\$12.9 million for FY2025 mainly due to the decrease in net gain in the fair value change of financial assets at fair value through profit or loss of approximately HK\$14.3 million and the decrease in bank interest income of approximately HK\$3.9 million.

Administrative and other expenses

The Group's administrative and other expenses increased by approximately HK\$7.7 million or 2.9% to approximately HK\$271.7 million for FY2025 from approximately HK\$264.0 million for FY2024 mainly due to the increase in staff cost of approximately HK\$14.8 million and offset by (i) the decrease of impairment of property, plant and equipment of approximately HK\$5.8 million and (ii) the decrease in donation of approximately HK\$2.4 million.

Management Discussions and Analysis

FINANCIAL REVIEW *(continued)*

Financial Performance for FY2025 *(continued)*

Finance costs

The Group's finance costs were approximately HK\$6.6 million for FY2025 (FY2024: approximately HK\$8.2 million).

Share of losses of associates

The Group's share of losses of associates was approximately HK\$0.2 million for FY2025 (FY2024: approximately HK\$1.3 million).

Income tax expense

The Group's income tax expense increased by approximately HK\$0.9 million from approximately HK\$2.4 million for FY2024 to approximately HK\$3.3 million for FY2025. The increase was mainly due to the increase in assessable income. The Group's effective tax rate increased from approximately 8.9% for FY2024 to approximately 11.1% for FY2025.

Profit for the year

As a result of the foregoing, profit for the year increased by approximately HK\$2.4 million from approximately HK\$24.2 million for FY2024 to approximately HK\$26.6 million for FY2025. The Group's net profit margin was approximately 4.1% and 4.1% for FY2025 and FY2024 respectively.



FINANCIAL REVIEW *(continued)*

Financial Performance for FY2025 *(continued)*

Profit attributable to owners of the Company

The Group's profit attributable to owners of the Company was approximately HK\$26.3 million for FY2025, representing the increase of approximately HK\$2.1 million or 8.9% from FY2024. The increase was primary due to (i) the increase in revenue of general practice services, specialties services and dental services; and (ii) the increase in gross profit due to the increase in revenue.

BUSINESS REVIEW AND OUTLOOK

Business Review for FY2025

FY2025 was a challenging but yet fruitful year for the Group, reflecting its resilience and steadfast focus on operational excellence amidst a backdrop of global economic uncertainty and evolving consumer sentiment. While the Hong Kong economy continued to face headwinds, the Group navigated these challenges with agility, achieving solid revenue growth for FY2025 as compared to FY2024 and delivering a year-over-year increase of approximately 8.9% in profit attributable to owners of the Company.

During FY2025, the Group maintained its balanced growth across key business segments. The general practice segment sustained steady performance, driven by network expansion and a robust patient base. The specialties segment posted solid revenue growth, benefiting from enhanced services and the engagement of additional specialists, particularly in ophthalmology, pediatric surgery, cardiology, psychiatry and orthopaedics. Meanwhile, despite the dental segment faced competitive pressures, with the completion of the acquisition of Monarch Dental during FY2025, resulting in an overall revenue growth in this segment.



Management Discussions and Analysis

BUSINESS REVIEW AND OUTLOOK *(continued)*

Business Review for FY2025 *(continued)*

In addition, throughout FY2025, the Group supported a broader range of industries under the “Pilot Rehabilitation Programme for Employees Injured at Work” (the “**Pilot Rehabilitation Programme**”) which has been launched in September 2022. This three-year Pilot Rehabilitation Programme has been concluded on 22 September 2025 as originally scheduled. The Work Injury Rehabilitation Office will cease accepting applications from 23 September 2025, but will continue to operate for a period to provide services to the cases admitted before such date that still require rehabilitation treatment and follow up under the Pilot Rehabilitation Programme. The Group will continue its dedication to setting high standards in occupational rehabilitation services and underline its broader mission to uplift the well-being of the communities it serves.

All these outcomes underscore the Group’s disciplined approach to resource optimisation, continuous service development, and commitment to delivering high-quality, person-centric healthcare solutions.

Steady Advancement in General Practice Segment

The general practice segment continued to serve as a stable cornerstone of the Group’s diversified healthcare portfolio. In FY2025, the general practice segment sustained stable performance with an increase of approximately 3.1% in revenue as compared to FY2024. Despite the market uncertainty, the Group continued to cautiously expand its network with the opening of new medical centres in Tsuen Wan, Tsim Sha Tsui and Causeway Bay, further improving accessibility and consolidating its presence across key districts. Such strategic footprint expansion ensures that comprehensive and reliable primary care services remain within reach for a broader population, aligning with the Group’s mission of fostering community health.

The Group remains committed to prudent, demand-driven growth in its general practice operations, continuously raising service quality and operational efficiencies to meet evolving patient expectations.



BUSINESS REVIEW AND OUTLOOK *(continued)*

Business Review for FY2025 *(continued)*

Strengthened Position in Specialties Segment

The specialties segment delivered notable growth during FY2025, fuelled by the ongoing engagement of specialists across multiple disciplines and the expansion of advanced service offerings. The revenue generated from specialties services during FY2025 amounted to approximately HK\$165.8 million (FY2024: approximately HK\$134.0 million), reflecting a year-on-year growth of approximately 23.8%. Of particular highlight was the sustained development of the Group's eye care services under the POLYEYE brand at the mega health hub located at Star House in Tsim Sha Tsui, which enhanced its service capacities and coverage by engaging more ophthalmologists and optometrists, and strengthened its portfolio with sophisticated treatments such as LipiFlow for meibomian gland dysfunction.

In addition, POLYEYE eye care centre continued its commitment to social responsibility through initiatives such as launching the 'Eye Caring for the Elderly' campaign by donating cataract surgery quotas which worth over HK\$2 million during FY2025 and has actively participated various Public-Private Partnership Programmes such as "Cataract Surgeries Programme" by providing options to cataract patients who have been on Hospital Authority clusters' routine cataract surgery waiting lists for a specified period and "Glaucoma Public-Private Partnership Programme" by providing the choice to patients who are receiving glaucoma treatment in Hospital Authority for receiving private specialist services, further consolidating its reputation as a trusted leader in specialised eye health.

The Group also extended its integrated clinical operating system to all of its specialties centres during FY2025, streamlining clinical processes, facilitating more seamless multi-disciplinary care, and refining the overall patient journey.

Navigating Challenges and Strategic Developments in Dental Segment

The Group's dental segment faced intensified competition throughout FY2025 due to the challenges from the convergence in the Greater Bay Area, leading to a slight decline in revenue excluding acquisitions. Nevertheless, the Group adopted a forward-looking strategy to solidify its presence and long-term prospects in this market.

During FY2025, the Group successfully completed the acquisition of Monarch Dental, a reputable dental group with established dental centres in Hong Kong. Details are set out in the announcements of the Company dated 3 January 2025, 25 February 2025 and 28 February 2025. The revenue generated from dental services during FY2025, including revenue from Monarch Dental after completion of acquisition amounted to approximately HK\$67.8 million, reflecting a year-on-year growth of approximately 15.9%. This strategic acquisition is expected to expand the Group's market share by broadening the Group's customer base and reaching out to more new patients by expanding its dental service network and coverage. Monarch Dental's experienced dental practitioners and strong local brand recognition complement the Group's existing operations, enriching its service mix and enhancing capacity to meet diverse patient needs.

Management Discussions and Analysis

BUSINESS REVIEW AND OUTLOOK *(continued)*

Business Review for FY2025 *(continued)*

Navigating Challenges and Strategic Developments in Dental Segment *(continued)*

As a result of the acquisition, the service points of dental services of the Group had expanded from 15 to 35, an increase of 133% as compared with that of FY2024. In addition to expanding patient reach and strengthening the Group's footprint in the dental healthcare market, this acquisition provides opportunities for cross-referral and collaboration across the Group's platforms. Looking forward, the Group will focus on leveraging these synergies to improve operational efficiency, capture new market opportunities, and deliver a more comprehensive range of high-quality dental and oral health solutions to the community.

Sustained Development of Healthy Square H2

During FY2025, Healthy Square H2, located at Star House in Tsim Sha Tsui, continued to develop as an integrated health hub, offering a comprehensive suite of medical and wellness services. Meanwhile, the multifunctional spaces within Healthy Square H2 sustained their role in advancing community health literacy through ongoing health talks and workshops.

Healthy Square H2 is equipped with a community pharmacy, supplying pharmaceutical products and medication consultancy services. During FY2025, H2 pharmacy has offered various services including pharmacist medication counselling service for the use of medication and other pharmaceutical enquiries, "stand-by medications" and prescription dispensing services as well as nutrition advice and health screening services, aim to enhance patients' choices and experience.

Additionally, the Day Procedure Centre under the WeHealth brand improved its operational efficiency and utilisation rates, reflecting the Group's strategy to shift appropriate medical procedures from hospital settings to cost-effective and patient-friendly day care environments.



BUSINESS REVIEW AND OUTLOOK *(continued)*

Business Review for FY2025 *(continued)*

Sustained Development of Healthy Square H2 *(continued)*

Preventive care remained a key focus of the Group. The Group continued to actively promote check-up packages featuring advanced diagnostics such as FibroScan and DEXA and variety of vaccination services through its Impact Health at Healthy Square H2 and e-shop platforms. Regular daily consultations and educational seminars were also organised to encourage proactive health management, reinforcing the Group's commitment to fostering long-term wellness.

By fostering long-lasting customer relationships and cultivating an environment built on trust and consistent care, Healthy Square H2 further elevated the customer experience, fully aligning with the Group's mission to provide highly personalised and outstanding healthcare and wellness services.

Expanded Digital Platforms and Customer Engagement

The Group made substantial progress in digital transformation during FY2025. In addition to the implementation of integrated clinical operating system, an omnichannel messaging platform was also launched, thereby optimising appointment bookings and real-time engagement. A queuing system with a dedicated lane for elderly patients was rolled out in most medical centres, streamlining service flow and enhancing customer satisfaction. Additionally, a medical concierge service was introduced to coordinate specialty and check-up appointments, delivering more personalised support. As a whole, these initiatives exemplify the Group's commitment to embedding technology across operations to enhance care quality and efficiency.

Underpinned Partnerships and Public-Private Collaboration

During FY2025, the Group sustained its close collaboration with the Hong Kong Government by actively participating in public health initiatives, including the Seasonal Influenza Vaccination Scheme, Pneumococcal Vaccination Programme, Chronic Disease Co-care Programme ("**CDCC Programme**"), and the Colorectal Cancer Screening Programme ("**CRC Programme**"). In addition, the Group is actively cooperating with the Hong Kong Government for the connection with the comprehensive healthcare information infrastructure that integrates healthcare data sharing, service delivery and care journey management. This enhancement of the infrastructure will help to build up a comprehensive personal electronic health record for the public and better support the healthcare system reform, including promoting primary healthcare, enhancing process efficiency and facilitating cross-boundary services, so that members of the public can receive more coherent and quality healthcare services. The continuous partnerships with the Hong Kong government underscore the Group's vital role in supporting the broader community healthcare ecosystem and advancing public health objectives.

Management Discussions and Analysis

BUSINESS REVIEW AND OUTLOOK *(continued)*

Business Review for FY2025 *(continued)*

Resilient Operations in the PRC Market

The Group's operations in the People's Republic of China ("PRC") remained stable throughout FY2025, with services primarily delivered through the Shanghai Human Health Integrated Medical Centre (上海盈健門診部), managed by Pingan Yingjian Medical Management (Shanghai) Limited* (平安盈健醫療管理(上海)有限公司), an associate of the Group. Despite macroeconomic pressures, the demand for high-quality medical aesthetic services exhibited resilience, reinforcing the Group's reputation for service excellence in the PRC market.

Motivating Brand Recognitions and Industry Accolades

The Group's unwavering commitment to service quality, patient focus, and community impact was recognised through multiple industry awards during FY2025, including:

- The **Happy Company Award** (開心工作間) presented by the Promoting Happiness Index Foundation and the Hong Kong Productivity Council for over ten consecutive years, affirming the Group's commitment to cultivating a supportive and fulfilling work environment.
- The **Health Partnership Award 2024 – Outstanding Integrated Medical and Health Service Award (2024健康同行夥伴大獎：傑出綜合醫健服務獎)** from ETNet, recognising the Group's outstanding delivery of holistic medical and health services to the community.
- The **Hong Kong Power Brand 2023/2024** accolade awarded by the Hong Kong Institute of Marketing (HKIM), which highlights the Group's robust brand presence and reputation for quality.
- The highest distinction of **"Super MD" under the ERB Manpower Developer Award Scheme (ERB人才企業嘉許計劃「Super MD」殊榮)** by the Employees Retraining Board, underlining the Group's exceptional achievements in workforce development and investment in human capital.

The accolades collectively accentuate the Group's industry leadership and enduring commitment to service excellence, innovation, and community care.



* For identification purpose only

BUSINESS REVIEW AND OUTLOOK *(continued)*

Business Review for FY2025 *(continued)*

Professional Services Provided by the Group

As at 30 June 2025, the Group operated 62 medical centres, 1 day procedure centre, 3 retail centres, and 1 community pharmacy across Hong Kong, comprising a total of 128 service points under its flagship brands.



As a leading and comprehensive healthcare service provider in Hong Kong, the Group sustained its prominent market position during FY2025 by delivering an extensive array of healthcare services which encompass, but are not limited to, general practice services, specialties services, dental services, eye care services, Chinese medicine, physiotherapy, outreach, rehabilitation and case management, diagnostics and imaging, day procedure and endoscopy, medical aesthetic and wellness services, as well as the sale of healthcare products and services. This broad portfolio is designed to meet the diverse medical and wellness needs of customers, ensuring a holistic approach to their healthcare requirements.

Management Discussions and Analysis

BUSINESS REVIEW AND OUTLOOK *(continued)*

Business Review for FY2025 *(continued)*

Professional Services Provided by the Group *(continued)*

During FY2025, the Group provided the following comprehensive healthcare services:

General Practice Services	Specialties Services	Dental Services
• General consultation • Diagnostic and preventive healthcare services • Minor procedures • Vaccinations • Physical check-ups • Health education activities • Occupational health advices • Work injury assessment • Chinese medicine • Telemedicine • COVID-19 related services • Outreach services • Sale of healthcare related products and services • Rehabilitation and case management services	Specialties • General surgery • Orthopaedics and traumatology • Ophthalmology • Otorhinolaryngology • Paediatrics • Obstetrics and gynaecology • Gastroenterology & hepatology • Cardiology • Paediatric surgery • Dermatology and venereology • Psychiatry • Urology • Nephrology • Clinical Oncology • Neurosurgery • Anaesthesiology • Radiology • Public Health Medicine Other Services • Physiotherapy • Medical aesthetics • Medical diagnostic • Day Procedure and Endoscopy • Nutritionist services • Health and wellness services • Trading of wellness related products	General Dentistry • Dental Implant • Root Canal Therapy • Microscopic Endodontics • Crown, Bridge & Denture • Minor Oral Surgery • Root Planing • Orthodontic Treatment (Brace, Clear Aligner) • 3D Guided Implant Surgery • 3D Intraoral Scanning • Intraoral Digital Impression • MADs for obstructive sleep apnea • CAD/CAM Dentistry • Laser Dentistry • Cone-beam Computed Tomography • Cephalometric Imaging • Panoramic Radiography • Filling and Extraction • Dental Scaling Cosmetics Dentistry • Teeth Whitening • Laser Gum Bleaching • Graphite Tattoo Removal • Gingival Margin Recontouring • Upper Lip Repositioning • Veneer Specialist Dentistry • Endodontics • Orthodontics • Prosthodontics • Periodontics • Oral and Maxillofacial Surgery Other Services • Same-day Dental Service • Emergency Dental Treatment • Complex Dental Surgery • Dental Treatment under Monitored Anesthesia Care

BUSINESS REVIEW AND OUTLOOK *(continued)*

Business Review for FY2025 *(continued)*

Professional Services Provided by the Group *(continued)*

The Group's market standing is driven by its highly proficient and seasoned team of healthcare professionals. Its dedicated workforce encompasses general practitioners, specialists, dentists, alongside a comprehensive range of specialised experts including clinical psychologist, physiotherapist, radiographer, optometrist, registered nurse, pharmacist, dental hygienist, case manager, and rehabilitation manager. With 431 members in total, this diverse and capable team is instrumental in consistently delivering comprehensive, professional, and person-centred care to the community.

Business Outlook

Looking ahead, the Board remains cautiously optimistic about the healthcare sector's outlook. Despite persistent global economic headwinds, the Group anticipates sustained demand driven by growing health awareness, an ageing population, and the community's growing expectations for personalised and high-quality care. Building on the foundations laid in FY2025, the Group is well positioned to advance its objectives and capture emerging opportunities.

Strategic Business Development

In FY2025, the Group expanded its general practice footprint by launching new medical centres in various locations of Hong Kong, which improved its service accessibility and outreach. Moving forward, the Group will maintain its strategy of expanding the general practice network through carefully selected locations that meet emerging patient demand.



Management Discussions and Analysis

BUSINESS REVIEW AND OUTLOOK *(continued)*

Business Outlook *(continued)*

Strategic Business Development *(continued)*

In parallel, within the specialties segment, particularly eye care under the POLYEYE brand, the Group deepened service offerings through the introduction of new procedures and engagement of additional professionals. The Group intends to continue to extend its specialties capacities by expanding the scope of services in key areas.

In the dental segment, following the acquisition of Monarch Dental which was a strategic move that could enhance the Group's presence and offerings in the dental services market, the Group will continue to navigate market challenges with resilience and foresight.

Additionally, the Day Procedure Centre at Healthy Square H2 has demonstrated enhanced efficiency and utilisation throughout FY2025. In the coming year, the Group will further utilise its Day Procedure Centre to further migrate appropriate procedures from traditional hospital environments, driving greater operational efficiencies and elevating patient convenience.

Deepening Digitalisation and Driving Operational Efficiencies

Following the full implementation of integrated clinical operating system and an omnichannel messaging platform across most medical centres in FY2025, the Group has significantly improved clinical workflow coordination, appointment handling and enquiry response. Building on this momentum, the Group plans to further advance its digital capabilities by exploring innovative technologies for data management, patient engagement, and telehealth services with an aim to create even more seamless, person-centric experiences. The digital advancements will support smarter resource utilisation, improve clinical coordination, and enhance the delivery of consistent, high-quality care.

BUSINESS REVIEW AND OUTLOOK *(continued)*

Business Outlook *(continued)*

Talent Engagement and Multi-Segment Collaboration

Attracting and nurturing professional talent remains integral to the Group's growth blueprint. By continuing to invest in a diverse and talented team, the Group ensures patients receive comprehensive, coordinated care across all touchpoints. During FY2025, the Group expanded its workforce to support new centres and specialised service lines. Looking forward, it will continue to attract, develop, and retain skilled professionals across disciplines to strengthen its multi-segment model and meet growing patient demand.

Ongoing Public-Private Partnerships and Community Engagement

The Group will uphold its partnerships with the Hong Kong Government by remaining actively involved in vaccination programmes, the CDCC Programme, the CRC Programme, other Public-Private Partnership Programmes and community health initiatives. In addition, the Group will continue to cooperate with the Hong Kong Government for the connection with the comprehensive healthcare information infrastructure, aims to build up lifelong and more comprehensive health records for individual healthcare, as such, enable more timely and accurate diagnosis and treatment for the public. With these efforts, the Group reinforces its position as a key contributor to public health infrastructure and societal wellness.

At the heart of its operations, the Group will continue to champion strong corporate governance and responsible business practices. Environmental stewardship, ethical conduct, and active community involvement are deeply embedded in the Group's mission to foster human health and broader societal well-being. Through initiatives that promote inclusivity, diversity, and sustainable practices, the Group aspires to create positive, enduring impacts on the communities it serves.



Management Discussions and Analysis

BUSINESS REVIEW AND OUTLOOK *(continued)*

Business Outlook *(continued)*

Strengthening Brand Loyalty and Medical and Wellness Ecosystem

Efforts to enhance brand engagement through platforms such as the e-shop membership and H2 Rewards App will remain a strategic priority. These initiatives build deeper connections with customers, drive repeat patronage, and support the Group's vision of delivering integrated, relationship-based healthcare.

In addition, continuous collaboration with strategic partners and the government, along with the establishment of the mega health hub Healthy Square H2, position the Group for sustainable growth and solidify its leading posture in strengthening its medical and wellness ecosystem and to ensure its sustainable development and deliver high quality healthcare services in the face of a complex and unpredictable economic landscape.

Path Forward

Overall, the Group remains well-positioned to strengthen its leadership in the healthcare sector through strategic network expansion, deepened digitalisation, talent engagement, sustained strategic collaborations and stakeholders engagement. By continuously refining its operations and aligning with evolving customer needs, the Group is committed to delivering long-term value to its stakeholders and advancing its mission of providing comprehensive, person-focused healthcare services.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, the Group had net current assets of approximately HK\$383.9 million (as at 30 June 2024: approximately HK\$397.8 million) which included cash and cash equivalents and pledged deposits of approximately HK\$440.9 million (as at 30 June 2024: approximately HK\$490.6 million).

As at 30 June 2025, the Group had interest-bearing bank borrowings of approximately HK\$16.8 million which comprise (i) bank mortgage loans of approximately HK\$8.2 million (as at 30 June 2024: approximately HK\$31.0 million) which will be matured in 2036 at an interest of Hong Kong Interbank Offered Rate plus 1.2%; and (ii) interest-bearing bank borrowings of approximately HK\$8.6 million (as at 30 June 2024: nil) which will be matured in 2034 at an interest of Hong Kong Prime rate minus 2.25%. In the prior year, the Group had the interest-bearing bank borrowings of approximately HK\$0.5 million which was matured in 2024 at an interest of Hong Kong Interbank Offered Rate plus 1.75%.

As at 30 June 2025, the Group had unutilised loan facility of approximately HK\$100.0 million (as at 30 June 2024: approximately HK\$20.2 million). All the interest-bearing bank borrowings and unutilised loan facility were held in Hong Kong dollars and the cash and cash equivalents and pledged deposits were held in Hong Kong dollars and Renminbi.

As at 30 June 2025, the Group's gearing ratio, which is net debt (represents interest-bearing bank borrowings) divided by the adjusted capital plus net debt, is approximately 2.1% (as at 30 June 2024: approximately 4.0%).

CAPITAL STRUCTURE

There was no change in the capital structure of the Company during FY2025. The capital of the Company comprises ordinary shares and other reserves.

CHARGES ON GROUP ASSETS

As at 30 June 2025, a fixed deposit of approximately HK\$1.0 million (as at 30 June 2024: approximately HK\$1.0 million) has been pledged to a bank as collateral security for banking facilities granted to the extent of HK\$1.0 million. Properties which were held by the Group have been pledged to banks for the bank mortgage loans of approximately HK\$8.2 million (as at 30 June 2024: approximately HK\$31.0 million).

FOREIGN EXCHANGE EXPOSURE

The Group conducts business primarily in Hong Kong and the PRC with most of the transactions denominated and settled in Hong Kong dollars and Renminbi. Currently, the Group has not entered into any foreign exchange contracts or other financial instruments to hedge against the fluctuations in the exchange rate between Renminbi and Hong Kong dollars. However, the Group monitors foreign exchange exposure regularly and would consider if there is a need to hedge against significant foreign currency exposure when necessary.



Management Discussions and Analysis

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 3 January 2025, the Company, Rank Best Group Limited ("**Rank Best**", an indirect wholly-owned subsidiary of the Company), Monarch Medical Holdings Limited (the "**Vendor**") and Dr. Cheung Yu Lung ("**Dr. Cheung**"), entered into the sale and purchase agreement, pursuant to which Rank Best conditionally agreed to purchase, and the Vendor conditionally agreed to sell, 7,500 ordinary shares of Monarch Dental, representing 75% of the total issued share capital of Monarch Dental for a consideration of HK\$38,850,000 (subject to adjustments and the details are set out in the notes to the financial statements in the annual report for FY2025) (the "**Share and Purchase Agreement**" and the transaction contemplated therein, the "**Acquisition**").

All the conditions precedent under the Sale and Purchase Agreement have been satisfied or waived and completion took place on 28 February 2025. Upon completion of the Acquisition, Monarch Dental has become an indirect non wholly-owned subsidiary of the Company and the financial results of Monarch Dental has consolidated into the consolidated financial statements of the Group. Dr. Cheung, through the Vendor, holds the remaining 25% of the issued share capital of Monarch Dental.

As part of the shareholders' agreement in relation to Monarch Dental entered into by Monarch Dental, Rank Best and the Vendor on 28 February 2025 (the "**Shareholders' Agreement**"), the Vendor was granted the put option (the "**Put Option**") to require Rank Best to purchase all of its shares in Monarch Dental in accordance with the terms and conditions of the Shareholders' Agreement.

As the highest applicable percentage ratio in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**").

As the highest applicable percentage ratio in respect of the grant of the Put Option, when aggregated with the Acquisition, is more than 5% but less than 25%, the grant of the Put Option, when aggregated with the Acquisition, constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Details of the Acquisition and the Put Option are set out in the announcement of the Company dated 3 January 2025, the supplemental announcement of the Company dated 25 February 2025 and the completion announcement of the Company dated 28 February 2025.

Save as disclosed above, there was no material acquisitions or disposals of subsidiaries, associates and joint ventures during FY2025 and up to the date of this annual report.

SIGNIFICANT INVESTMENTS

On 29 May 2019, Actwise Limited (“**Actwise**”), a wholly owned subsidiary of the Company, and Inno Healthcare Limited (“**Inno Healthcare**”), the general partner of New Journey Healthcare LP, a Cayman Islands exempted limited partnership (“**Limited Partnership**”), entered into a subscription agreement (the “**LP Subscription Agreement**”), pursuant to which Actwise subscribed for partnership interests in the Limited Partnership with the capital commitment of RMB30 million. Following the acceptance of the LP Subscription Agreement by Inno Healthcare on the same day, Actwise is admitted as a limited partner to the Limited Partnership by entering into a limited partnership agreement (the “**Limited Partnership Agreement**”). As at 30 June 2025, Actwise was the holder of approximately 73.2% of the partnership interest in the Limited Partnership and the Limited Partnership was registered as the holder of 1,684,808 shares of New Journey Health Group Limited (formerly known as New Journey Hospital Group Limited).

The investment objective of the Limited Partnership is to invest in New Journey Health Group Limited, a holding company of an integrated hospital group in the PRC which primarily engages in the operation of hospitals, primary medical care, internet medical care services, cross border medical care services, elderly care services, supply chain centres and radiotherapy services.

Details of the LP Subscription Agreement and the Limited Partnership Agreement are set out in the announcements of the Company dated 29 May 2019, 9 July 2019 and 10 January 2020.

The investment in the Limited Partnership is stated at fair value and is recorded as “financial assets at fair value through profit or loss” in the consolidated statement of financial position. As at 30 June 2025, the fair value of the investment in the Limited Partnership amounted to approximately HK\$63.2 million, which represents approximately 5.9% of the total assets of the Group as at 30 June 2025. A fair value gain of approximately HK\$1.3 million was recorded as at 30 June 2025. No dividend was received from this investment by the Group for FY2025.



Management Discussions and Analysis

SIGNIFICANT INVESTMENTS *(continued)*

The investment strategy of the Group in the Limited Partnership would be enhancing investment returns for the Group by realising the capital gains of the Limited Partnership at the end of the term of the Limited Partnership as well as establishing relationship with business partners in the PRC market, connecting the PRC hospitals and exploring business opportunities so as to facilitate the development of the business of the Group in the PRC.

As disclosed in the announcement of the Company dated 10 July 2024, the term of the Limited Partnership has been expired on 29 May 2023 and has been extended for one year to 28 May 2024 pursuant to the Limited Partnership Agreement. Inno Healthcare and the limited partners entered into an amendment agreement to the Limited Partnership Agreement on 10 July 2024 to amend the Limited Partnership Agreement for the further extension of term until 31 December 2024. As disclosed in the announcements of the Company dated 23 December 2024 and 25 June 2025, Inno Healthcare and the limited partners entered into a consent of extension of term of the Limited Partnership Agreement to further extend the term until 30 June 2025 and 30 June 2026 respectively. For further details, please refer to the Company's announcements dated 10 July 2024, 23 December 2024 and 25 June 2025.

Save as disclosed above, the Group did not hold any significant investments during FY2025.

CAPITAL COMMITMENTS

	As at 30 June	
	2025	2024
	HK\$'000	HK\$'000
Contracted, but not provided for: Capital expenditure	2,180	179

The expected source of funding for such capital commitments would be internal resources of the Group.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30 June 2025 (as at 30 June 2024: Nil).

EMPLOYEES

As at 30 June 2025, the Group had 402 full-time employees (as at 30 June 2024: 388) and 207 part-time employees (as at 30 June 2024: 355).

We recruit personnel from the open market and we formulate our recruitment policy based on market conditions, our business demand and expansion plans. We offer different remuneration packages to our employees based on their positions. Generally, we pay basic salaries and incentives (based on years of service) to all of our employees. To enhance the quality of our services, we adopt prudent assessment criteria when selecting the Group's professional staff including physiotherapist, radiographer, optometrist, pharmacist, registered nurse, dental hygienist and nutritionist, etc, and take into account a number of factors such as experience, skills and competencies. We assess their credentials and suitability through interviews and aptitude tests as appropriate. We also provide training programmes regularly for our employees at different levels. Details of our human resources programs, training and development will be set out in the "Environmental, Social and Governance Report" in the annual report for FY2025.

EXECUTIVE DIRECTORS

Mr. CHAN Kin Ping, BBS, JP (陳健平) (formerly known as Chan Kin Ping (陳建平)) (“**Mr. Chan**”), aged 61, is the chairman of the Board, chief executive officer of our Group and an executive Director. He is the founder of our Group and has since then been leading our Group for over 28 years to serve in the private healthcare industry. He is responsible for managing the overall operations and developments and formulating the overall business plans of our Group. As at the date of this annual report, Mr. Chan held directorship in each of the members of the Group except Healthvision (Asia) Limited, Win Ocean Limited, Monarch Dental, Champion Max Global Limited and Human Health Enterprise Management Consulting (Shanghai) Co., Ltd.* (盈健企業管理諮詢(上海)有限公司) (“**Yingjian Qiye**”).

Mr. Chan obtained a degree of Master of Business Administration from the University of South Australia in August 2008.

Mr. Chan has been appointed to various public offices, such as Council Member of China Overseas Friendship Association, Member of the Shenzhen Chinese People’s Political Consultative Conference, the Vice President of Shenzhen Overseas Friendship Association, Member of the Election Committee, HKSAR, the Examiner of Accounts of The Lok Sin Tong Benevolent Society, Kowloon, the Vice Chairman of Auxiliary Medical Services Officers’ Club, the Executive Committee Member of the Hong Kong Professionals and Senior Executives Association, Committee Member of Advisory Committee of the Partnership Fund for the Disadvantaged, the Vice President of the Hong Kong Real Property Federation, the Advisor of Our Hong Kong Foundation Limited, Vice President of Hong Kong Justice of the Peace Association Limited and Member of Commission on Children.

Mr. Chan is the husband of Dr. Pang Lai Sheung, the chief medical officer of our Group and an executive Director, and the uncle of Mr. Poon Chun Pong, the chief operating officer of our Group and an executive Director.

Mr. Chan is a director of Treasure Group Global Limited (“**Treasure Group**” or the “**Associated Corporation**”), the controlling shareholder of the Company.

Dr. PANG Lai Sheung (彭麗嫦) (“**Dr. Pang**”), aged 58, was appointed as the chief medical officer of our Group and is an executive Director. Dr. Pang is the founder of our Group and is mainly responsible for overseeing and providing advice on the management of our medical team and has contributed significantly to the developments of our Group. As at the date of this annual report, Dr. Pang held directorship in a number of members of the Group, namely Actmax Limited, Human Health Associate Limited, Human Health International Limited, Human Health Limited, Human Health Medical Services Limited, Human Health (H.K.) Limited, Novel Champion Limited, Novel Wiser Limited, Solid Success Global Limited and Happy Reach Limited.

Dr. Pang obtained degrees of Bachelor of Medicine and Bachelor of Surgery from The Chinese University of Hong Kong in 1993. Dr. Pang has been a registered medical practitioner in Hong Kong since 1993. Dr. Pang also completed a Diploma in Family Medicine and a Diploma Programme in Advances in Medicine from The Chinese University of Hong Kong in August 2001 and March 2005, respectively. Dr. Pang was awarded a degree of Master of Business Administration issued jointly by Northwestern University and The Hong Kong University of Science and Technology in December 2014.

* For identification purpose only

Directors, Senior Management and Company Secretary

EXECUTIVE DIRECTORS *(continued)*

Dr. Pang has been an Honorary Clinical Assistant Professor in Faculty of Medicine of The Chinese University of Hong Kong since June 2014.

Dr. Pang is the wife of Mr. Chan, the chairman of the Board, chief executive officer of our Group and an executive Director. She is also the aunt of Mr. Poon Chun Pong, the chief operating officer of our Group and an executive Director.

Mr. POON Chun Pong (潘振邦) ("Mr. Poon"), aged 47, joined our Group in June 2003 and was appointed as the chief operating officer in September 2013. Mr. Poon is an executive Director and is mainly responsible for overseeing the overall business operations of our Group. Mr. Poon has extensive experience in areas of management, operations and information technology in the medical field. As at the date of this annual report, Mr. Poon held directorship in a number of members of the Group, namely Actwise, Be Health Specialist Limited, Healthvision (Asia) Limited, We Health Medical Diagnostic Limited, Impact Medical Imaging Centre Company Limited, Human Health Medical Network Services Limited, Polywell Limited, Vision Plus Eye and Surgery Centre Limited, Win Ocean Limited, Monarch Dental, Champion Max Global Limited and Yingjian Qiye.

Mr. Poon obtained a degree of Bachelor of Engineering with Honours and a degree of Master of Business Administration from The Chinese University of Hong Kong in December 2000 and December 2009, respectively.

Mr. Poon has been appointed as a Visiting Lecturer (Part time) in the Knowledge Transfer and Entrepreneurship Office of The Hong Kong Polytechnic University since March 2021.

Mr. Poon is the nephew of Mr. Chan, the chairman of the Board, chief executive officer of our Group and an executive Director, and Dr. Pang, the chief medical officer of our Group and an executive Director.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. LUI Sun Wing (呂新榮) ("Dr. Lui"), aged 75, was appointed as an independent non-executive Director on 27 January 2016. Dr. Lui obtained his degree of Doctor of Philosophy (Mechanical Engineering) from the University of Birmingham in the United Kingdom in July 1979 and was admitted as a member of the Hong Kong Institution of Engineers in 1985.

Dr. Lui is the former vice president of The Hong Kong Polytechnic University and was responsible for partnership development. He is also the former chief executive officer of the Institute for Enterprise, the PolyU Technology and Consultancy Company Limited and the PolyU Enterprise Limited. Prior to joining The Hong Kong Polytechnic University, Dr. Lui was the branch director of the Hong Kong Productivity Council and in charge of the Materials and Process Branch.

INDEPENDENT NON-EXECUTIVE DIRECTORS *(continued)*

Dr. Lui's past and current directorships in listed companies in Hong Kong in the last three years are set forth in the following table:

Company	Stock Code	Position	Term
Eco-Tek Holdings Limited	08169	Non-executive director	Since January 2001
TEN PAO GROUP HOLDINGS LIMITED	01979	Independent Non-executive Director	Since July 2024

In addition, Dr. Lui also as a Deputy Chairman and Honorary Advisor of the Hong Kong Federation of Innovation Technologies and Manufacturing Industries, the President of Hong Kong Society of Astronautics as well as the Founding President and Honorary President of the Hong Kong Federation of Invention and Innovation.

Mr. CHAN Yue Kwong Michael (陳裕光) ("Mr. Michael Chan"), aged 73, was appointed as an independent non-executive Director on 27 January 2016. He obtained a degree in Sociology and Political Science and a degree of Master of City Planning from the University of Manitoba, Canada in May 1974 and October 1977, respectively and an Honorary Fellow from Lingnan University in December 2009.

Having worked as a professional town planner for various government bodies in Hong Kong and Canada, he has considerable experience in planning and management.

Mr. Michael Chan is currently a fellow and also the honorary chairman of the Hong Kong Institute of Marketing, and the fellow member of the Hong Kong Management Association. In past years, Mr. Michael Chan was personally bestowed with the "Executive of the Year Award" by the Hong Kong Business Awards and the "Directors of the Year Award" by The Hong Kong Institute of Directors, in 2001 and 2003 respectively.

Mr. Michael Chan's past and current directorships in listed companies in Hong Kong in the last three years are set forth in the following table:

Company	Stock Code	Position	Term
Cafe de Coral Holdings Limited	00341	Non-executive director	Since April 2012
Starlite Holdings Limited	00403	Independent non-executive director	Since January 1993
Pacific Textiles Holdings Limited	01382	Independent non-executive director	Since March 2007
Tse Sui Luen Jewellery (International) Limited	00417	Independent non-executive director	Since August 2010
Tao Heung Holdings Limited	00573	Non-executive director	Since March 2007
Modern Dental Group Limited	03600	Independent non-executive director	Since November 2015

Directors, Senior Management and Company Secretary

INDEPENDENT NON-EXECUTIVE DIRECTORS *(continued)*

Mr. Chan Hey Man (陳希文) ("Mr. John Chan"), aged 44, was appointed as an independent non-executive Director on 1 October 2024. Mr. John Chan has around 21 years of experience in corporate finance, finance and management, and was involved in the listing and multiple corporate financing projects of S.F. Holding Co., Ltd. (stock codes: 002352.SZ and 6936.HK) (together with its subsidiaries, collectively the "**SF Holding Group**"). Mr. John Chan joined SF Holding Group in February 2014, and served successively as the deputy director of financial analysis of finance department, and head of investor relations department between February 2014 and February 2023. Mr. John Chan has been appointed as the chief financial officer of Hangzhou SF Intra-city Industrial Co., Ltd. (stock code: 9699.HK) ("**SF Intra-city**") since March 2023 and has been appointed as an executive director of SF Intra-city and a supervisor of multiple subsidiaries of SF Intra-city since April 2023. Mr. John Chan also has extensive experience in auditing and financial analysis and worked in KPMG (Beijing office and Hong Kong office) from August 2003 to December 2009 with his last position as an audit manager.

Mr. John Chan obtained a bachelor's degree in accounting from City University of Hong Kong in November 2003, and also obtained a master's degree in business administration from Saïd Business School, Oxford University in November 2013. Mr. John Chan has been accredited as a certified public accountant by the Hong Kong Institute of Certified Public Accountants (HKICPA) since January 2008.

Mr. SIN Kar Tim (冼家添) ("Mr. Sin") (retired on 2 December 2024), aged 69, was appointed as an independent non-executive Director on 27 January 2016. Mr. Sin has extensive experience in areas of accounting, finance, administration, human resources and company secretarial.

Mr. Sin obtained a degree of Bachelor of Business Administration from The Chinese University of Hong Kong in December 1980. He is currently a fellow of the Association of Chartered Certified Accountants and an associate of the Hong Kong Institute of Certified Public Accountants. He is also a fellow of the Hong Kong Institute of Directors.

Mr. Sin has been working for Wing On Group since July 1980. He is currently the chief accountant and company secretary of Wing On Company International Limited, a company listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (Stock Code: 00289), the chief accountant of The Wing On Company Limited and a director of The Wing On Department Stores (Hong Kong) Limited and he is responsible for the group's administration, accounting and finance matters.

SENIOR MANAGEMENT

Mr. CHAN Kin Ping, BBS, JP (陳健平), aged 61, is the chairman of the Board, chief executive officer of our Group and an executive Director. He is responsible for managing the overall operations and developments and formulating the overall business plans of our Group. Mr. Chan's biographical details are set out in the section headed "Executive Directors" in the "Directors, Senior Management and Company Secretary" of this annual report.

Dr. PANG Lai Sheung (彭麗嫦), aged 58, is the chief medical officer of our Group and an executive Director. She is responsible for overseeing and providing advice on the management of our medical team of our Group. Dr. Pang's biographical details are set out in the section headed "Executive Directors" in the "Directors, Senior Management and Company Secretary" of this annual report.

Mr. POON Chun Pong (潘振邦), aged 47, is the chief operating officer of our Group and an executive Director. He is responsible for overseeing the overall business operations of our Group. Mr. Poon's biographical details are set out in the section headed "Executive Directors" in the "Directors, Senior Management and Company Secretary" of this annual report.

Dr. CHAN Tin Wai, David (陳天衛) ("Dr. David Chan"), aged 60, was appointed as the chief financial officer of our Group in February 2023. He is responsible for overseeing the financial, compliance, risk and human resources management of our Group. He obtained an LLB (Hons) degree and a degree of Master of Law from the University of London, a degree of Master of Accounting from Curtin University of Australia and a Doctorate degree in Business Administration from the University of Newcastle in Australia. He is a fellow member of the Institute of Chartered Accountants in England and Wales, the Association of Chartered Certified Accountants, the Chartered Governance Institute (CGI), the Hong Kong Institute of Certified Public Accountants, the Hong Kong Chartered Governance Institute (HKCGI) and the Taxation Institute of Hong Kong.

Dr. David Chan had worked in several multinational and Hong Kong blue chip companies and has over 30 years of experiences in overseeing corporate finance, merger and acquisition activities, accounting, company secretarial, legal, administration and human resource functions.

Dr. David Chan was recognised as "Leaders of Excellence" by Capital Magazine in 2013 and was awarded "Best IR by CFO – mid cap" by HK Investor Relation Association in 2016.

Dr. David Chan is also the independent non-executive director of Carote Ltd, a company listed on the Main Board of the Stock Exchange (Stock Code: 2549).

Directors, Senior Management and Company Secretary

SENIOR MANAGEMENT *(continued)*

Dr. SETO Siu Keung (司徒少強) ("Dr. Seto"), aged 59, joined our Group in August 2008 and was appointed as our co-head of dental unit in July 2015 and is responsible for overseeing the quality of the dental services and providing training to dentists of our Group. As at the date of this annual report, Dr. Seto held directorship in Poly Dental Services Limited ("**Poly Dental**"), a member of the Group. Dr. Seto is a dentist, who graduated with a Bachelor in Dental Surgery from the Faculty of Dentistry of the University of Hong Kong in December 1992. He then obtained his Diploma in General Dental Practice from The Royal College of Surgeons of England in February 1996, a Postgraduate Diploma in Dental Surgery from the University of Hong Kong in October 1999 and a Master of Science in Dental Radiology at the University of London in December 2001. In August 2004, he was awarded a Diploma in Clinical Acupuncture by The University of Hong Kong. Subsequently, Dr. Seto switched to laser dentistry where he completed a Master of Science in Lasers in Dentistry in RWTH Aachen University of Germany in September 2007 with distinction. In 2008, he was awarded the Membership in General Dentistry by The College of Dental Surgeon of Hong Kong and in 2009 he obtained the European Master Degree in Oral Laser Application.

Dr. Seto was a part time clinical lecturer in the Faculty of Dentistry of the University of Hong Kong from September 2005 to August 2015. He is currently a specialist clinical lecturer of the Laser and Health Academy and a Fellow of the International College of Continuous Dental Education.

Dr. LAU Wai Man (劉偉文) ("Dr. Lau"), aged 59, joined our Group in August 2008 and was appointed as our co-head of dental unit in July 2015 and is responsible for overseeing the quality of the dental services and providing training to dentist of our Group. As at the date of this annual report, Dr. Lau held directorship in Poly Dental. Dr. Lau is a dentist who graduated with a Bachelor of Dental Surgery from the University of Hong Kong in 1992. Dr. Lau later completed a Diploma of Membership of the Faculty of General Dental Practitioners from The Royal College of Surgeons of England in 2005. In 2014, he received a Membership in General Dentistry from The College of Dental Surgeons of Hong Kong.

COMPANY SECRETARY

Ms. MAN Ching Yan (文靜欣) ("Ms. Man") has joined our Group since May 2015. Ms. Man obtained a bachelor's degree in economics and finance from the University of Hong Kong. Ms. Man is a member of the Hong Kong Chartered Governance Institute (HKCGI) and the Chartered Governance Institute (CGI). Ms. Man is a CFA charterholder and a member of the CFA Institute and The Hong Kong Society of Financial Analysts Limited.

CORPORATE GOVERNANCE PRACTICE

The Company has adopted the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Listing Rules as its own corporate governance framework.

The Board has reviewed the Company’s corporate governance practices to ensure its continuous compliance with the CG Code. Save for the deviations from code provision C.2.1 of Part 2 of the CG Code as disclosed below, the Company has complied with all the applicable code provisions set out in the CG Code, and adopted the recommended best practise of the CG Code in so far as they are relevant and practical, during FY2025.

Under the code provision C.2.1 of Part 2 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company has appointed Mr. Chan Kin Ping, BBS, JP as both the chairman and the chief executive officer of the Company. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership of the Group and enables more effective and efficient overall strategic planning. In addition, since the major decisions of the Group, including but not limited to material transactions undertaken by the Group and corporate governance, will require discussion and approval by all Board members, the Board believes that the other Board members have sufficient power in scrutinising and/or monitoring the exercise of power by the chairman and chief executive officer. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman and chief executive officer of the Company as and when appropriate and suitable by taking into account the circumstances of the Group as a whole.

CORPORATE STRATEGY AND CULTURE

The Group, with comprehensive and strategic medical centre network and professional team members and staff to provide one-stop and quality healthcare services to the public. With an aim to “Elevate Your Health Values, Elevate Your Life”, Human Health has established an extensive general practice, specialties, dental, physiotherapy, health management, diagnostics and imaging, day procedure and endoscopy, rehabilitation and case management, medical aesthetic, Chinese medicine and wellness services as well as sale of healthcare products and services network to provide professional and person-centered care medical and wellness services in Hong Kong.

The Group recognises the value of collaborating with consumers, business partners as well as the government entities and is dedicated to forming a smart medical and wellness ecosystem that revolutionises the approach to health and well-being. We strive to optimise stakeholders engagement and strengthen the diversion of customers by different means and multifold channels by involving and engaging our stakeholders more effectively, co-creating innovative solutions, products and services that cater to the diverse wellness needs of our community, and contributing to the formulation of policies that support our collective wellness objectives. Through the integration of advanced technology, data analytics, and community engagement, we are geared up to make a crucial impact on individual and societal well-being.

Detailed discussions on the Group’s business strategies are set out under the section headed “Management Discussion and Analysis” on pages 7 to 26 of this annual report.

Corporate Governance Report

THE BOARD OF DIRECTORS

Responsibilities

The functions and duties of our Board include, but not limited to, overall strategic directions for the Group, formulating business and investment plans, preparing the annual budget and accounts, preparing proposals on profit distribution as well as performing other authorities, functions and responsibilities in accordance with the third amended and restated articles of association of the Company (the "**Articles of Association**"). Each of the executive Directors who is also the chief executive officer, chief medical officer and chief operating officer, respectively together with our senior management and heads of departments have been delegated with the responsibilities to handle the day-to-day operations of the Group. The Company has adopted a formal schedule of matters specifically reserved for the Board, including but not limited to the following:

- approval for the Company's strategic plans and objectives;
- approval for significant transactions, investments and major financial matters;
- approval of announcements, circulars and reports;
- approval of connected transactions;
- approval of any matters that are recommended by the Board committee pursuant to their terms of reference.

The Board gives clear directions to management on the matters that must be approved by it before decisions are made. The Board will review those arrangements periodically to ensure that they remain appropriate to the Group's needs.

Specifically in relation to the corporate governance function, the Board is responsible for performing the corporate governance duties set out in the code provision A.2.1 of part 2 of the CG Code and, amongst others, as follows:

1. developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board;
2. reviewing and monitoring the training and continuous professional development of Directors and senior management;
3. reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
4. developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to our employees and Directors;

THE BOARD OF DIRECTORS *(continued)*

Responsibilities *(continued)*

5. reviewing the Company's compliance with the CG Code and disclosure in the corporate governance report; and
6. overseeing and reviewing the environmental, social and governance ("**ESG**") issues including the Company's management approach and strategy and progress made against ESG-related goals and targets.

The Board has delegated part of the above duties to the Company's Board committees, and their duties are set out in the terms of reference of the respective Board committee.

During FY2025, the Board reviewed the Company's policies and practices on corporate governance and legal and regulatory compliances and reviewed the corporate governance functions as performed by the Company's Board committees.

All Directors have full and timely access to all relevant information in relation to the Group as well as the advice from and services provided by the company secretary of the Company (the "**Company Secretary**"), if and when required, with a view to ensure that all applicable rules and regulations are being complied with.

There are established procedures for Directors, upon reasonable request, to seek independent advice in appropriate circumstances for them to discharge their duties and responsibilities, at the Company's expenses.

The Company has arranged appropriate liability insurance for the Directors and officers of the Group to indemnify their liabilities arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

Composition

As at the date of this annual report, the Board currently consists of six Directors comprising three executive Directors and three independent non-executive Directors.

Executive Directors

Mr. Chan Kin Ping, BBS, JP (*Chairman and Chief Executive Officer*)

Dr. Pang Lai Sheung (*Chief Medical Officer*)

Mr. Poon Chun Pong (*Chief Operating Officer*)

Independent Non-executive Directors

Dr. Lui Sun Wing

Mr. Chan Yue Kwong Michael

Mr. Chan Hey Man (with effect from 1 October 2024)

Mr. Sin Kar Tim (retired on 2 December 2024)

Corporate Governance Report

THE BOARD OF DIRECTORS *(continued)*

Composition *(continued)*

The biographical details of each Director are set out in the “Directors, Senior Management and Company Secretary” of this annual report.

Save as disclosed in the “Directors, Senior Management and Company Secretary” of this annual report, there is no other relationship (including financial, business, family or other material/relevant relationship), among the Directors.

Chairman of the Board and Chief Executive Officer

Mr. Chan acts as the chairman of the Board and chief executive officer of the Group.

The key role of the chairman of the Board is to provide leadership to the Board. In performing his duties, the chairman of the Board shall ensure that the Board functions effectively when discharging its responsibilities by encouraging Directors to make active contribution to the Board’s affairs. The chairman of the Board also ensures that good corporate governance practices and procedures are established and the Board acts in the best interest of the Company.

The key role of chief executive officer is to be responsible for the day-to-day management and operations of the business of the Group. The duties of chief executive officer mainly include, but not limited to, providing leadership and supervising the effective management of the Group; monitoring and controlling the financial and operational performance of various divisions; and implementing the objectives and strategies approved by the Board and policies adopted by the Group.

Independent Non-executive Directors

During FY2025, the Board at all times met the requirements under Rules 3.10(1) and (2), and 3.10A of the Listing Rules, pursuant to which, the Company has appointed three independent non-executive Directors and representing at least one-third of the Board, and of whom Mr. John Chan has appropriate professional qualifications and related experiences in financial matters.

The Company has received an annual confirmation from each of the independent non-executive Directors confirming his independence pursuant to Rule 3.13 of the Listing Rules, and therefore, the Company considers that all independent non-executive Directors are independent.

Independent views of the Board

The Board currently comprises three independent non-executive directors who have years of experience from different aspects, including but not limited to accounting and finance, engineering and business management. The independent non-executive directors are able to provide independent and appropriate opinions to the Board so as to ensure that the Board can obtain independent views and opinions that it requires when exercising its powers and making major decisions.

THE BOARD OF DIRECTORS *(continued)*

Independent views of the Board *(continued)*

In compliance with code provision B.1.3 of part 2 of the CG Code, the Company has established mechanisms to ensure that independent views and input are available to the Board:

- (a) all members of the Board can seek independent professional advice when necessary to perform their responsibilities in accordance with the Company's policy;
- (b) the Nomination Committee should review the Board composition and the independence, qualification and time commitment of the independent non-executive Directors annually, in particular the proportion of the independent non-executive Directors and the independence of the independent non-executive Directors who have served for more than nine years, where applicable;
- (c) all members of the Board, including the independent non-executive directors, are given an opportunity to include matters in the agenda for Board meetings;
- (d) the Directors who have conflict of interests of matters concerned in the Board meetings, would abstain from voting in the relevant Board resolutions in relation to the transactions;
- (e) all independent non-executive directors shall serve on the audit, remuneration, nomination and other governance committees (if any) to bring independent judgment and views to the governance and policies of the Company.

The Board has conducted an annual review of the implementation and effectiveness of these mechanisms and considered they are in place and are effective.

Appointment and Re-election of Directors

Code provision B.2.2 of part 2 of the CG Code states that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. The term of appointment of each independent non-executive Director are three years.

Pursuant to article 83(3) of the Articles of Association, the directors shall have the power from time to time and at any time to appoint any person as a director either to fill a casual vacancy on the board or as an addition to the existing board. Any director appointed by the board to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any director appointed by the board as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Corporate Governance Report

THE BOARD OF DIRECTORS *(continued)*

Appointment and Re-election of Directors *(continued)*

Pursuant to articles 84(1) and 84(2) of the Articles of Association, notwithstanding any other provisions in the Articles of Association, at each annual general meeting one third of the directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one third) shall retire from office by rotation provided that every director shall be subject to retirement at an annual general meeting at least once every three years. A retiring director shall be eligible for re-election and shall continue to act as a director throughout the meeting at which he retires. The directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any director who wishes to retire and not to offer himself for re-election. Any further directors so to retire shall be those of the other directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any director appointed by the board pursuant to article 83(3) of the Articles of Association shall not be taken into account in determining which particular directors or the number of directors who are to retire by rotation.

Accordingly, Dr. Pang and Dr. Lui will retire as required by the Articles of Association and the Listing Rules and, being eligible, offer themselves for re-election at the annual general meeting to be held on Wednesday, 10 December 2025 (the “**AGM**”).

Induction and Continuous Professional Development for Directors

Each newly appointed Director will receive, at the Group’s expense, comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has proper understanding of the business and operations of the Group and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements. Mr. John Chan, who was appointed during FY2025, has also been provided with the same. Mr. John Chan had obtained legal advice relating to directors’ duties and responsibilities under applicable laws and regulations pursuant to Rule 3.09D of the Listing Rules on 10 September 2024, and had confirmed that he understood his obligations as a Director of the Company.

There are also arrangements in place for providing continuing briefing and professional development to Directors whenever necessary. The Directors are regularly briefed on relevant legal and regulatory developments, business and market changes in order to discharge their responsibilities. During FY2025, the Company has arranged in-house training in respect of the Listing Rules and other applicable legal and regulatory requirements to the Directors and reading materials on relevant topics have been provided to the Directors for refreshing and developing their professional knowledge.

During FY2025, the Board, which is responsible for overseeing the preparation of annual financial statements, and all Directors have been provided with monthly updates on the Group’s performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties.

THE BOARD OF DIRECTORS *(continued)*

Induction and Continuous Professional Development for Directors *(continued)*

All Directors have provided their training records to the Company and below sets out the Directors' training by topics in FY2025.

	Director's duties/ ESG practices/ Listing Rules updates/ Other rules & regulations updates	Financial reporting/Risk management/ Internal control	Anti-corruption/ Anti-money laundering
Executive Directors			
Mr. Chan Kin Ping, BBS, JP	✓	✓	✓
Dr. Pang Lai Sheung	✓	✓	✓
Mr. Poon Chun Pong	✓	✓	✓
Independent Non-executive Directors			
Dr. Lui Sun Wing	✓	✓	✓
Mr. Chan Yue Kwong Michael	✓	✓	✓
Mr. Chan Hey Man (with effect from 1 October 2024)	✓	✓	✓
Mr. Sin Kar Tim (retired on 2 December 2024)	✓	✓	✓

BOARD AND BOARD COMMITTEES MEETINGS

Regular Board meetings are scheduled to facilitate maximum attendance by the Directors and to be held at least 4 times a year at approximately quarterly intervals for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Group.

Apart from the regular Board meetings, the Board will meet on other occasions from time to time when a board-level decision on a particular matter is required.

Notices of at least 14 days for regular Board meetings are served to all Directors while reasonable notice is generally given for other Board meetings.

For Board committee meetings, notices are served in accordance with the required notice period stated in the relevant terms of reference.

Corporate Governance Report

BOARD AND BOARD COMMITTEES MEETINGS *(continued)*

Agenda and accompanying papers together with all appropriate, complete and reliable information are sent to Directors or Board committee members at least 3 days before each Board or Board committee meeting to keep the Directors apprised of the latest developments and financial position of the Group and to enable them to make informed decisions. Directors are given the opportunity to include matters in the agenda for Board or Board committee meetings. The Board and each Director also have separate and independent access to the management of the Group whenever necessary.

Minutes of all Board meetings, Board committee meetings and general meetings recording sufficient details of matters considered and decisions reached, are kept by the Company Secretary, and are opened for inspection by the Directors. Draft and final versions of minutes are sent to all Directors or Board committee members for comments within a reasonable time after the meetings.

Board Meetings and Other Meetings

During FY2025, five Board meetings were held when the following key issues were, among others, reviewed and considered:

- annual and interim financial statements and the related results announcements and reports;
- corporate governance practice, internal control and risk management;
- connected transactions;
- distribution of dividend, circular and other documentations for the annual general meeting;
- ESG reporting matters;
- budget plan for the year ending 30 June 2026;
- investments and acquisitions; and
- appointment of an independent non-executive director.

During FY2025, one meeting was held between the chairman of the Board and the independent non-executive Directors without the executive Directors present. An annual general meeting was held and all Directors attended.

BOARD AND BOARD COMMITTEES MEETINGS *(continued)*

Board Meetings and Other Meetings *(continued)*

Attendance records of the Directors are set out below:

	Number of meetings attended/eligible to attend	Number of general meetings attended/eligible to attend
Executive Directors		
Mr. Chan Kin Ping, BBS, JP	5/5	1/1
Dr. Pang Lai Sheung	5/5	1/1
Mr. Poon Chun Pong	5/5	1/1
Independent Non-executive Directors		
Dr. Lui Sun Wing	5/5	1/1
Mr. Chan Yue Kwong Michael	5/5	1/1
Mr. Chan Hey Man (with effect from 1 October 2024)	4/4	1/1
Mr. Sin Kar Tim (retired on 2 December 2024)	1/1	1/1

Board Committees

The Board has established three Board committees, namely the audit committee (the “**Audit Committee**”), the remuneration committee (the “**Remuneration Committee**”) and the nomination committee (the “**Nomination Committee**”) for overseeing particular aspects of the Group’s affairs. All Board committees of the Company are established with defined written terms of reference which are posted on the Company’s and the Stock Exchange’s websites.

The majority of the members of each Board committee are independent non-executive Directors. The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company’s expenses.

Corporate Governance Report

BOARD AND BOARD COMMITTEES MEETINGS *(continued)*

Audit Committee

The Audit Committee comprises three independent non-executive Directors, namely:

Mr. Chan Hey Man (*Chairman*) (with effect from 2 December 2024)

Dr. Lui Sun Wing

Mr. Chan Yue Kwong Michael

Mr. Sin Kar Tim (*Chairman*) (retired on 2 December 2024)

None of the members of the Audit Committee is a former partner of the Company's existing external auditor. The main duties of the Audit Committee include, among others, the following:

- (a) making recommendation to the Board on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- (b) monitoring integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and reviewing significant financial reporting judgments contained in them;
- (c) reviewing the Company's financial controls, risk management and internal control systems;
- (d) discussing the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems;
- (e) considering major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- (f) ensuring co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;
- (g) review the group's financial and accounting policies and practices;
- (h) reporting to the Board on the matters in relation to the corporate governance functions;
- (i) reviewing continuing connected transactions of the Company and ensuring compliance with the Listing Rules; and
- (j) ensuring the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting function.

BOARD AND BOARD COMMITTEES MEETINGS *(continued)*

Audit Committee *(continued)*

During FY2025, three meetings of the Audit Committee were held when, among others, the following key issues were reviewed and considered and recommendations were made to the Board where appropriate:

- the nature and scope of the audit by reference to the audit plan presented by the auditor;
- the independence of the auditor;
- the re-appointment of the auditor;
- the audit findings by the auditor and the auditor's management letter;
- the annual and interim financial statements and related results announcements and reports;
- the corporate governance practice, the internal audit plan, internal control system and risk management;
- the continuing connected transactions of the Group; and
- the appointment of internal audit function.

Representatives from Ernst & Young, the external auditor, were invited to attend the abovementioned three meetings of the Audit Committee. For the work undertaken by the Audit Committee in relation to internal control and risk management, please refer to the section headed "Internal Control and Risk Management".

Attendance records of the members of Audit Committee are set out below:

Audit Committee members	Number of meetings attended/eligible to attend
Mr. Chan Hey Man (<i>Chairman</i>) (with effect from 2 December 2024)	2/2
Dr. Lui Sun Wing	3/3
Mr. Chan Yue Kwong Michael	3/3
Mr. Sin Kar Tim (<i>Chairman</i>) (retired on 2 December 2024)	1/1

Remuneration Committee

The Remuneration Committee comprises the Chairman of the Board and executive Director and three independent non-executive Directors, namely:

Dr. Lui Sun Wing (*Chairman*)
 Mr. Chan Kin Ping, BBS, JP
 Mr. Chan Yue Kwong Michael
 Mr. Chan Hey Man (with effect from 1 October 2024)
 Mr. Sin Kar Tim (retired on 2 December 2024)

Corporate Governance Report

BOARD AND BOARD COMMITTEES MEETINGS *(continued)*

Remuneration Committee *(continued)*

The main duties of the Remuneration Committee include, among others, the following:

- (a) making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration;
- (b) reviewing and approving management's remuneration proposals with reference to the Board's corporate goals and objectives resolved by the Board from time to time;
- (c) making recommendations to the Board on the remuneration packages of individual Directors and senior management;
- (d) reviewing, recommending and approving the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment;
- (e) establishing transparent procedures for developing remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration, whose remuneration shall be determined by reference to the performance of the individual and the Group as well as market practice and conditions; and
- (f) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

During FY2025, four meetings of the Remuneration Committee were held when, among others, the following key issues were reviewed and considered and recommendations were made to the Board where appropriate:

- the remuneration package of executive Directors and senior management by assessing the performance of the executive Directors and senior management;
- the bonus proposal of the executive Directors and senior management; and
- the letter of appointment of an independent non-executive Director and his remuneration package; and
- the renewal of service contracts of executive Directors and letters of appointment of independent non-executive Directors.

During FY2025, there was no matter relating to grant under (i) the share option scheme approved and adopted by the written resolutions of the Shareholders on 17 February 2016 and amended on 7 December 2023 (the "**Share Option Scheme**"); and (ii) the share award scheme approved and adopted by the written resolutions of the Shareholders on 7 December 2023 (the "**Share Award Scheme**") that the Remuneration Committee was required to review and/or approve pursuant to the Listing Rules.

BOARD AND BOARD COMMITTEES MEETINGS *(continued)*

Remuneration Committee *(continued)*

Attendance records of the members of Remuneration Committee are set out below:

Remuneration Committee members	Number of meetings attended/eligible to attend
Dr. Lui Sun Wing (<i>Chairman</i>)	4/4
Mr. Chan Kin Ping, BBS, JP	4/4
Mr. Chan Yue Kwong Michael	4/4
Mr. Chan Hey Man (with effect from 1 October 2024)	2/2
Mr. Sin Kar Tim (retired on 2 December 2024)	2/2

Nomination Committee

The Nomination Committee comprises the Chairman of the Board and executive Director and three independent non-executive Directors, namely:

Mr. Chan Yue Kwong Michael (*Chairman*)
 Dr. Lui Sun Wing
 Mr. Chan Kin Ping, BBS, JP
 Mr. Chan Hey Man (with effect from 1 October 2024)
 Mr. Sin Kar Tim (retired on 2 December 2024)

The main duties of the Nomination Committee include, among others the following:

- (a) formulating nomination policy for the Board's consideration and implementing the Board's approved nomination policy;
- (b) reviewing the Board diversity policy and the progress on achieving the objectives set for implementing the said policy;
- (c) reviewing the structure, size and composition (including the skills, knowledge, experience and length of service) of the Board at least annually, assist the Board in maintaining a Board skills matrix and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (d) identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (e) to assess annually each Director's time commitment and contribution to the Board as well as the Director's ability to discharge his/her responsibilities effectively;

Corporate Governance Report

BOARD AND BOARD COMMITTEES MEETINGS *(continued)*

Nomination Committee *(continued)*

- (f) making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors in particular the chairman of the Board and the chief executive officer of the Group;
- (g) assessing the independence of independent non-executive Directors; and
- (h) supporting the Company's regular evaluation of the Board's performance.

The terms of reference of the Nomination Committee had been updated in September 2025 to align with recent changes to the CG Code. The revised terms of reference of the Nomination Committee is available on the Company's website and HKEXnews website respectively.

Diversity

Board Diversity

A policy on Board diversity has been reviewed by the Board and which sets out the approach to achieve the diversity of the Board. With a view to achieving a sustainable and balanced development, the Company considers diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. Selection of candidates as the Board members will be based on a range of diversity perspectives, including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee considers that the Board's composition is balanced and diverse as the Board members involve different age groups, genders, professional experience, skills and length of service. Therefore the Nomination Committee did not set any measurable objective in implementing the policy during FY2025 and the Nomination Committee has reviewed the implementation and the effectiveness of the policy on Board diversity.

During FY2025 and as at the date of this annual report, the Board comprises six Directors, one Director is woman. Three of the Directors are independent non-executive directors and independent of management, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity, whether in terms of gender, professional background and skills.

Workforce Diversity

As at 30 June 2025, the gender ratio of male and female in the full-time workforce of the Group (including senior management) was 11% and 89% respectively. For further details of gender ratio together with the relevant data, please refer to the disclosure as set out in the "ESG Report" of this annual report. The Group's approach for talent recruitment and retention is to employ a diverse team of employee based on a range of diversity perspectives, including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service. Notwithstanding that, due to the culture of the medical industry, a plan or a measurable objective for achieving gender diversity at the workforce level has not been set by the Board. During FY2025, the Board was not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

BOARD AND BOARD COMMITTEES MEETINGS *(continued)*

Nomination Committee *(continued)*

Nomination Policy

A nomination policy has been adopted and reviewed by the Board annually which sets out the selection process on the selection of individual nominated for directorship. The Nomination Committee may search extensively for candidate as director of the Company from the Group or the human resources market and should actively communicate with relevant departments and evaluate the Company's demand for new Board members taking into consideration of the structure, size and composition of the Board and from the perspective of board diversity. The Nomination Committee shall gather information about the occupation, academic qualifications, position served, detailed work experience and all the concurrent posts of the candidate and seek the candidate's consent for nomination. After reviewing the qualifications of the candidate on the criteria for director of the Company, the Nomination Committee then makes recommendation to the Board regarding the candidate as director of the Company and submits the relevant information to the Board prior to the appointment of new director.

During FY2025, one meeting of the Nomination Committee was held when, among others, the following key issues were reviewed and considered and recommendations were made to the Board where appropriate:

- the nomination policy and the Board diversity policy;
- the structure, size and composition of the Board;
- training and professional development of Directors and senior management;
- the independence of independent non-executive Directors;
- the rotation and re-election of Directors in the annual general meeting; and
- nomination of an independent non-executive Director.

Attendance records of the members of Nomination Committee are set out below:

Nomination Committee members	Number of meeting attended/eligible to attend
Mr. Chan Yue Kwong Michael (<i>Chairman</i>)	1/1
Dr. Lui Sun Wing	1/1
Mr. Chan Kin Ping, BBS, JP	1/1
Mr. Chan Hey Man (with effect from 1 October 2024)	0/0
Mr. Sin Kar Tim (retired on 2 December 2024)	1/1

Corporate Governance Report

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct regarding securities transactions by the Directors. In response to a specific enquiry made by the Company, all Directors have confirmed their compliance with the required standard as set out in the Model Code during FY2025.

Directors of the subsidiaries of the Company and relevant employees (as defined in the Listing Rules) are also requested to comply with the Model Code in respect of their dealings in the Company’s securities.

DIRECTORS’ RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the Group’s financial statements. The financial statements for FY2025 have been prepared in accordance with Hong Kong Financial Reporting Standards, including Hong Kong Accounting Standards and applicable Interpretations issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Listing Rules and other applicable regulatory requirements.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainty relating to events of conditions that may cast significant doubt upon the Group’s ability to continue as a going concern.

AUDITOR’S REMUNERATION

The responsibilities of the external auditor, Ernst & Young, are set out in the “Independent Auditor’s Report” on pages 125 to 130 of this annual report.

The Audit Committee has been notified of the nature and service charges of the non-audit services performed by Ernst & Young, includes tax services and considered that such services have no adverse effect on the independence of their audit works.

An analysis of the remuneration payable to Ernst & Young, in respect of audit and non-audit services for FY2025 are set out below:

Nature of services	Amount <i>HK\$’000</i>
Audit services	1,970
Non-audit services	
The non-audit services include tax and other services fee	672

INTERNAL CONTROL AND RISK MANAGEMENT

The Board recognises its overall responsibility in ensuring the risk management and internal control systems of the Group and reviewing their effectiveness, and the Audit Committee is delegated with the authority from the Board to oversee the risk management and internal control systems on an ongoing basis and reviewing its effectiveness annually, and is committed to implementing a sound risk management and internal control systems to safeguard the interests of the Shareholders and the assets of the Group.

Effective management of risks is an essential and integral part of corporate governance and it helps to ensure that the risks encountered in the course of achieving the Group's business objectives are managed within the Group's risk profile and appetite statements. The Group has adopted and designed an Enterprise Risk Management ("**ERM**") framework to assist the Audit Committee and the Board in proactively identifying the key risks, analysing and managing the key risks with controls, and assigning risk owner for on-going monitoring and reporting, whereby an effective risk management is in place. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and would only provide reasonable assurance against material misstatement or error. A self-assessment of the risk management and control measurement has been conducted during FY2025 to identify the significant risks faced by the Group and indicators have been set to continuously monitor the effectiveness of the risk management functions.

During FY2025, the Group had engaged an independent internal control consultant to perform the internal audit function after considering the expertise of the independent internal control consultant and the cost efficiency. Such internal audit function provides an independent review of the Group's ERM and internal control systems. During FY2025, the internal audit function reviewed the risk management and internal control systems and provided reasonable assurance that material misstatements or errors were prevented, potential interruption of the Group's management system was detected, and existing risks in the course of arriving at the Group's objectives were properly managed. The review covers major controls over financial, operational and compliance, and material internal control deficiencies, if any, were set out in the internal control review report with recommendations of improvement and agreed management action plan and assessed by the Audit Committee. In particular, the internal audit function has reviewed the continuing connected transactions and confirmed that internal control procedures were in place. No significant control failings or weaknesses that have been identified during FY2025, which could have had, or may in the future have, a material impact on the Group's financial performance or condition. The internal audit function reported its review results to the Audit Committee twice during FY2025 and the Audit Committee has reviewed and ensured the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's internal audit, accounting and financial reporting functions as well as those relating to the Company's ESG performance and reporting. The Board has received a confirmation from management on the effectiveness of the Group's risk management and internal control systems and considers that the existing risk management and internal control systems are effective and adequate and no significant areas of concern have been identified. The Board also considers that the Company's processes for financial reporting and Listing Rules compliance are effective.

Regarding the procedures and internal controls over the handling and dissemination of inside information, the Group has internal policy and procedures to identify and handle with inside information and has complied with the obligations for the disclosure of inside information under the Listing Rules and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**") during FY2025. The Board is aware of its obligations to announce any inside information in accordance with the Listing Rules and the SFO. No material unauthorised use or untimely disclosure of the inside information was notified or reported to the Board during FY2025.

Corporate Governance Report

COMPANY SECRETARY

Ms. Man is the Company Secretary. The Company Secretary is responsible for reporting to the Board on day-to-day duties and responsibilities and for advising the Board on governance matters and also facilitates the induction and professional development of Directors. All Directors have access to the advice and service of the Company Secretary to ensure that all applicable rules and regulations are followed. The Company Secretary also keeps proper records of all Board meetings, Board committee meetings and general meetings which are made available for inspection by the Directors at all reasonable times. Ms. Man's biographical details are set out in the section headed "Company Secretary" in the "Directors, Senior Management and Company Secretary" of this annual report. Ms. Man had complied with the professional training requirement under Rule 3.29 of the Listing Rules of taking no less than 15 hours of relevant professional training during FY2025.

SHAREHOLDERS' RIGHTS

Article 58 of the Articles of Association states that any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

As regards proposing a person for election as a director of the Company, please refer to the "Procedures for Shareholders to Propose a Person for Election as a Director" which is posted on the Company's website at www.humanhealth.com.hk.

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange after each general meeting.

COMMUNICATIONS WITH SHAREHOLDERS

The Company has adopted a Shareholders' communication policy, which has helped the Company to ensure that the Shareholders will have equal and timely access to the information about the Company in order to enable the Shareholders to exercise their rights in an informed manner and allow them to engage actively with the Company. The Board reviews the Shareholders' communication policy and its implementation annually. The Board is of the view that the implementation of the Shareholders' communication policy was effective having considered the communication channels in place to provide the Shareholders and the investor community with information about the latest development of the Group in a timely manner, and the various communication channels established by the Company between itself and its Shareholders and the investors to allow the Company to receive feedback effectively.

COMMUNICATIONS WITH SHAREHOLDERS *(continued)*

The Company recognises the importance of continuing communications with the Shareholders and investors, and maintains ongoing dialogues with them through various channels. The primary communication channel between the Company and the Shareholders is through the publication of the Company's interim and annual reports.

The Company's Hong Kong branch share registrar, Tricor Investor Services Limited serves the Shareholders with respect to all share registration matters.

The Company's annual general meeting provides a useful forum for the Shareholders to exchange views with the Board. Board members and the auditor of the Company are available to answer Shareholders' questions and explain the procedures for demanding and conducting a poll, if necessary. Any relevant information and documents on proposed resolutions are sent to all Shareholders at least twenty-one clear days before the annual general meeting pursuant to the Articles of Association.

All Shareholders' communications, including interim and annual reports, announcements and circulars as well as the Shareholders communication policy are available on the Company's website at www.humanhealth.com.hk. The latest business developments and core strategies of the Company can also be found on the Company's website, keeping the communications with Shareholders open and transparent.

The Company also welcomes the Shareholders to direct their enquiries and views via the communication channels provided by the Company on the Company's website to communicate their view on matters affecting the Company and the Company will solicit and get feedback from the Shareholders.

A dividend policy has been adopted by the Board and will be reviewed annually by the Board. The policy aims to set out the practice of paying dividends to the Shareholders and to allow the Shareholders to participate in the Company's profits by providing stable and sustainable returns to the Shareholders and for the Company to retain adequate reserves for future growth. The Company in general meeting may from time to time declare dividends in Hong Kong dollars to be paid to the Shareholders but no dividend shall be declared in excess of the amount recommended by the Board. Dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed. With the sanction of an ordinary resolution, dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose. The Board may recommend a payment of dividends after taking into account the Company's operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, capital expenditure and future development requirements, Shareholders' interests and other factors which the Board may deem relevant. It is the Company's intention to pay an annual dividend to the Shareholders out of the profits attributable to shareholders of the Company, net of major funding needs (if any) for each year and also after taking into account the absolute amount of the proposed dividends. Any declarations of dividends will be at the absolute discretion of the Board and may not reflect the Company's historical declarations of dividends. Any declaration and payment (including the amount) of dividends will be subject to the Articles of Association, the Laws of Hong Kong and the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands.

Corporate Governance Report

INVESTOR RELATIONS

The Company keeps on promoting investor relations and enhancing communication with the Shareholders and potential investors. The Company welcomes the Shareholders, investors, stakeholders and the public to send their enquiries or proposal at general meetings to our Company Secretary by addressing them to the Company's address at 12th Floor, Enterprise Square Two, 3 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong or by email at ir@humanhealth.com.hk or by phone at (852) 3971 8274 during normal business hours or by fax at (852) 2312 2772.

During FY2025, the Company did not make any changes to the amended and restated memorandum of association of the Company and Articles of Association, which are available for viewing on the websites of the Company and the Stock Exchange.

The Directors are pleased to present this annual report together with the audited consolidated financial statements for FY2025.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. The Group is principally engaged in the provision of comprehensive, one-stop and quality healthcare services to the public. The activities and other particulars of its principal subsidiaries are set out in note 1 to the financial statements of this annual report. There were no significant changes in the nature of the Group's principal activities during FY2025.

A review of the business of the Group during FY2025 and its future development are set out in the section headed "Business Review and Outlook" in the "Management Discussion and Analysis" of this annual report. The section "Management Discussion and Analysis" forms part of this directors' report.

FINANCIAL RESULTS AND PERFORMANCE

A financial review of the Group during FY2025 is set out in the section headed "Financial Review" in the "Management Discussion and Analysis" of this annual report.

The Group's profit or loss and other comprehensive income for FY2025 and the Group's financial position as at 30 June 2025 are set out in the financial statements on pages 131 to 133 of this annual report.

FINAL DIVIDEND

The Board has, in line with the dividend policy as detailed in the section "Communications with Shareholders" which forms part of the corporate governance report, recommended the payment of a final dividend of HK3.0 cents per share of the Company (the "**Share**") for FY2025 (FY2024: HK2.8 cents) (the "**Final Dividend**"). The payment of the Final Dividend is subject to approval by the Shareholders at the forthcoming AGM. Upon obtaining the Shareholders' approval, the Final Dividend is expected to be paid on or around Monday, 5 January 2026 to the Shareholders whose names appear on the register of members of the Company on Thursday, 18 December 2025.

Details of dividends for FY2025 are set out in note 11 to the financial statements of this annual report.

Directors' Report

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 5 December 2025 to Wednesday, 10 December 2025, both days inclusive, during which no transfer of Shares will be registered. The record date for determining the Shareholders' eligibility for attending and voting at the AGM is Wednesday, 10 December 2025. In order to be entitled to attend and vote at the AGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 4 December 2025.

For the purpose of ascertaining the Shareholders' entitlement to receive the Final Dividend, the register of members of the Company will be closed from Wednesday, 17 December 2025 to Thursday, 18 December 2025, both days inclusive, during which no transfer of Shares will be registered. The record date for determining the Shareholders' entitlement to receive the Final Dividend is Thursday, 18 December 2025. In order to qualify for receiving the Final Dividend, all duly completed transfer forms accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 16 December 2025.

SHARE CAPITAL

There were no movements in the Company's share capital during the year.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 30 June 2025 amounted to approximately HK\$206.7 million of which approximately HK\$11.4 million has been proposed as the Final Dividend for FY2025.

DONATIONS

Donations made by the Group during FY2025 amounted to approximately HK\$206,000.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and assets, liabilities and non-controlling interest of the Group for the past five financial years is set out on page 236 of this annual report. This summary does not form part of the audited financial statements.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

PRINCIPAL RISKS AND UNCERTAINTIES

The operations and business of the Group may be affected by various risks and uncertainties and the principal risks and uncertainties are set out below.

Strategic Risk

Following the resumption of normalcy in Hong Kong, the demand from the community changes rapidly together with the ongoing challenges and uncertainty over the global economic outlook, the post pandemic era has brought challenges to the Group and the management of the Company has to adapt and formulate response strategies for seizing business opportunities in the market.

In addition, shortage of qualified medical personnel has always been a critical issue for healthcare industry. The severe competition from other healthcare service providers increases the difficulties for the Group to recruit or retain professional team members.

Operational Risk

We are dependent on our medical team and our financial results may be affected if we are not able to engage qualified professionals to join our team or retain them. In particular, our business model is based on consultancy arrangements with the medical team and their companies. In case any of them does not accept this arrangement, we may not be able to procure them to provide medical and dental services at our medical centres.

In addition, we operate most of our medical centres on leased properties. Any non-renewal of leases or substantial increase in rent may affect our business and financial performance.

Reputational Risk

We rely on our reputation within the healthcare service industry and our brand image which may be adversely affected by negative publicity. Moreover, the limitation in promoting the business of our Group may affect our ability to further enhance our brand recognition or secure new business opportunity in the future.

Legal Risk

Our general practitioners, specialists and dentists are required to take out comprehensive professional indemnity insurance policies at their own costs and indemnify our Group against all claims and damages sustained by our Group caused by their acts or negligence in relation to the services carried out by them. If our Group (or together with our general practitioners, specialists and dentists) experiences any situation where professional indemnity insurance policies maintained by the medical team would not be sufficient to cover the cost of the claims from patients, any costs arising therefrom could have a material adverse effect on our business, results of operations and financial condition.

Directors' Report

PRINCIPAL RISKS AND UNCERTAINTIES *(continued)*

Financial Risk

Details about the Group's financial risk management are set out in note 40 to the financial statements of this annual report.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Employees

We embrace our employees as the most valuable assets of the Group. The objective of the Group's human resources management is to reward and recognise outstanding employees by providing competitive remuneration packages with basic salary and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression within the Group by providing adequate training and opportunities. Details of the relationship with our employees are set out in the "ESG Report" of this annual report.

Customers

We are committed to safeguarding the health of the community and are always concerned about their needs. By following our vision "Elevate Your Health Value, Elevate Your Life" (昇華健康價值，共創豐盛人生), we can provide person-centered and quality-focused services to our customers resulting in a sustainable and lasting relationship with our customers. Details of the relationship with our customers are set out in the "ESG Report" of this annual report.

Suppliers

The Group recognises the importance of good relationship with its suppliers to ensure long-term sustainable growth for the Group. We strive to cultivate a mutually beneficial and trusting relationship with our suppliers and particularly this is crucial for us to engage and retain medical team and hence provide quality services to our customers. Details of the relationship with our suppliers are set out in the "ESG Report" of this annual report.

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

During FY2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS

The Directors during FY2025 and up to the date of this annual report were:

Executive Directors

Mr. Chan Kin Ping, BBS, JP (*Chairman and Chief Executive Officer*)

Dr. Pang Lai Sheung (*Chief Medical Officer*)

Mr. Poon Chun Pong (*Chief Operating Officer*)

Independent Non-executive Directors

Dr. Lui Sun Wing

Mr. Chan Yue Kwong Michael

Mr. Chan Hey Man (with effect from 1 October 2024)

Mr. Sin Kar Tim (retired on 2 December 2024)

In accordance with the Articles of Association and the Listing Rules, Dr. Pang and Dr. Lui shall retire at the AGM and, being eligible, offer themselves for re-election.

CHANGES IN THE COMPOSITION OF THE BOARD

Below sets out the changes in the composition of the Board:

- (i) Mr. John Chan has been appointed as an independent non-executive Director and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee with effect from 1 October 2024;
- (ii) Mr. Sin retired from acting as an independent non-executive Director, chairman of the Audit Committee, and a member of each of the Remuneration Committee and the Nomination Committee and Mr. John Chan has been appointed as a chairman of the Audit Committee with effect from the conclusion of the AGM on 2 December 2024; and
- (iii) Dr. Pang has been appointed as a member of the Nomination Committee with effect from 1 October 2025.

BIOGRAPHICAL DETAILS OF DIRECTORS

Biographical details of the Directors are set out in the "Directors, Senior Management and Company Secretary" of this annual report.

CHANGES IN INFORMATION OF DIRECTORS

Save for as disclosed in the paragraph headed "Changes in the Composition of the Board" and the changes in the biographical details of the Directors, there has been no change to the information of the Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules subsequent to the publication of the Company's interim report for the six months ended 31 December 2024.

Directors' Report

DIRECTORS' SERVICE CONTRACTS

Each of our executive Directors has entered into a service contract with our Company for a term of three years commencing from 1 April 2025, which is automatically renewable for a successive term of one year each commencing on the expiry of the then current term of appointment and may be terminated by not less than three months' notice in writing served by either party on the other.

Mr. John Chan has entered into a letter of appointment with the Company for a term of three years commencing from 1 October 2024, which is automatically renewable for a successive term of one year each commencing on the expiry of the then current term of appointment and may be terminated by not less than three months' notice in writing served by either party on the other.

Each of Dr. Lui and Mr. Michael Chan has entered into a letter of appointment with the Company for a term of three years commencing from 1 April 2025, which is automatically renewable for a successive term of one year each commencing on the expiry of the then current term of appointment and may be terminated by not less than three months' notice in writing served by either party on the other.

There is no service contract entered into by the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation) of any Director proposed for re-election at the AGM.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as (i) disclosed under the section headed "Non-Exempt Continuing Connected Transactions" below; (ii) disclosed in note 36 "Related Party Transactions" to the financial statements of this annual report; and (iii) Mr. Chan has approximately 24.39% partnership interests in the Limited Partnership, no Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance in relation to the business of the Group to which the Company, its holding company, or any of their respective subsidiaries was a party subsisted at the end of FY2025 or at any time during FY2025.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at 30 June 2025, none of the Directors has any interest in a business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with the Group's business and would require disclosure pursuant to Rule 8.10 of the Listing Rules.

DIRECTORS', SENIOR MANAGEMENT'S AND EMPLOYEES' EMOLUMENTS

The Group's remuneration policy aims to provide a competitive remuneration to attract, retain and motivate high quality talent (including Directors), having regard to the Group's and individual's performance and comparable market trends and may consist of several components such as fixed part, performance-based and long-term incentives (including share awards and share options). At the same time, such awards must be aligned with the Shareholders' interests.

Particulars of Directors' remuneration and five highest paid employees are set out in notes 8 and 9 to the financial statements of this annual report.

DIRECTORS', SENIOR MANAGEMENT'S AND EMPLOYEES' EMOLUMENTS *(continued)*

The amount or value of fees and bonus of the members of the senior management by bands for FY2025 is set out below:

Fees by bands	Number of individuals
Nil to HK\$3,000,000	—
HK\$3,000,001 to HK\$6,000,000	6
HK\$6,000,001 to HK\$9,000,000	—

No director waived any emolument during FY2025.

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 chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (a) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

Interests in Shares or underlying Shares

Name of Director	Capacity in which Shares/ underlying Shares were held	Number of Shares/underlying Shares held	Approximate percentage of total issued Shares ^(note iii)
Mr. Chan Kin Ping, BBS, JP	Interest of controlled corporation ^(note i)	252,346,286 ^(note ii)	66.49%
	Beneficial owner	6,850,000	1.80%
Dr. Pang Lai Sheung	Interest of controlled corporation ^(note i)	252,346,286 ^(note ii)	66.49%
Mr. Poon Chun Pong	Beneficial owner	486,000	0.13%

Directors' Report

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(continued)*

Interests in Shares or underlying Shares *(continued)*

Notes:

- (i) Mr. Chan, Dr. Pang and Treasure Group were our controlling shareholders (as defined in the Listing Rules). Treasure Group was owned as to 50% by Mr. Chan and 50% by Dr. Pang and Mr. Chan is the director of Treasure Group.
- (ii) These Shares were beneficially owned by Treasure Group. Mr. Chan and Dr. Pang were deemed to be interested in these Shares pursuant to Part XV of the SFO.
- (iii) The percentages were calculated based on the total number of issued Shares as at 30 June 2025.

Interests in shares of Treasure Group (Associated Corporation)

Name of Director	Capacity in which the shares were held	Number of shares held	Approximate percentage of total issued shares ^(note i)
Mr. Chan Kin Ping, BBS, JP	Beneficial owner	1	50.00%
Dr. Pang Lai Sheung	Beneficial owner	1	50.00%

Note:

- (i) The percentages were calculated based on the total number of issued shares of Treasure Group as at 30 June 2025.

All the above interests in the Shares and underlying Shares and the shares of the Associated Corporation were long positions and the class of shares in which the interests are held are ordinary shares of the respective companies.

Save as disclosed above, as at 30 June 2025, none of the Directors nor chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or the Associated Corporation, which were required to be notified to the Company and the Stock Exchange or recorded in the register as aforesaid.

ARRANGEMENT FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Apart from the Share Option Scheme and the Share Award Scheme, at no time during FY2025 was the Company or any of its subsidiaries a party to any arrangement to enable a Director to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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

As at 30 June 2025, so far as it is known by or otherwise notified by any Director or the chief executives of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the Shares and underlying Shares (a) which would fall to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO; or (b) as recorded in the register required to be kept under Section 336 of the SFO:

Name of substantial Shareholder	Capacity in which the Shares were held	Number of Shares held	Approximate percentage of total issued Shares ^(note ii)
Treasure Group Global Limited	Beneficial owner ^(note i)	252,346,286	66.49%

Notes:

- (i) The Shares were beneficially owned by Treasure Group, a company which was owned as to 50% by Mr. Chan and 50% by Dr. Pang. Therefore, Mr. Chan and Dr. Pang were deemed to be interested in such Shares pursuant to Part XV of the SFO.
- (ii) The percentages were calculated based on the total number of issued Shares as at 30 June 2025.

All the above interests in the Shares were long positions and the class of Shares in which the interests are held are ordinary shares of the Company.

Save as disclosed above, the Directors are not aware of any other corporations or persons who, as at 30 June 2025, had any interests or short positions in the Shares or underlying Shares (a) which would fall to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO; or (b) as recorded in the register required to be kept under Section 336 of the SFO.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during FY2025 are set out in note 36 to the financial statements of this annual report. Such transactions were either (i) fully exempt from the reporting, annual review, independent shareholders' approval and all disclosure requirements under Rule 14A.76(1) of the Listing Rules; or (ii) non-exempt continuing connected transactions as set out in the section headed "Non-Exempt Continuing Connected Transactions" in the "Directors' Report" of this annual report; or (iii) did not constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules. Our Directors confirm that these transactions were conducted in the ordinary and usual course of business of the Group and on normal commercial terms or such terms that were no less favourable to the Group than those available to independent third parties and were fair and reasonable and in the interests of the Shareholders as a whole. The Company confirms that the related party transactions (as the case may be) comply with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Directors' Report

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Dr. Seto Siu Keung's Consultancy Agreement

Dr. Seto entered into the consultancy agreement with Poly Dental and Dentogenic ("**Dr. Seto's Sole Proprietorship**") dated 28 June 2024 for a term commencing from 1 July 2024 to 30 June 2027. The following is the summary of material provisions under Dr. Seto's consultancy agreement:

1. Dr. Seto's Sole Proprietorship shall provide dental services at the medical centres of the Group and shall at all times act in good faith towards his sole proprietorship and maintain the highest possible professional standards and reputation of his sole proprietorship;
2. Poly Dental shall grant Dr. Seto's Sole Proprietorship the right to use the proprietary names and the proprietary rights for the sole purpose of carrying out his dental practice at the medical centres of the Group;
3. Dr. Seto's Sole Proprietorship shall be entitled to receive professional fees for the provision of dental services at the medical centres of the Group either at the higher of (a) a monthly fixed fee of HK\$40,000 or (b) at a certain percentage (which is within the range of 35% to 70%) of the amount of net monthly revenue (which refers to revenue received at the medical centres of the Group generated by Dr. Seto, less relevant direct costs such as drugs costs, dental material costs and laboratory charges). Such percentage, monthly fixed fee as well as overall fee arrangement are commensurate to those typically offered to other independent dentists providing dental services at the medical centres of the Group. In addition, the executive Directors have also taken into account factors such as (a) the seniority and professional experience of Dr. Seto; (b) contribution of Dr. Seto; (c) patient pool of Dr. Seto and the corresponding revenue generated; (d) the historical amount of professional fees entitled to Dr. Seto's Sole Proprietorship; (e) importance of Dr. Seto's dental services to the Group; and (f) the significant of the Group's ability to engage and retain professional talents;
4. Dr. Seto's Sole Proprietorship shall be entitled to receive an annual fixed management fees for the provision of management and training services to the Group which include providing professional advice on the development of the dental unit of the Group and management and training of the dentists team of the Group; and
5. Dr. Seto's Sole Proprietorship shall be entitled to receive a performance fee subject to the performance of dental unit of the Group for each financial year during the term.

For FY2025, Dr. Seto's Sole Proprietorship was entitled to receive professional fees which amounted to approximately HK\$5,774,000 and did not exceed the annual cap of HK\$6,900,000 for FY2025.

Given that Dr. Seto is a director of Poly Dental, a subsidiary of the Group and that Dr. Seto's consultancy agreement was entered into by Poly Dental, and Dr. Seto and his sole proprietorship, the transactions under Dr. Seto's consultancy agreement constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules.

Details of Dr. Seto's consultancy agreement are set out in the Company's announcements dated 28 June 2024 and 26 July 2024.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS *(continued)*

Dr. Lau Wai Man's Consultancy Agreement

Dr. Lau entered into the consultancy agreement with Poly Dental and Lau Wai Man Dental Surgeon ("**Dr. Lau's Sole Proprietorship**") dated 28 June 2024 for a term commencing from 1 July 2024 to 30 June 2027. The following is the summary of material provisions under Dr. Lau's consultancy agreement:

1. Dr. Lau's Sole Proprietorship shall provide dental services at the medical centres of the Group and shall at all times act in good faith towards his sole proprietorship and maintain the highest possible professional standards and reputation of his sole proprietorship;
2. Poly Dental shall grant Dr. Lau's Sole Proprietorship the right to use the proprietary names and the proprietary rights for the sole purpose of carrying out his dental practice at the medical centres of the Group; and
3. Dr. Lau's Sole Proprietorship shall be entitled to receive professional fees for the provision of dental services at the medical centres of the Group either at the higher of (a) a monthly fixed fee of HK\$40,000 or (b) at a certain percentage (which is within the range of 35% to 70%) of the amount of net monthly revenue (which refers to revenue received at the medical centres of the Group generated by Dr. Lau, less relevant direct costs such as drugs costs, dental material costs and laboratory charges). Such percentage, monthly fixed fee as well as overall fee arrangement are commensurate to those typically offered to other independent dentists providing dental services at the medical centres of the Group. In addition, the executive Directors have also taken into account factors such as (a) the seniority and professional experience of Dr. Lau; (b) contribution of Dr. Lau; (c) patient pool of Dr. Lau and the corresponding revenue generated; (d) the historical amount of professional fees entitled to Dr. Lau's Sole Proprietorship; (e) importance of Dr. Lau's dental services to the Group; and (f) the significant of the Group's ability to engage and retain professional talents.

For FY2025, Dr. Lau's sole proprietorship was entitled to receive professional fees which amounted to approximately HK\$3,727,000 and did not exceed the annual cap of HK\$5,700,000 for FY2025.

Given that Dr. Lau is a director of Poly Dental, a subsidiary of the Group and that Dr. Lau's consultancy agreement was entered into by Poly Dental, and Dr. Lau and his sole proprietorship, the transactions under Dr. Lau's consultancy agreement constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules.

Details of Dr. Lau's consultancy agreement are set out in the Company's announcements dated 28 June 2024 and 26 July 2024.

Directors' Report

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS *(continued)*

Dr. Cheung Yu Lung's Consultancy Agreement

Dr. Cheung entered into the consultancy agreement with Monarch Dental and Monarch Asset Management Limited ("**Dr. Cheung's Entity**") dated 28 February 2025 for a term commencing from 1 March 2025 to 30 June 2027. The following is the summary of material provisions under Dr. Cheung's consultancy agreement:

1. Dr. Cheung's Entity shall provide dental services at the medical centres of the Group and shall at all times act in good faith towards his entity and maintain the highest possible professional standards and reputation of his entity;
2. Monarch Dental shall grant Dr. Cheung's Entity the right to use the proprietary names and the proprietary rights for the sole purpose of carrying out his dental practice at the medical centres of the Group;
3. Dr. Cheung's Entity shall be entitled to receive professional fees for the provision of dental services at the medical centres of the Group either at the higher of (a) a monthly fixed fee of HK\$40,000 or (b) at a certain percentage (which is within the range of 35% to 70%) of the amount of net monthly revenue (which refers to revenue received at the medical centres of the Group generated by Dr. Cheung, less relevant direct costs such as drugs costs, dental material costs and laboratory charges). Such percentage, monthly fixed fee as well as overall fee arrangement are commensurate to those typically offered to other independent dentists providing dental services at the medical centres of the Group. In addition, the executive Directors have also taken into account factors such as (i) the seniority and professional qualification of Dr. Cheung; (ii) the importance of Dr. Cheung's dental services to Monarch Dental, including the commercial and financial benefits that are expected to be brought by Dr. Cheung to the Group to facilitate the long-term development and growth of the Group's dental services; (iii) the patient pool of Dr. Cheung and the revenue generated from such patient pool; (iv) the extensive experience of the Company in determining the pricing mechanism of consultancy services with its dental consultants; (v) the professional fee arrangement of other independent dentists of similar seniority and professional qualifications engaging in the provision of comparable services at the medical centres of the Group and in the market taking into account their expertise and experience, scope of services and responsibilities; and (vi) the significance of the Group's ability to engage and retain professional talents with seniority, and to maintain and cultivate long-term, trusting relationships between its dental practitioners and the Group's customers and patients.

During the period from 1 March 2025 to 30 June 2025, Dr. Cheung's Entity was entitled to receive professional fees which amounted to approximately HK\$1,029,000 and did not exceed the annual cap of HK\$1,333,333.33 for such period.

Given that Dr. Cheung is a director of Monarch Dental, a subsidiary of the Group and that Dr. Cheung's consultancy agreement was entered into by Monarch Dental, and Dr. Cheung and his entity, the transactions under Dr. Cheung's consultancy agreement constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules.

Details of Dr. Cheung's consultancy agreement are set out in the Company's announcements dated 28 February 2025 and 20 March 2025.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS *(continued)*

Opinion from the Independent Non-executive Directors and Auditor on the Continuing Connected Transactions

The Company's auditor was engaged to report on the Group's non-exempt continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and with reference to Practice Note 740 Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter containing its findings and conclusions in respect of the non-exempt continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules.

The independent non-executive Directors have reviewed these transactions and confirmed that the non-exempt continuing connected transactions have been entered into:

- (a) in the ordinary and usual course of business of the Group;
- (b) on normal commercial terms or better; and
- (c) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The Directors confirm that the Company has complied with the requirements of Chapter 14A of the Listing Rules in respect of all of its continuing connected transactions.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during FY2025.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales attributable to the Group's five largest customers accounted for approximately 18.7% and the largest customer accounted for approximately 7.3% of the Group's total revenue for FY2025.

The aggregate purchases attributable to the Group's five largest suppliers accounted for approximately 25.6% and the largest supplier accounted for approximately 10.2% of the Group's total purchases for FY2025.

None of the Directors, their close associates or any Shareholders (which to the knowledge of the Directors own more than 5% of the issued Shares) had an interest in the five largest suppliers or customers of the Group.

Directors' Report

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float as required under the Listing Rules at any time during FY2025 and up to the latest practicable date prior to the issue of this annual report.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to its existing Shareholders.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme and the Share Award Scheme as set out below in this annual report, no equity-linked agreements were entered into by the Company during FY2025 or subsisted at the end of FY2025.

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

Other than the Share Option Scheme as set out below in this annual report, the Company had no outstanding convertible securities, options, warrants or similar rights as at 30 June 2025. There has been no issue or exercise of the conversion rights or subscription rights under any convertible securities, options, warrants or similar rights granted by the Company or any of its subsidiaries during FY2025.

SHARE SCHEME

Share Option Scheme

The Company adopted the Share Option Scheme pursuant to the written resolution of the Shareholders on 17 February 2016, which was subsequently amended on 7 December 2023. The following is a summary of the principal terms of the Share Option Scheme. The Directors confirm that the terms of the Share Option Scheme comply with the requirements under Chapter 17 of the Listing Rules.

(a) Purpose

The purpose of the Share Option Scheme are to recognise and reward the Eligible Persons (as defined below) for their contribution and continuing efforts to promote the growth and development of the Group, to give incentives to the Eligible Persons in order to retain them for the continual operation and development of the Group and align the interests of the Eligible Persons with those of the Group, as well as to attract suitable personnel to contribute to the continual operation and further development of the Group.

SHARE SCHEME *(continued)*

Share Option Scheme *(continued)*

(b) Participants

The eligible participants under the Share Option Scheme shall comprise of the following: (i) any director of a Group company; (ii) any employee (whether full time or part time) of a Group company ("**Employee(s)**"); (iii) any director or employee of any holding company or fellow subsidiary or associated company of the Company ("**Related Entity Participant(s)**"); and (iv)(a)(1) any medical or dental practitioner or (2) any medical or dental professional, in each case, who provides medical and healthcare services to the customers of the Group; or (b) any service provider who provides medical and healthcare related advisory services to the Group; and in each case, as an independent contractor, adviser or consultant (whether directly engaged by the Group or through his/her service company) and provides services to the Group on a continuing or recurring basis in his/her/its ordinary and usual course of business which are in the interests of the long-term growth of the Group ("**Service Provider(s)**").

(collectively (i) to (iv), the "**Eligible Person(s)**")

(c) Basis of determining the exercise price

The exercise price per Share at which a grantee under the Share Option Scheme may subscribe for Shares on the exercise of an option ("**Exercise Price**") shall be a price solely determined by the Board and notified to the Eligible Person, provided that it shall be at least the higher of: (a) the closing price of the Shares on the Stock Exchange as stated in the daily quotations sheet of the Stock Exchange on the date on which an offer is made to an Eligible Person, which must be a business day (the "**Offer Date**"); and (b) the average closing price of the Shares as stated in the daily quotations sheets of the Stock Exchange for the five (5) business days immediately preceding the Offer Date.

Directors' Report

SHARE SCHEME *(continued)*

Share Option Scheme *(continued)*

(d) Time for acceptance and the amount payable on acceptance of option

An offer for the grant of the share option must be accepted within 28 days from the Offer Date with a consideration of HK\$1.00 payable on acceptance of the offer.

(e) Vesting period and time of exercise of option

Subject to the provisions of the Share Option Scheme and the Listing Rules, the Board or the committee delegated by the Board may in its absolute discretion when offering the grant of an option impose any conditions in relation thereto in addition to those set forth in the Share Option Scheme as the Board may think fit (to be stated in the offer letter) including (without prejudice to the generality of the foregoing) qualifying and/or continuing eligibility criteria, achievement of performance targets by our Group and/or the grantee period before the right to exercise the option in respect of all or any of the Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Share Option Scheme and the Listing Rules. The vesting period of the options granted under the Share Option Scheme should be determined by the Board but shall be no less than twelve (12) months (save for certain circumstances in which a shorter vesting period may be imposed). The exercise period shall commence after a vesting period (if any) and expire in any event not later than the last day of the 10 years period after the date on which the option is duly accepted by the grantee in accordance with the terms of the Share Option Scheme.

(f) Remaining Life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of 10 years from 1 April 2016, after which period no further options shall be granted but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto which are at that time or become thereafter capable of exercise under the Listing Rules, or otherwise to the extent as may be required in accordance with the provisions of the Share Option Scheme. As at 30 June 2025, the remaining life of the Share Option Scheme is approximately 0.75 years.

SHARE SCHEME (continued)

Share Option Scheme (continued)

Details of movements of the share options granted under the Share Option Scheme during FY2025 were as follows:

Name of Grantees	Position held with the Group	Offer Date	Exercise Price per Share Option	Exercise Period	Number of Outstanding Share Options as at 1 July 2024	Number of Share Options Granted during FY2025	Number of Share Options Exercised during FY2025	Number of Share Options Lapsed during FY2025	Number of Share Options Cancelled during FY2025	Number of Outstanding Share Options as at 30 June 2025
Eligible participants – employees (in aggregate)	–	28 May 2018	HK\$2.09 ^{(note (ii))}	1 June 2021 to 31 May 2027 ^{(note (i))}	50,000	–	–	–	–	50,000
Eligible participants – service providers (in aggregate) ^{(note (iii))}	–	28 May 2018	HK\$2.09 ^{(note (ii))}	1 June 2021 to 31 May 2027 ^{(note (i))}	100,000	–	–	–	–	100,000
Total					150,000	–	–	–	–	150,000

Notes:

- (i) The share options shall be exercisable from 1 June 2021 to 31 May 2027 (both dates inclusive) subject to a vesting scale in 3 tranches as set out below:
 - (a) The first 33% of the share options shall be exercisable from 1 June 2021 to 31 May 2027;
 - (b) The second 33% of the share options shall be exercisable from 1 June 2022 to 31 May 2027; and
 - (c) The remaining 34% of the share options shall be exercisable from 1 June 2023 to 31 May 2027.
- (ii) HK\$2.09 per Share, which represented the higher of (i) the closing price of HK\$2.09 per Share as stated on the daily quotation sheet issued by the Stock Exchange on 28 May 2018 (being the date of grant); (ii) the average closing price of HK\$1.978 per Share as stated on the daily quotation sheet issued by the Stock Exchange for the five (5) business days immediately preceding the date of grant; and (iii) the nominal value of the Share. The closing price of the Shares immediately before the dates on which the share options were granted on 28 May 2018 was HK\$2.02 per Share.
- (iii) The grantee who is service provider of the Company is Dr. Seto, who is a co-head of dental unit of the Group. Dr. Seto was granted 100,000 Share Options. The Share Options were granted to the grantee based on the fact that the grantee had great contributions to the development of the dental unit of the Group, particularly on the high-end dental services and management of the dentists team. The Board considered that the grantee had provided contributions to the Group in his practice area and reward should be given to the grantee.
- (iv) No performance target is required to be met before exercise of the Share Options.

As at 30 June 2025, the 150,000 share options granted remained outstanding. No share options have been granted, exercised, cancelled or lapsed during FY2025.

The values of the share options granted on 28 May 2018 are set out in note 31 to the financial statements of this annual report.

Directors' Report

SHARE SCHEME *(continued)*

Share Option Scheme *(continued)*

Since the Share Option Scheme will expire on 1 April 2026, the Company proposes to terminate the Share Option Scheme and renew and adopt the share option scheme (the "**2025 Share Option Scheme**") with material terms substantially the same as the Share Option Scheme.

The proposed termination of the Share Option Scheme and the renewal and adoption of the 2025 Share Option Scheme are subject to the approval of the Shareholders by way of an ordinary resolution at the AGM. A circular containing, among other things, the notice of the AGM and the details in relation to the 2025 Share Option Scheme (including a summary of the principal terms of the 2025 Share Option Scheme) will be despatched to the Shareholders in accordance with the requirements of the Listing Rules.

Share Award Scheme

The Company adopted the Share Award Scheme by ordinary resolution of the shareholders of the Company in the annual general meeting held on 7 December 2023 ("**Adoption Date**"). During FY2025, no share award was granted, issued, vested, cancelled or lapsed pursuant to the Share Award Scheme. The following is a summary of the principle terms of the Share Award Scheme. The Directors confirmed that the terms of the Share Award Scheme comply with the requirements under chapter 17 of the Listing Rules.

(a) Purpose

The purposes and objectives of the Share Award Scheme are to recognise the contributions by certain eligible participants, provide them with incentives in order to retain them for the continual operation and development of the Group, and attract suitable personnel for further development of the Group.

(b) Participants

The eligible participants under the Share Award Scheme shall comprise of the following: (i) any director of a Group company; (ii) any Employee; (iii) any Related Entity Participant; and (iv) any Service Provider.

(c) Basis of determining the purchase price and amount payable on acceptance of award

Unless otherwise determined by the Board or the committee delegated by the Board in its absolute sole discretion, a selected participant is not required to pay any grant or purchase price or make any other payment to the Company for accepting an offer of the share award, nor is the participant required to pay any subscription or purchase price for the vesting of the share award or the receipt of the share award.

(d) Vesting period

Unless otherwise determined by the Board or the committee delegated by the Board for a shorter vesting period under certain circumstances, the vesting period of the share award shall be no less than twelve (12) months.

(e) Remaining life of the Share Award Scheme

The Share Award Scheme shall be valid and effective for a period of 10 years from 7 December 2023. As at 30 June 2025, the remaining life of the Share Award Scheme is approximately 8.4 years.

SHARE SCHEME *(continued)*

Share Option Scheme and Share Award Scheme

The maximum number of new Shares which may be issued in respect of all share awards to be granted under the Share Award Scheme, all share options to be granted under the Share Option Scheme, and all share options and share awards to be granted under any other share scheme(s) involving the grant of awards or options over Shares adopted or to be adopted by the Company from time to time ("**Share Schemes**") shall not be, in aggregate, more than 37,955,223 Shares, representing approximately 10% of the Shares in issue as at the Adoption Date. The maximum number of new Shares which may be issued in respect of all share awards to be granted under the Share Award Scheme, all share options to be granted under the Share Option Scheme, and all share options and share awards to be granted under any other Share Schemes to the Service Providers, shall not be, in aggregate, more than 30,364,178 Shares, representing approximately 8% of the Shares in issue as at the Adoption Date.

The total number of Shares available for issue under the Share Option Scheme and the Share Award Scheme is 37,955,223 Shares, representing approximately 10% of the Shares in issue as at the date of this annual report.

Subject to the requirements set out in the Share Option Scheme, the Share Award Scheme and the Listing Rules, no share options and share awards under any Share Schemes shall be granted to any Eligible Person (the "**Relevant Eligible Person**") if the number of Shares issued and to be issued upon exercise of all options or awards granted (excluding any share options or any share awards lapsed in accordance with the terms of the Share Schemes) to the Relevant Eligible Person in the 12-month period up to and including the date of such grant exceeding 1% of the total number of Shares in issue as at the date of such grant.

The number of options and awards available for grant under the scheme mandate at the beginning of FY2025 and at the end of FY2025 was 37,805,223 Shares and 37,805,223 Shares respectively. The number of options and awards available for grant under the service provider sublimit at the beginning of FY2025 and at the end of FY2025 was 30,264,178 Shares and 30,264,178 Shares respectively.

The total number of Shares that may be issued in respect of the share options and share awards granted under the Share Option Scheme and the Share Award Scheme during FY2025 divided by the weighted average number of Shares in issue for the period was nil.

PENSION SCHEME ARRANGEMENTS

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") in Hong Kong under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

A subsidiary operating in the PRC is required to participate in defined contribution retirement schemes organised by the relevant local government authorities since incorporation. It is required to continue a specific amount for the employees in the PRC pursuant to the local municipal government regulations.

Directors' Report

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, the Directors shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. The stated permitted indemnity provision (as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong ("**Hong Kong Companies Ordinance**")) for the benefit of the Directors is currently in force and was in force throughout FY2025.

NON-COMPETITION UNDERTAKING BY CONTROLLING SHAREHOLDERS

Mr. Chan, Dr. Pang and Treasure Group (collectively, the "**Controlling Shareholders**") entered into a deed of non-competition in favor of the Company (and as trustee for its subsidiaries) dated 15 March 2016 (the "**Deed of Non-Competition**"). The Controlling Shareholders confirmed their compliance with all the undertakings provided under the Deed of Non-Competition. The independent non-executive Directors, based on the confirmation from the Controlling Shareholders, consider that, during FY2025, the terms of the Deed of Non-Competition have been complied with by the Controlling Shareholders.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES

Details of our ESG policies and practices are set out in the "ESG Report" of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

During FY2025 and up to the date of this annual report, our Group had complied with the relevant laws and regulations that have a significant impact on its business in all material respects and there were no material breaches or violations of the laws and regulations applicable to our Group that would have a material adverse effect on its business and financial position taken as a whole.

AUDITOR

Ernst & Young will retire as the auditor of the Company upon expiration of its current term of office at the AGM and will seek for re-appointment. The Board, with the recommendation from the Audit Committee, has resolved to propose the re-appointment of Ernst & Young as the auditor of the Company for the year ending 30 June 2026, subject to the passing of an ordinary resolution of the Shareholders at the AGM, with effect from the date of the AGM to hold the office as auditor until the conclusion of the next annual general meeting of the Company.

On behalf of the Board

Chan Kin Ping, BBS, JP
Chairman

Hong Kong, 25 September 2025

ABOUT THIS REPORT

Human Health is pleased to present its annual ESG Report. This ESG Report is intended to deliver the Group's visions, commitments, policies, and performances relating to material ESG issues. Through this ESG Report, the Group aims to fulfil its duty as a corporate citizen, build trust and rapport among stakeholders, as well as enable a better understanding of the Group's sustainability progress and direction.

Reporting Scope

The Group is principally engaged in the provision of comprehensive, one-stop and quality healthcare services to the public. As the Board considers that majority of the Group's material environmental, social and economic impacts lie within its medical centres (including day procedure centre, retail centres and the community pharmacy), warehouses and offices in Hong Kong, the scope of the ESG Report covers the operational and management activities of these entities, unless specified otherwise. During the period from 1 July 2024 to 30 June 2025 (the "**Reporting Period**" or "**FY2025**"), 69 medical centres (including 1 day procedure centre, 3 retail centres and 1 community pharmacy), 2 warehouses and 2 offices operated by the Group were within the reporting scope of this ESG Report.

During the Reporting Period, the Group completed the acquisition of Monarch Dental on 28 February 2025. Following the completion of acquisition, Monarch Dental became an indirect non wholly-owned subsidiary of the Company. Therefore, the environmental and social related data of Monarch Dental was included in this ESG Report.

In addition, as certain utilities data was not available for the calculation of electricity and water consumption, 5 medical centres were excluded from the calculations of electricity consumption and 20 medical centres and 1 office were excluded from the calculation of water consumption.

Unless otherwise specified, the content of this ESG Report covers the ESG activities, challenges and measures taken by the Group in the Reporting Period.

Environmental, Social and Governance Report

ABOUT THIS REPORT *(continued)*

Reporting Standards

This ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) as set out in Appendix C2 of the Listing Rules.

Reporting Principles

The Group applied the following reporting principles in the preparation of this ESG Report:

Materiality

Following a comprehensive stakeholder engagement process and materiality assessment, this ESG Report is structured based on the materiality of environmental and social issues. For more information, please refer to subsections “Stakeholder Engagement” and “Materiality Assessment” under section “Approach to Sustainability”.

Quantitative

This ESG Report discloses quantitative key performance indicators (“**KPIs**”) of the Group’s offices, warehouses, and medical centres in Hong Kong. Information on the standards, methodologies, assumptions, and calculations tools used are further disclosed in the discussion of the various ESG issues where applicable. During the Reporting Period, the Group has based on the quantitative targets to evaluate the effectiveness of ESG policies and management systems. Quantitative information is further accompanied by a description where appropriate.

Balance

This ESG Report provides an unbiased picture of the Group’s ESG performance.

Consistency

Any changes to the calculation frameworks or methods, KPIs used, or any other relevant factors affecting a meaningful comparison in this ESG Report shall be disclosed.

This ESG Report adopts consistent methodologies for KPIs’ calculations, which allows for meaningful comparisons of ESG data over time.

The Group is committed to disclosing all material ESG matters in the most accurate and sincere manner. All information disclosed in this ESG Report is compiled and published based on existing policies, practices, official documents, or reports. Furthermore, this ESG Report is endorsed and approved by the Board. Responsible for overseeing and managing all ESG matters of the Group, the Board is dedicated to monitoring and disclosing the Group’s sustainability performance through the annual publication of the ESG Report.

APPROACH TO SUSTAINABILITY

For over two decades, the Group has adopted, advocated, and adhered to a philosophy of responsible corporate growth. Recognising that the environment is becoming increasingly volatile and complex, the Group is wholeheartedly committed to operate in an environmentally and socially responsible manner across all aspects of its business.

Sustainability Governance

A robust sustainability governance structure with clear chains of accountability enables the Group to deliver both its commitments as well as stakeholder expectations. At the Group, sustainability is planned and managed at the strategic level by the Board, while executed and monitored at the operational level by its ESG committee of the Group ("**ESG Committee**").

The Board

The Board is the highest decision-making and management authority of the Group. It is responsible for overseeing all ESG-related issues, the Board's ESG management approach and strategy, including the process used to evaluate, prioritise, and manage material ESG issues, risks and opportunities. This process involves reviewing with regular Board updates, where the results of the materiality assessment are reviewed and discussed to ensure appropriate relevance and materiality to the Group. The Board updates include the work progress reported by the ESG Committee, policies setting and amendments, ESG-related risks identification, latest information on ESG-related compliance matters, and any other pertinent ESG information. For more information on the results of the materiality assessment, please refer to subsection "Materiality Assessment".

The Group believes setting ESG-related targets can enhance the Group's commitment to corporate social responsibility and allow the Group's stakeholders to have a clear understanding of the Group's ESG performance. To provide additional oversight and direction, the Board was also involved with reviewing progress of the ESG-related goals and targets set in FY2024. The Board has reviewed and disclosed the progress the Group has made in achieving these targets. For further details, please refer to subsection "Environmental Policy and Targets" under section "Green Operations".

Environmental, Social and Governance Report

APPROACH TO SUSTAINABILITY *(continued)*

Sustainability Governance *(continued)*

ESG Committee

Formally set up in FY2020, the ESG Committee is chaired by the Company Secretary, representing Director's Office and comprises department heads of different functions, including Operations Department, Business Development Department, Human Resources and Administration Department ("**HRA Department**") and Product and Supply Chain Department.

The ESG Committee is responsible for assisting the Board in managing, administering, and handling all ESG matters, as well as monitoring the implementation of the ESG strategies at the operational level.

ESG Committee Responsibilities

- Develop and review the Group's ESG visions, objectives and strategies, and make recommendations to the Board for the approval of relevant initiatives;
- Set out ESG principles and prioritise in managing ESG impacts and create sustained values for the Group's stakeholders;
- Identify, determine, and evaluate ESG risks and opportunities of the Group, which shall be reported to the Board;
- Identify, assess, and determine relevant matters that significantly affect the operation of the Group and/or stakeholders' interests in the ESG aspects;
- Advise the Board on the allocation of resources on ESG initiatives;
- Review and update as necessary the Group's policies and procedures on social responsibility management, corporate governance, environmental protection or other relevant ESG aspects;
- Monitor and review the Group's operations to ensure that they are in compliance with relevant ESG policies and procedures, as well as applicable laws and regulations and international standards;
- Oversee the implementation of the Group's ESG strategy and initiatives;
- Set targets to measure the attainment of the initiatives and develop continuous improvement programme for ESG performance;
- Measure and evaluate performance of the Group against ESG targets set, which shall be reported to the Board, and advise on actions needed to improve performance;
- Ensure sufficient and adequate training on ESG issues has been provided to relevant staff;
- Review and evaluate the performance of the ESG Committee and the terms of reference to ensure its operating effectiveness, and recommend any appropriate changes for the Board's approval; and
- Report the ESG Committee's findings and recommendations to the Board on a regular basis.

APPROACH TO SUSTAINABILITY *(continued)*

Sustainability Strategies

The Group's sustainability strategies are divided into three phases and reviewed annually by the Board. The long-term visions in managing ESG issues would be maintaining the sustainability of the Group's operation and it involves communicating its prioritised set of sustainability-related actions and commitments to its different stakeholders. Covered by four long-term commitments in different material aspects, it is reflected by its four core values, "Empathetic" (仁心), "Earnest" (稱心), "Evolutionary" (創新) and "Ethical" (求真). It provides a framework to focus investment and drive performance, as well as engages its internal and external stakeholders.

In order to ensure the Group's operations align with its long-term visions, the Group considered that the medium-term strategies under each commitment are expected to be accomplished within 5 to 8 years, as shown below.

Long-term Visions and Medium-term Strategies	Our Mottos
I. Deliver quality healthcare services A. Explore possibilities in improving healthcare services B. Engage qualified professional team with diversified packages C. Build positive customer relations and trust	Empathetic; Earnest; Evolutionary; Ethical
II. Respect workforce A. Promote a safe and healthy work environment B. Encourage continuous professional growth C. Attract and retain exceptional talents	Earnest; Ethical
III. Embrace green operations A. Minimise emissions and waste B. Optimise resource efficiency C. Effectively manage environmental risks	Evolutionary; Ethical
IV. Be an ethical and responsible corporate citizen A. Develop robust relationships with the communities in which it operates in B. Operate under the highest standards of openness, probity, and accountability	Earnest; Evolutionary; Ethical

Environmental, Social and Governance Report

APPROACH TO SUSTAINABILITY *(continued)*

Sustainability Strategies *(continued)*

The Group's short-term strategies shall be implemented by integrating and allocating the public needs, market trends, as well as the Group's operational resources. As the cornerstone of its three-phase strategies, the short-term strategies shall be consistently reviewed and updated by the Board, with an aim to efficiently monitor the Group's ESG performance and thereby achieve the long-term visions. During the Reporting Period, the short-term strategies have been reviewed and are expected to be accomplished within 2 to 4 years. The Group considered that the short-term strategies remain align with its long-term visions and the progress of implementing the short-term strategies during the Reporting Period are detailedly described as below.

Long-term Visions		Medium-term Strategies		Short-term Strategies
I	Deliver quality healthcare services	I(A)	Explore possibilities in improving healthcare services	To establish and launch a digital registration programme in order to streamline the registration procedure, increase the data accuracy and as such, improve the service quality. During the Reporting Period, the Group has devoted resources for the development of an integrated clinic operating system, which has been launched at all of its medical centres providing general practices services and specialties services of the Group, which helps to streamline the overall workflow and increase the data accuracy and is expected to empower the Group to better manage its business engagement with consumers (B2C), corporate partners (B2B) as well as the Hong Kong Government (B2G).
I	Deliver quality healthcare services	I(C)	Build positive customer relations and trust	To promote AI communication system in order to facilitate the communication with customers. During the Reporting Period, an omnichannel messaging platform has been launched for most of the medical centres providing general practices services, specialties services and dental services of the Group, which helps optimising appointment bookings and real-time engagement with customers.
III	Embrace green operations	III(A)	Minimise emissions and waste	To implement waste reduction, paper and water consumption efficiency, and emission reduction measures and set respective target(s). During the Reporting Period, the Group monitored the environmental KPIs targets and implemented various measures on waste management. In addition, various trainings including seminars, workshops and distribution of reading materials have been provided to staff to raise awareness of environmental protection. Furthermore, the launch of integrated clinic operating system facilitates the implementation of waste reduction and enhances paper consumption efficiency, such as simplification of work flow on prescription and referral.
		III(B)	Optimise resource efficiency	

APPROACH TO SUSTAINABILITY *(continued)*

Aligning Sustainability Approach with the United Nations Sustainable Development Goals

The United Nations 17 Sustainable Development Goals (“**SDGs**”) were adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. Recognising the role the Group plays in the global effort to address worldwide challenges and to showcase its commitment in promoting the universal sustainable development agenda, during the Reporting Period, the Group remained the alignment of its sustainability strategies with 4 of the 17 SDGs.

SDGs	Implications
Good Health and Well-being 	Good health is essential to sustainable development. Achieving universal health coverage and providing equitable access of healthcare services to the public is a common goal in a sustainable society. Upholding its sustainability strategy, the Group is committed to leveraging its resources, assets, and expertise in the healthcare industry to cope with the challenges in the post pandemic era. With an aim to address people’s physical and mental health needs and offer customised care, the Group has utilised big data to devise tailor-made healthcare solutions that address the needs of its customers and promote wellness services through different means.
Quality Education 	Education is a powerful tool for sustainable development. The Group endeavours to emphasise the importance of healthcare to the public. Through the provision of community health talks, assessments, and education programmes, the Group aspires to make positive social impacts by raising public health awareness and promoting a healthy lifestyle. The Group also invests in building knowledge, skills and abilities to inspire the next generation and prepare them for their healthcare careers.
Responsible Consumption and Production 	Not only is the Group committed to people’s health, but also to the world in which we live in. The Group upholds a prudent and responsible attitude in resource consumption in each of its medical centres, warehouses and offices. The Group closely monitors the usage of environmental resources and carries out corresponding sustainable consumption guidelines. By prioritising environmental sustainability in its corporate agenda and ensuring energy efficiency usage for its operations, the Group aims to help people achieve lifelong well-being.
Partnerships for the Goals 	The SDGs can only be realised with strong, inclusive partnerships and cooperation. At the Group, its partnerships are built upon principles and values, and upon a shared vision and goal that places people and the planet at the centre. During the Reporting Period, the Group actively collaborated with allies from different industries who uphold the same vision – to deliver professional health information and thereby promote healthy lifestyles within the whole society.

Moving forward, the Group believes its sustainable development will intertwine with the SDGs in a more concrete manner. The Group shall consider integrating more material SDGs into its operations and reviewing their applicability to the Group on a regular basis.

Environmental, Social and Governance Report

APPROACH TO SUSTAINABILITY *(continued)*

Stakeholder Engagement

Communication and engagement with stakeholders are an integral part of the Group's business. The Group engages its stakeholders annually to understand their priorities, expectations, and perceptions regarding sustainability issues. This enables the Group to further explore the materiality of different ESG issues and review its business and sustainability initiatives using a multi-perspective approach, which can ultimately help the Group formulate better sustainability related decisions.

During the Reporting Period, multiple engagement channels have been established to foster continuous and dynamic interaction with the Group's internal and external stakeholders.

Internal Stakeholders	Engagement Channels
• Board and Management • Employees	• Meetings • Interviews
External Stakeholders	• Engagement Surveys • Email • Letters • Seminars • Suggestion Box • Telephone • Annual Appraisal • Trainings • Annual and Interim Reports • Announcements and Circulars • Company Website
• Shareholders and Investors • Customers • Suppliers	

Materiality Assessment

The Group values its stakeholders' opinions and recognise there are many intersections between its stakeholders' and the Group's interests. During the Reporting Period, the Group engaged an independent sustainability consultant to conduct a materiality assessment to prioritise and validate material sustainability topics.

APPROACH TO SUSTAINABILITY *(continued)*

Materiality Assessment *(continued)*

With reference to external reporting requirements, the assessment identified and evaluated the most important sustainability issues to the Group's stakeholders during the Reporting Period, as well as determined the coverage and structure of this ESG Report. Through the process of engaging its stakeholders, the Group was also able to gain insights on how to further improve its sustainability agenda. The Group is committed to performing this exercise annually to ensure its existing priorities, strategies and policies align with stakeholder expectations. A 4-step approach was adopted to assess the materiality of ESG issues.

Step 1: Identification

A list of potential material issues was identified with reference to the following sources:

- The Global Reporting Initiatives Standards
- The SDGs
- The SASB Standards – Health care industry materiality finder
- MSCI – ESG Industry Materiality Map
- Previous ESG Reports from the Group
- Industry benchmarking¹

The criteria for the selection of material ESG issues include whether the issue has substantial influence on the assessments and decisions of stakeholders, and whether the issue reflects the Group's significant economic, environmental and social impacts. Through these criteria, 29 ESG issues were identified and defined.

Step 2: Prioritisation

Different stakeholder groups were selected and engaged based on their influence on the Group. They were tasked to rate the relative importance of 29 ESG issues. The identified stakeholder groups are the Board and management, employees, Shareholders and investors, customers, and suppliers. In total, 113 participants responded to the survey. A standard questionnaire was utilised to ensure consistent and systematic evaluation of material issues.

Step 3: Validation

The Group's management confirmed and validated the list of material topics for disclosure in this ESG Report.

Step 4: Review

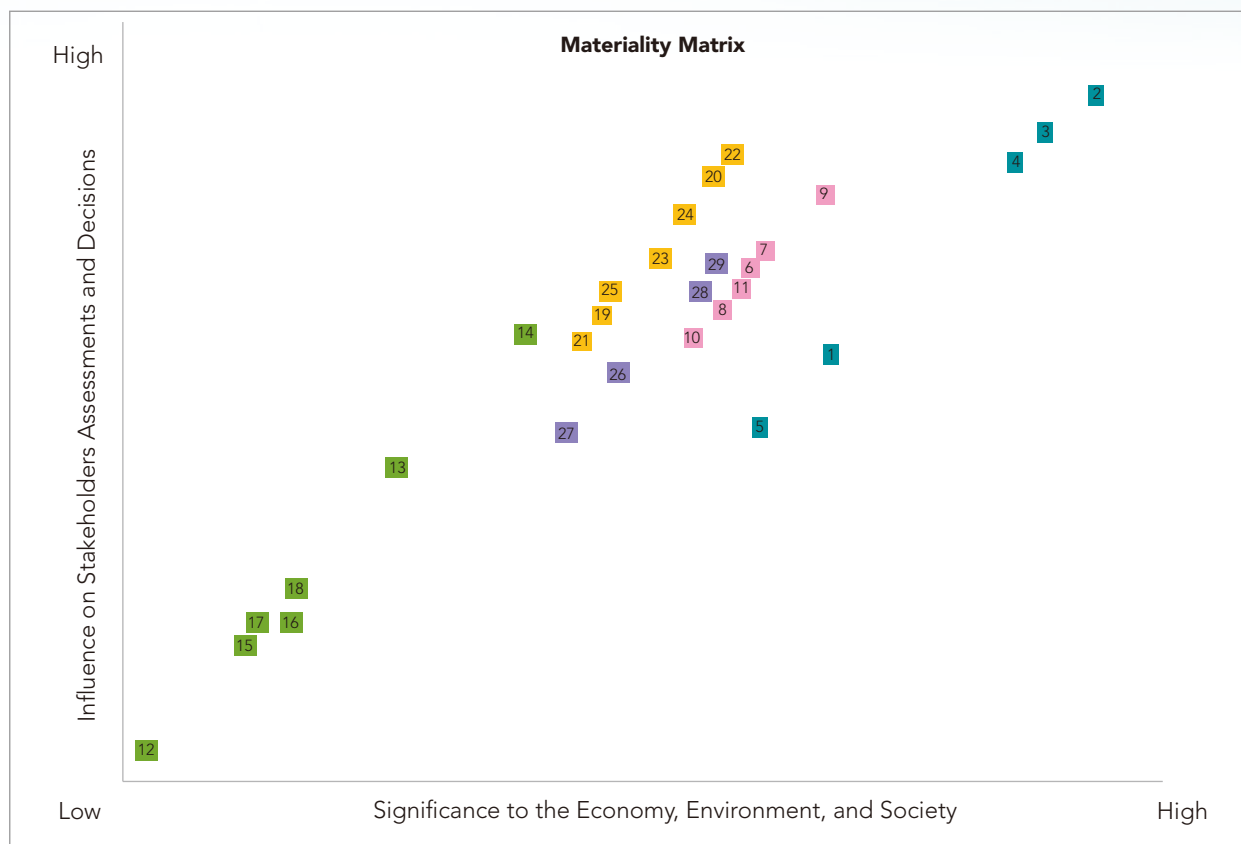
The Board reviewed the identified material issues and the results to ensure appropriate relevance and materiality to the Group.

¹ The process of identifying industry peers considers companies that are reasonably similar to the Group in terms of industry classification, service scope and target market.

Environmental, Social and Governance Report

APPROACH TO SUSTAINABILITY *(continued)*

Materiality Assessment *(continued)*



Healthcare Service	Employment
1 Technology Development/Product Innovation	6 Good Employment Practices
2 Patient Data Protection and Privacy Management	7 Talent Nurturing and Development
3 Quality and Safety of Medical Services and Products	8 Fostering Corporate Culture
4 Customer Service and Satisfaction	9 Occupational Health and Safety
5 Supply Chain Management	10 Diversity and Equal Opportunities
	11 Labour Standard
Environment	Governance
12 Greenhouse Gas Emissions	19 Protection of Intellectual Property Rights
13 Waste Management	20 Protection of Rights and Interests of Customers
14 Medical Packaging Management	21 Ownership and Control
15 Energy Management	22 Business Ethics and Anti-corruption
16 Water Management	23 Risk Management
17 Climate Adaptation and Mitigation	24 Transparency in Information Disclosure
18 Environmental Strategy and Goal Setting	25 Stakeholder Engagement
Corporate Social Responsibility	
26 Responsible Marketing and Labeling	
27 Community Participation and Investment	
28 Raising Public Health Awareness	
29 Access and Affordability of Healthcare Products and Services	

APPROACH TO SUSTAINABILITY *(continued)*

Materiality Assessment *(continued)*

Based on the materiality assessment and further validated by the Group's management and determined by the Board, the key ESG issues identified by the Group are (2) Patient Data Protection and Privacy Management, (3) Quality and Safety of Medical Services and Products, (4) Customer Service and Satisfaction, (9) Occupational Health and Safety, (1) Technology Development/Product Innovation, (7) Talent Nurturing and Development, (6) Good Employment Practices, (22) Business Ethics and Anti-corruption, (20) Protection of Rights and Interests of Customers, and (11) Labour Standard. Throughout this ESG Report, the Group shall focus more on these key ESG issues which are both important to sustainable development of the Group and to its stakeholders.

QUALITY HEALTHCARE SERVICES

For over 20 years, the commitment to advancing better health for all has been the focus of the Group. With the mission "Elevate Your Health Values, Elevate Your Life", we strive to provide one-stop medical services for all, including but not limited to general practice services, specialties services, dental services, Chinese medicine, physiotherapy, day procedure and endoscopy, diagnostics and imaging, health check and wellness services. Since 1997, we have supported over 2.9 million clients through the operation of medical centres with convenient locations and dedication of our professional team and staff. In addition, the Group has established the mega health hub – Healthy Square H2 at Star House in Tsim Sha Tsui, which is a healthcare facility that offers a wide range of medical and health-tech services. The health hub integrates several services under one roof, making it convenient for patients and customers to access more comprehensive care at once. The one – stop services provided at the mega health hub mainly include specialties, day surgery, dental, community pharmacy, physical examination, early detection, nutrition advice, wellness management, sales of healthcare products as well as a creative activity centre offering health lectures and activities, etc.

Our commitment to improving people's health and well-being grows stronger with each year. This is especially relevant this year require us to deepen our pledge to account for how we meet the long-term needs of our customers. During the Reporting Period, we continued to deliver world-class care to our customers by attending to service quality and safety, prioritising clients' needs, and closely overseeing the supply chain. In doing so, we hope to create a better healthcare experience for all.

Environmental, Social and Governance Report

QUALITY HEALTHCARE SERVICES *(continued)*

Quality of Medical Services and Products

The Group's medical services and products play a significant role in improving people's lives. We are therefore highly conscious of our responsibility to deliver high quality services and products to achieve and maintain patients' health and well-being.

In our day-to-day business, we have adopted a comprehensive service quality management approach, which strictly monitors our operations from patient registration, clinical consultation procedures (including but not limited to diagnosis and treatment), to efficiency management. This is clearly communicated in our Operating Manual, Nursing Handbook, the Internal Guidelines for Medical Centres and the Operation Manual of Monarch Dental, which are all readily accessible to our professional team and frontline staff in respective medical centres in Hong Kong and shall be reviewed regularly to ensure the policies are up-to-date.

To ensure the quality control of our medical team, they are required to participate in our orientation and induction programme, clinical attachment, on-the job training, site visits and experience sharing in their first six months of service. The Doctor Advisory Board ("**DAB**") (or the chief executive officer of Monarch Dental for medical team of Monarch Dental) is also responsible for coaching incoming medical team on aspects such as medical centre operations, patient handling, as well as documentation and management of safety and complicated issues. The performances of medical team are closely monitored by our doctor management team or the chief executive officer of Monarch Dental through regular meetings, clinical practices, patient feedbacks, and an annual performance review.

Quality Inspection

To ensure the quality of our services, an annual performance review is conducted by our DAB or the chief executive officer of Monarch Dental. During the performance review, the DAB or the chief executive officer of Monarch Dental will assess medical team's general service attitude and professionalism.

Performance Review Objectives

- Inspect if the medical centres are running smoothly;
- Determine if proper conduct and good practice exists to maintain high standards of care;
- Monitor if medical centre is operating in the best interest of the clients;
- Analyse the number of patient visits in the medical centres;
- Identify the trend of complaint cases and medical incidents; and
- Analyse the overall quality of the services.

We are committed to the continuous improvement and advancement of our service quality. Hence, in addition to the performance review, regular meetings with frontline staff are also organised to discuss industry best practices. Organised by the operation managers, the meetings cover topics such as administrative best practices, case studies from the industry, clinical learning, as well as personal development subjects. Furthermore, the doctor management team is responsible for organising the annual doctors general meeting, regional meeting, and individual doctor meeting to raise issues identified within the daily operations of the medical centres and devise appropriate solutions.

QUALITY HEALTHCARE SERVICES *(continued)*

Quality of Medical Services and Products *(continued)*

Quality Inspection *(continued)*

Regarding the quality of our medical prescriptions, our internal guidelines state that all prescriptions must be properly dispensed by responsible staff members according to the “3-check-7-rights” rule. All prescribed medications must also be packed and sealed in separate bags with corresponding drug labels, patient details and drug information. If pharmaceutical products are suspected of being potentially harmful to users due to their defective quality, safety, or efficacy, they may be subjected to recall by the Department of Health in Hong Kong (“**DOH**”) or the pharmaceutical products manufacturer before distributing to our medical centres for our patients. Under such circumstances, staff may refer to our internal policy for product reporting and recall procedures. In relation to the product recall of consumer products by requesting the consumers to return, exchange, or replace a product after defects have been discovered that could hinder performance or harm consumers, there was no such product recalls by the Group during the Reporting Period (FY2024: 0 recalls).

During the Reporting Period, the following laws and regulations had a significant impact on the Group in relation to labelling relating to products and services provided by the Group:

- Dangerous Drugs Ordinance (Cap 134 of the Laws of Hong Kong), which governs the use of medications being supplied and dispensed which are classified as dangerous drugs under the Ordinance.
- Antibiotics Ordinance (Cap 137 of the Laws of Hong Kong), which controls the sale and supply of certain antibiotic substances.
- Pharmacy and Poisons Ordinance (Cap 138 of the Laws of Hong Kong), which governs the manufacture, supply and labeling of, and the keeping of records relating to, pharmaceutical products and advanced therapy products.
- Trade Descriptions Ordinance (Cap 362 of the Laws of Hong Kong), which prohibits false trade descriptions, false, misleading or incomplete information, false marks and misstatements in respect of goods and products.
- Chinese Medicine Ordinance (Cap. 549 of the Laws of Hong Kong), which provides for the regulation of the practice of Chinese medicine practitioners and the use, manufacture and trading of Chinese medicines.

The Group was not aware of any material non-compliance with the above laws and regulations, and has ensured its compliance by engaging registered medical practitioners and registered dentists in dispensing medications in the daily operations of the Group, as well as engaging our staff in double checking the labelling of the products before delivery to our customers.

Environmental, Social and Governance Report

QUALITY HEALTHCARE SERVICES *(continued)*

Quality of Medical Services and Products *(continued)*

Quality Inspection *(continued)*

During the Reporting Period, the following laws and regulations had a significant impact on the Group in relation to advertising by the Group:

- Undesirable Medical Advertisements Ordinance (Cap 231 of the Laws of Hong Kong), which restricts certain advertisements relating to medical and health matters.

The Group was not aware of any material non-compliance with the above laws and regulations, and has ensured its compliance by monitoring the advertisement or promotion materials made by the Group.

Putting Safety First

We recognise that our fundamental responsibility is to provide safe services to our customers. Our medical centres, and offices have adopted an Infection Control Policy drafted by the Operations Department and the HRA Department on 10 February 2020 and was last reviewed on 28 April 2025. It covers all the medical centres, and the offices of the Group in Hong Kong. Protection measures are stipulated in the policy, including guidelines on how to perform proper hand hygiene, dispose of potentially infected equipment, use and store personal protective equipment and maintain hygiene etiquette. The Infection Control Policy was monitored by the Operations Department and the HRA Department.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations that have a significant impact on the Group in relation to health and safety of the services provided by the Group.

Customer Satisfaction

The Group strives to cultivate and nurture positive relationships with our clients by regularly engaging them through customer satisfaction surveys. The annual surveys enable us to gauge customer needs and understand their expectations in an honest manner so that we can continuously enhance our service quality and improve medical centre operations. Customers were asked to rate how the Group handles phone enquiries, our ability to handle complaints and quality of services, among other criteria. All information from the customer satisfaction surveys is treated as strictly confidential. During the Reporting Period, 40 medical centres were selected to undergo the programme, and the average score on customer satisfaction was approximately 96%.

QUALITY HEALTHCARE SERVICES *(continued)*

Customer Satisfaction *(continued)*

Standard procedures are also in place to address customer complaints in a timely and professional manner. The procedures outline measures to handle complaints according to different levels of severity and by nature of the complaint. As communicated within the Internal Guidelines for Medical Centres or Operation Manual of Monarch Dental, Business Development Department and Operations Department are responsible for investigating each complaint, evaluating possible causes, providing detailed response to the customer and issuing corrective actions if appropriate. All complaints are then appropriately recorded and filed for follow-up and future references. To understand how we can further enhance customer experience, complaints are reviewed regularly and analysed for improvement during our regular meetings. During the Reporting Period, 156 complaints were recorded, and 93 customers provided feedback. All cases have been resolved accordingly.

Supply Chain Management

We manage a complex network of supplier relationships that are critical to our business success and our ability to fulfil our obligations as a healthcare service provider. We strongly prioritise maintaining a strong and professional relationship with our key suppliers, comprising medical team (comprising general practitioners, specialists and dentists), pharmaceutical and healthcare product distributors and manufacturers as well as laboratory and imaging centres. As at 30 June 2025, the number of key suppliers was 524 and please refer to the section “Key Performance Table” for the number of suppliers by geographical region.

Medical Team

All our general practitioners, specialists and dentists cooperate with the Group by entering independent contracts with us. To ensure that the assessment processes are carried out fairly, transparently and consistently, we have a Medical Consultant and Dentist Engagement Policy in place, which was approved on 1 July 2015, implemented by the DAB and doctor management team, and was last reviewed on 1 November 2024. It covers all the medical centres of the Group in Hong Kong. As outlined in the policy, candidates are engaged based on their academic background, professional qualifications, work experience, skill sets, beliefs and morals, previous compliance records and overall working attitude. The Medical Consultant and Dentist Engagement Policy covers the engagement of all the general practitioners, specialists and dentists of the Group.

During the Reporting Period, we applied the aforementioned policy to 268 medical team members. We also monitor the compliance of all our medical team with relevant laws and regulations, including the Code of Professional Conduct for the Guidance of Registered Medical Practitioners issued by the Medical Council of Hong Kong and the Code of Professional Discipline for the Guidance of Dental Practitioners in Hong Kong issued by the Dental Council of Hong Kong by obtaining certificates annually, holding regular meetings with DAB and doctor management team and evaluating feedbacks and complaints in relation to the medical team.

Environmental, Social and Governance Report

QUALITY HEALTHCARE SERVICES *(continued)*

Supply Chain Management *(continued)*

Medical and Healthcare Product Suppliers

The Group has formulated the Policy and Procedure on Procurement of Medicine, Goods and Services² on 1 June 2015 which was last reviewed on 1 October 2025. It covers all the medical centres and offices of the Group in Hong Kong. The Policy and Procedure of Medicine, Goods and Services was approved and implemented by respective departments of the Group and was designed to ensure that procurement is conducted in an efficient and cost effective manner, while respecting sustainability principles. As communicated in the policy, all procurement activities must adhere to the following objective – “to buy the right goods or services of the right quality in the proper quantity at the right time from the proper source at the right price”.

Policy and Procedure on Procurement of Medicine, Goods and Services: Key Points

- Only necessary procurement shall be undertaken;
- Goods and services shall be procured in an economically rational manner;
- The Group shall obtain best value for money, taking into consideration quality, quantity, timing and source;
- All purchasing practices shall consider the effective conservation of natural resources and protection of the environment;
- Suppliers shall be eligible to participate in procurement transactions in an open, fair and transparent process;
- Procurement activities shall be undertaken in a manner that ensures all potential suppliers have been fairly treated and given an equal opportunity to make a bid; and
- Procurement activities shall be conducted with integrity and transparency and protect the Group and its staff from claims of maladministration, and reduce the risks of fraud, corruption, waste or other irregularities.

Furthermore, as part of our policy, the Product and Supply Chain Department is responsible for ensuring that all purchase orders of pharmaceutical products are registered and recognised by the Drug Office of the DOH. The policy also outlines a set of criteria for selecting medical and healthcare product suppliers, including the history of suppliers’ quality, quantity, timing of delivery, source of the products, price and supplier’s reputation in the industry. Regarding the selection of laboratory and imaging centres, we have developed a selection criterion to ensure their quality, safety and efficiency.

² Medicine includes all kinds of drugs used in the medical centres under the Group. Goods include equipment, consumables, materials, supplies and the construction of physical infrastructure. Services include all kinds of outsourcing services such as recruitment agencies, medical waste handling companies, as well as cleaning and pest control services.

QUALITY HEALTHCARE SERVICES *(continued)*

Supply Chain Management *(continued)*

Medical and Healthcare Product Suppliers *(continued)*

Selection Criteria for Laboratory and Imaging Centres

- Location (such as number of outlets and distance between our medical centres and the laboratories);
- Scope of service (such as the variety of equipment and testing offered by the laboratories);
- Quality (such as the time required for report delivery, accuracy of the report);
- Price; and
- Feedback from medical team.

The procurement procedure sets out in the Policy and Procedure on Procurement of Medicine, Goods and Services and the practices set out above shall be followed by respective departments of the Group. During the Reporting Period, we applied the above practices to 178 pharmaceutical and healthcare product distributors and manufacturers and 78 laboratory and imaging centres. The practices are further monitored by way of regular checking by the internal control team of the Group.

Social and Environmental Impact in the Supply Chain

We believe in maintaining strict controls to minimise negative impacts of our supply activity on the environment and people, and seek to ensure human rights are upheld in our supply chain. We work with suppliers who share the same values and commitment to operating responsibly.

Environmental, Social and Governance Report

QUALITY HEALTHCARE SERVICES *(continued)*

Supply Chain Management *(continued)*

Social and Environmental Impact in the Supply Chain *(continued)*

To address the social and environmental risks within our supply chain, all suppliers (except the medical team) are expected to comply with our Supplier Code of Conduct. The Supplier Code of Conduct was adopted on 28 April 2021 and was last reviewed on 10 June 2021. The Supplier Code of Conduct identifies five key areas in which environmental and social risks may occur within our supply chain: labour and human rights, health and safety, environmental protection, ethics, and management systems. To address these risks, the Supplier Code of Conduct also outlines our expectations for the five areas, topics of which are summarised below:

Labour and Human Rights	• Free choice of employment • Child labour or underage labour • Non-discrimination • Fair treatment • Salary, benefits and working hours • Freedom of association
Health and Safety	• Staff protection • Process safety • Emergency prevention and response • Hazard information • Anti-counterfeiting
Environmental Protection	• Environmental authorisation • Waste and discharge • Spills and leaks • Restricted substances
Ethics	• Integrity management • Intellectual property rights • Raw material procurement responsibilities • Privacy and information security • Accessible environment
Management Systems	• Commitment and responsibility • Legal and customer requirements • Risk management • Documentation • Training and competence • Continuous improvement • Communication

QUALITY HEALTHCARE SERVICES *(continued)*

Supply Chain Management *(continued)*

Social and Environmental Impact in the Supply Chain *(continued)*

During the Reporting Period, the Group has implemented risk management procedures along the supply chain to identify environmental and social risks. As set out in the Supplier Code of Conduct, all suppliers (except the medical team) are recommended to have a mechanism to determine and control risks in all five areas. The Supplier Code of Conduct was implemented by the Director's Office and was monitored through regular review by the ESG Committee.

To promote environmentally preferable products and services when selecting suppliers, the Group may request its suppliers to obtain all necessary environmental permits, licenses, and approvals, and comply with all applicable operating and reporting requirements, if and when necessary. The suppliers shall also have relevant systems in place to prevent and promptly respond to all accidental spills and leaks, as well as systems to ensure that waste and wastewater discharge are safely treated, moved, stored, recycled, reused or managed. Furthermore, the suppliers must comply with all applicable laws relating to restricted substances. During the Reporting Period, the practices used to promote environmentally preferable products and services are implemented by the Product and Supply Chain Department and the Business Development Department by checking all the necessary permits and licenses, if any when the suppliers are being engaged by the Group and was monitored through regular review by the ESG Committee.

DEDICATED WORKFORCE

Fostering a culture that is value-based, responsible, ethical, and inclusive motivates and empowers staff members. This culture precisely explains why the Group has been able to attract and retain the most talented people, engage them in meaningful and inspiring work, and as a result, fulfil our business goals and objectives. The contributions, spirit, and visions of our staff allow us to propel our purpose to advance health for the community at large.

To build this culture that we pride ourselves on, we ensure to create a safe and comfortable working environment, value staff welfare, abide by non-discriminatory and equal opportunity employment practices, as well as nurture and retain talents through training and development.

Environmental, Social and Governance Report

DEDICATED WORKFORCE *(continued)*

A Safe Work Environment

Staff safety is a core value, inseparable from our mission to improve human health for all. Healthcare workers have a high risk of workplace injuries, hence, the Group is committed to providing and maintaining a safe working environment. The Group has formulated various internal policies and guidelines on the prevention, mitigation, and handling of emergencies, as well as the protection of the health and safety of our staff members. These policies were set out in the Staff Handbook which was adopted on 1 September 2003 and was last reviewed on 1 January 2025 or Operation Manual for Monarch Dental. They cover respective medical centres, and offices of the Group in Hong Kong. These policies were approved and implemented by the HRA Department or the chief executive officer of Monarch Dental. Furthermore, additional safety guidelines have been formulated in our medical centres.

Group-wide Safety Measures

- Provide staff with free flu shots on dates designated and arranged by the Group;
- Provide clear and comprehensive guidelines to all staff on how to handle typhoons and rainstorm warnings as well as accidents and work-related injuries;
- Arrange cleaning of air-conditioning systems and disinfection treatment of carpets regularly;
- Organise occupational health seminars to enhance the health awareness of staff members;
- Encourage staff to maintain a good and correct posture, while maintaining an appropriate eye level with the computer screen to reduce stress and strain on their bodies;
- Keep passages clear and the working environment clean and tidy;
- Set up first aid kits and fire extinguishers in workplace;
- Ensure that all staff are familiar with the fire protection equipment and fire escape routes; and
- Comprehensive disinfection procedures will immediately be organised in the medical centres, and offices if there is an infected case reported.

The above measures are implemented by Operations Department and HRA Department and the implementation of the above measures are monitored by conducting safety checks by relevant departments of the Group regularly.

Safety Measures in Medical Centres

- Proper handling of clinical and domestic waste;
- Routine disinfection of workplace and medical equipment;
- Management of injury-on-duty cases;
- Abide by the Fire Safety Guidelines;
- Abide by the Infection Control Policy, especially when the Alert Response Level is activated, as required by the Hong Kong Government's "Preparedness and Response Plan"; and
- Adopt the "Care for the Carer" approach and monitor the health of frontline staff.

The above measures are implemented by disseminating guidelines by HRA Department and the Operations Department and engaging external service providers in providing a safe workplace. In addition, the implementation of the above measures are monitored by the registered medical or dental practitioners and the nurses stationed in the medical centres and the Operations Department.

DEDICATED WORKFORCE *(continued)*

A Safe Work Environment *(continued)*

If a staff member is injured in the workplace, he/she should immediately notify his/her direct supervisor as well as receive immediate treatment. A Notice of Work Injury Accident must also be filed within three days after the occurrence of the work injury to the HRA Department.

During the past three years including the Reporting Period, the Group had zero work-related fatalities. The number of lost days due to work-related injury during the Reporting Period was 19.25 days in which all cases were due to minor injuries. The Group will continue to remind all employees to maintain a high standard of safety awareness, especially during outdoor work, and develop staff training to achieve the goal to minimise work injury and accident.

If a staff member is infected by any disease, he/she should immediately notify his/her direct supervisor and follow the respective guidelines issued by HRA Department.

During the Reporting Period, the following laws and regulations had a significant impact on the Group in relation to providing a safe working environment and protecting employees from occupational hazards:

- Waste Disposal Ordinance (Cap 354 of the Laws of Hong Kong), Waste Disposal (Clinical Waste) (General) Regulation (Cap 354O of the Laws of Hong Kong), and Waste Disposal (Chemical Waste) (General) Regulation (Cap 354C of the Laws of Hong Kong) which govern the control and regulation of the production, storage, collection and disposal of clinical waste.
- Occupational Safety and Health Ordinance (Cap 509 of the Laws of Hong Kong) which ensures the safety and health of persons when they are in their workplace.

The Group was not aware of any non-compliance with the above laws and regulations, and has ensured its compliance by engaging qualified third-party clinical/chemical waste collector for the disposal of clinical wastes and chemical wastes in the medical centres of the Group and by regular checking of such disposals and the safety of the workplace by the Operations Department.

Environmental, Social and Governance Report

DEDICATED WORKFORCE *(continued)*

Value Employee Welfare

Our staff work hard to help people. In turn, we offer them a variety of benefits to promote their well-being.

Talent Recruitment and Retainment

We embrace our employees as the most valuable assets of the Group. The objective of the Group's human resources management is to reward and recognise outstanding employees by providing competitive remuneration packages with basic salary and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression within the Group by providing adequate training and opportunities.

Our competitive remuneration packages include basic salaries, discretionary year-end bonuses, insurance, as well as contributions to mandatory provident funds. The Group also offers paid holidays and leave to relevant staff, including annual, birthday, well-being, wedding, maternity, paternity, bereavement, community service and sick leaves. Recruitment plans are revised annually based on the Group's operational strategic goals and industry development.

As a healthcare service provider, it is our fundamental duty to ensure that our staff have access to quality medical support. Relevant staff can enjoy free general practice services and subsidies for hospitalisation and surgery protection. Moreover, relevant full-time staff who have served the Group for over three months and their immediate family members (including parents, spouses, and children under 23) can enjoy the Employee Medical Benefit Discount Plan. The preferential plan includes general practice services, specialist services, Chinese medicine, diagnosis and treatment, inspection or laboratory tests, and dental services.

In terms of the dismissal policy, if the employee is underperformed against the role requirements or commits serious misconduct which he/she fails to improve despite repeated warnings, the supervisor of such employee and the senior management of the Company will have a thorough internal discussion and allow the employee to answer and explain. If eventually the Company is considered to terminate his/her employment contract, the Company shall comply with relevant laws and regulations and the reasons for the dismissal will be conveyed to the employee clearly. The turnover rate by gender, age group and geographical region can refer to the section "Key Performance Table".

These policies in relation to compensation and dismissal, recruitment and promotion and other benefits and welfare were set out in the Staff Handbook or Operation Manual of Monarch Dental. They cover respective medical centres and offices of the Group in Hong Kong. These policies were approved and implemented by the HRA Department or the chief executive officer of Monarch Dental.

DEDICATED WORKFORCE *(continued)*

Value Employee Welfare *(continued)*

Corporate Culture

The Group prides itself in having a strong corporate culture that is grounded in mutual trust, communication, respect, and understanding. Staff are thus encouraged to candidly share their views and provide constructive criticism periodically. Staff can directly express their opinions to their immediate superiors or the HRA Department in writing. Management will subsequently review all opinions and adopt feasible measures.

Moreover, as we highly value transparency and open communication in the workplace, we also encourage staff to communicate with each other via the intranet, emails, notice boards or other informal channels.

To further nurture our corporate culture, we also strongly encourage and promote a healthy work-life balance. During the Reporting Period, the Group organised various recreational events and activities, including Gelato Ice-cream Day, Christmas party, annual dinner, surprise day event on Easter Hunt and DIY perfume workshop, etc.

Attributing to our strong corporate culture, staff members of the Group understand what is required of them and act in accordance with our core values. To further motivate our staff and enable them to better understand our expectations, we have an annual appraisal system in place to assess their performance. Staff members' attendance records, initiative, sense of responsibility, work quality and their commitment to assisting in promoting quality medical services are all used as evaluation criteria. In completion of the appraisal, staff will be considered for a discretionary award, including but not limited to, salary adjustments, discretionary bonus, and promotions. During these meetings, we also assist staff in formulating clear work goals to better perform next year.

These policies in relation to working hours, rest period and performance appraisal were set out in the Staff Handbook or Operation Manual of Monarch Dental. They cover respective medical centres and offices of the Group in Hong Kong. These policies were approved and implemented by the HRA Department or the chief executive officer of Monarch Dental.

Equal Opportunity Employer

The Group is committed to creating an inclusive culture and considers diversity as an asset and a driver of innovation. We strictly prohibit any form of discrimination of staff and job candidates on the grounds of gender, race, religion, age, disability, family status and other status protected by laws. We pride ourselves in being a competence-based employer and solely evaluate our candidates based on their experience, professionalism, skills and educational and training background. During the Reporting Period, there were no reported cases of discriminatory behaviour, harassment, or unlawful treatment in the workplace.

These policies in relation to equal opportunity, diversity and anti-discrimination were set out in the Staff Handbook or Operation Manual of Monarch Dental. They cover respective medical centres and offices of the Group in Hong Kong. These policies were approved and implemented by the HRA Department or the chief executive officer of Monarch Dental.

Environmental, Social and Governance Report

DEDICATED WORKFORCE *(continued)*

Value Employee Welfare *(continued)*

Equal Opportunity Employer *(continued)*

During the Reporting Period, the following laws and regulations had a significant impact on the Group in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare:

- Employment Ordinance (Cap 57 of the Laws of Hong Kong), which provides for the protection of the wages of employees and the general conditions of employment in Hong Kong.
- Mandatory Provident Fund Schemes Ordinance (Cap 485 of the Laws of Hong Kong), which provides for (i) the establishment of non-governmental mandatory provident fund schemes for the purpose of funding benefits on retirement; (ii) contributions to such schemes; (iii) the registration of such schemes, to provide for a regulatory regime.
- Minimum Wage Ordinance (Cap 608 of the Laws of Hong Kong), which provides for a minimum wage at an hourly rate for certain employees.
- Sex Discrimination Ordinance (Cap 480 of the Laws of Hong Kong), which renders certain kinds of sex discrimination, discrimination on the ground of marital status, pregnancy or breastfeeding, sexual harassment and harassment of breastfeeding women unlawful and promotes equality of opportunity between men and women generally.
- Disability Discrimination Ordinance (Cap 487 of the Laws of Hong Kong), which renders discrimination against persons on the ground of their or their associates' disability in respect of their employment unlawful.
- Family Status Discrimination Ordinance (Cap 527 of the Laws of Hong Kong) which renders discrimination against persons on the ground of family status unlawful.
- Race Discrimination Ordinance (Cap 602 of the Laws of Hong Kong), which renders discrimination, harassment and vilification on the ground of race unlawful.
- Protection of Wages on Insolvency Ordinance (Cap 380 of the Laws of Hong Kong), which provides for (i) the establishment of a board to administer the Protection of Wages on Insolvency Fund and (ii) payment of monies from the Fund to employees whose employers become insolvent.
- Labour Relations Ordinance (Cap 55 of the Laws of Hong Kong), which provides for improvement of labour-management relations and the settlement of trade disputes.
- Immigration Ordinance (Cap 115 of the Laws of Hong Kong), which provides the law relating to immigration and deportation.

DEDICATED WORKFORCE *(continued)*

Value Employee Welfare *(continued)*

Equal Opportunity Employer *(continued)*

The Group was not aware of any material non-compliance with the above laws and regulations, and has ensured its compliance by implementing the relevant laws and regulations by the HRA Department.

Nurture and Develop Talents

The healthcare landscape is continuously changing. To continue to lead in the evolving healthcare industry, our staff must be equipped with advanced knowledge and skills and be motivated by the prospects of new challenges or career development opportunities.

The Group offers staff members from all levels diverse opportunities to develop their professionalism. We tailor made all our training courses to meet the varying needs of our different business segments. For probationary staff, they are required to attend training courses organised by the HRA Department and Operations Department, with the aims to help probationary staff members better adapt to the work environment, as well as deepen their understanding of the Group's structure and daily operations.

Mandatory internal and external training courses are also organised regularly to keep our staff informed with the latest developments in the healthcare industry. During the Reporting Period, training courses organised or training materials sent to relevant staff include Data Protection Principles, Guidance on Data Breach Handling and Data Breach Notifications, Office Safety & Health, Green Office and Property Management, among others. All training programmes are regularly assessed and monitored to ensure their relevancy, quality, and effectiveness. To further encourage lifelong learning among our staff members and maximise their potential, the Group provides study leave and allowances. For relevant staff who have served the Group for more than one year may apply for a study subsidy. During the Reporting Period, the total training hours of full-time employees of our medicals centres and offices ("**FTE**") summed up to 5,368.31 hours, averaging 13.35 hours per FTE as at 30 June 2025. For more details on the percentage of employees trained and the average training hours completed per employee by gender and employee category, please refers to the section "Key Performance Table".

These policies in relation to improving employees' knowledge and skills for discharging duties at work were set out in the Staff Handbook or Operation Manual of Monarch Dental. They cover relevant medical centres and offices of the Group in Hong Kong. These policies were approved and implemented by the HRA Department or the chief executive officer of Monarch Dental.

Environmental, Social and Governance Report

CORPORATE CITIZENSHIP

The Group demonstrate a strong commitment to ethical behaviour by creating a balance between the needs of shareholders and the needs of the community and environment in the surrounding areas. We take responsibility in the way how we conduct our business, how we treat our staff, and how we support community activities that aim to promote a healthy and prosperous society.

Anti-Corruption

As one of Hong Kong's largest and most diversified healthcare companies, we are inevitably exposed to corruption risk. Nevertheless, the Group is committed to maintaining the highest level of integrity and ethical culture by operating with the highest standards of openness, probity, and accountability. We prohibit any form of bribery, extortion, fraud, money laundering or any illegal offers that may inappropriately influence patients or customers.

To upholding high standards of business integrity, honesty and transparency in all its business dealings, an Anti-Corruption Policy was adopted by the Board on 30 May 2022. The Board is accountable to the implementation of the anti-fraud and bribery efforts of the Group (which includes values, code of ethics, risk management, internal controls, communication and training, oversight and monitoring). This policy applies to the Group, and to all Directors, officers and employees of the Group (which for these purposes includes temporary or contract staff) (collectively the "**Relevant Persons**"). This policy sets out the minimum standards of conduct to which Relevant Persons are required to adhere. All Relevant Persons are required to adhere to this policy, as well as the Staff Handbook, Conflict of Interest Policy (for staff), Whistleblowing Policy and the Data Protection Policy of the Group.

As stipulated in the Anti-Corruption Policy and the Staff Handbook, soliciting, accepting, or offering any advantages, including but not limited to gifts, coupons, and tips, from or to our clients, suppliers or any person having a business relationship with the Group, is strictly prohibited. Staff and medical team are also prohibited from advising or dealing in any transaction that may give rise to potential conflicts of interest and must be declared to the HRA Department or doctor management team of the Group or the chief executive officer of Monarch Dental if there is a potential risk of such conflicts of interest. Any breach of conduct will lead to termination of the employment contract or consultancy agreement (as the case may be) and the subject may be liable for legal consequences. These policies in relation to bribery, extortion, fraud and money laundering were set out in the Anti-Corruption Policy, the Staff Handbook and Conflict of Interest Policy (for staff) and Conflict of Interest Policy – Doctor (for medical team). The Conflict of Interest Policy (for staff) was adopted on 1 June 2015 and was last reviewed on 1 January 2022. The Conflict of Interest Policy – Doctor (for medical team) was adopted on 1 June 2015 and was last reviewed on 1 January 2021. These policies were approved and implemented by the HRA Department and Operations Department respectively. During the Reporting Period, there are zero concluded legal cases (FY2024: 0 cases) regarding corrupt practices brought against the Group or its employees.

CORPORATE CITIZENSHIP *(continued)*

Anti-Corruption *(continued)*

During the Reporting Period, the following laws and regulations had a significant impact on the Group in relation to bribery, extortion, fraud and money laundering:

- Prevention of Bribery Ordinance (Cap 201 of the Laws of Hong Kong) which makes provisions for prevention of bribery.
- Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap 615 of the Laws of Hong Kong) which provides for the imposition of requirements relating to customer due diligence and record-keeping on specified financial institutions and designated non-financial businesses and professions and other matters relating to anti-money laundering and counter-terrorist financing.

The Group was not aware of any material non-compliance with the above laws and regulations, and has ensured its compliance by implementing Anti-Corruption Policy and Whistleblowing Policy as to bribery, extortion, fraud by the HRA Department and by monitoring the funds paid and received by the Group by the Finance Department of the Group.

The Whistleblowing Policy is an important means of detecting corrupt, illegal, or other undesirable conduct. The policy is designed to enable staff and those third parties who deal with the Group (e.g. customers, suppliers, contractors, etc.) to raise concerns internally and disclose information that the whistleblower believes shows malpractice or impropriety to bribery, extortion, fraud, and money laundering. Ensuring the safety and confidentiality of all whistleblowers, the policy states that if the whistleblower notices any suspicious behaviour, he/she is encouraged to report it at the first instance to his/her head of department or HRA Department or any one of the member of Audit Committee in writing or verbally. The member of the Audit Committee and an investigating officer will subsequently handle the matter promptly, professionally, and diligently.

The Whistleblowing Policy was adopted on 1 June 2015 and was last reviewed on 29 May 2023. The above preventive measures and whistleblowing procedures are implemented by disseminating the above relevant policies to every employees of the Group and publishing the relevant policies on the website of the Company. In addition, the implementation of the above measures are monitored by way of review of the policies by Director's Office and HRA Department regularly.

Furthermore, raising awareness, knowledge, and accountability among our staff in regard to anti-corruption is a top priority for the Group. The Group provides anti-corruption training or related reading materials to Directors and employees at a regular basis. During the Reporting Period, we distributed anti-corruption reading materials to our Directors. The reading materials contain Compliance and Beyond Training Package on Business Ethics for Listed Companies. In view of the active collaboration with the Hong Kong Government in recent years, reading materials in relation to the definition of public servants, the gist of anti-corruption laws and the integrity and corruption prevention guide on managing relationship with public servants have been dispatched to staff for reading regularly.

Environmental, Social and Governance Report

CORPORATE CITIZENSHIP *(continued)*

Data Privacy Protection

We are committed to continuously enhancing and strengthening our technological infrastructure and security protocols to protect our customer data. The Group has a comprehensive Data Protection Policy in place, which communicates the rules and procedures in regard to the collection, transfer and processing of personal data. The Data Protection Policy was adopted on 1 June 2015 and was last reviewed on 1 January 2021. It was approved and implemented by the Director's Office. The policy applies to and is made readily available to all full and part-time staff and medical team who have access to personal data collected or processed by the Group. As stipulated in the policy, measures have been set up to ensure that personal data held by a data user are protected against unauthorised or accidental access, processing, erasure, loss, or use.

Data Privacy Protection Measures

- Physical records containing personal data are securely stored and locked when not in use;
- Prevent unauthorised persons from gaining access to data and data processing systems in which personal data are processed;
- Prevent persons entitled to use data or a data processing system from accessing data beyond their needs and authorised limits;
- Ensure that personal data in the course of electronic transmission during transport or during storage on a data carrier cannot be read, copied, modified or removed without authorisation;
- Ensure that personal data are protected against undesired destruction or loss;
- Ensure that data collected for different purposes can and will be processed separately;
- Ensure that data is not kept longer than is necessary for the fulfilment of the purpose, including by requiring that data transferred to third persons be returned or destroyed; and
- Ensure all hardware with capability of storing data are destroyed and reformatted properly after use.

The above data privacy protection measures are required to be followed by the medical team and staff of the Group who will be handling personal data. The implementation of the above measures are monitored by way of review of the policy by the Director's Office and conducting checks by Operations Department regularly.

In addition to the Data Protection Policy, the Staff Handbook, the Operation Manual of Monarch Dental, Patient Information Policy, Business and Operational Information Policy and Inside/Price Sensitive Information Policy also communicate the rules for using IT facilities and the importance of data confidentiality. Regular meetings, trainings and sharing sessions are also organised to remind staff that without the consent of the Group, they are not permitted to disclose any confidential information relating to the Group's business, including operating information, financial information, operating procedures and other confidential documents.

CORPORATE CITIZENSHIP *(continued)*

Data Privacy Protection *(continued)*

Personnel who improperly use or disclose confidential information will be subject to disciplinary action, including summary dismissal (for staff) and termination of agreement (for medical team). During the Reporting Period, the following laws and regulations had a significant impact on the Group in relation to privacy:

- Personal Data (Privacy) Ordinance in Hong Kong (Cap 486 of the Laws of Hong Kong) which protects the privacy of individuals in relation to personal data.

The Group was not aware of any material non-compliance with the above laws and regulations, and has ensured its compliance has ensured compliance with the above laws and regulations by disseminating relevant policies and to conduct trainings on protection of personal data by Director's Office, Operations Department and HRA Department.

Labour Standards

In accordance with the Employment Ordinance (Cap 57 of the Laws of Hong Kong) and the International Labour Organisation Conventions, the Group respects all basic human rights and forbids any form of child or forced labour practices. These policies in relation to prevention of child and forced labour were set out in the Staff Handbook or the Operation Manual of Monarch Dental. They cover relevant medical centres and offices of the Group in Hong Kong. These policies were approved and implemented by the HRA Department or the chief executive officer of Monarch Dental.

During the recruitment process, the HRA Department conducts a thorough background check on all prospective staff. Staff must be at least the legal age at the time of employment and hold Hong Kong permanent identity cards or valid travel documents to ensure that they can be employed legally. If a staff member is discovered to have provided false information or acted dishonestly, the Group will immediately terminate the employment and conduct investigation.

The Group does not encourage overtime work, the number of working hours is clearly stated on the staff handbook, the Operation Manual of Monarch Dental and the employment contract. If employees are required to work overtime due to work or business needs, it must be on a voluntary basis to prevent any breach of labour standards. In addition, the Group will provide compensation leave for respective non-managerial employees who work overtime on Saturday, Sunday and/or public holiday. In case any forced labour is discovered, the Group will immediately suspend his/her work and investigate the incident to find out the reasons to prevent the recurrence of similar incidents.

During the Reporting Period, the following laws and regulations had a significant impact on the Group in relation to prevention of child and forced labour:

- Employment Ordinance (Cap 57 of the Laws of Hong Kong), which provides for the protection of the wages of employees and the general conditions of employment in Hong Kong.

The Group was not aware of any material non-compliance with the above laws and regulations, and has ensured its compliance. Additionally, zero cases of child or forced labour were reported during FY2025 (FY2024: zero cases).

Environmental, Social and Governance Report

CORPORATE CITIZENSHIP *(continued)*

Intellectual Property Rights

We respect intellectual property rights, including but not limited to trademarks, patents, and copyrights. During the Reporting Period, the Group kept a full record of intellectual property rights owned by the Group and will seek legal advice and take actions against any infringement of intellectual property rights owned by the Group. As stipulated in the Staff Handbook or the Operation Manual of Monarch Dental, if staff members are found to violate the relevant laws and regulations, not only will they be subject to disciplinary action, but may also be punished by the law and bear criminal or civil liabilities. During the Reporting Period, we were not aware of any infringement (i) by us of any intellectual property rights owned by third parties; or (ii) by any third parties of any intellectual property rights owned by us.

Community Participation and Investment

Helping communities and people grow stronger benefits us all. That is why we focus on partnering with the communities and making positive impacts on them.

We strongly encourage our staff to give back to their local communities and connect with their sense of purpose. As a healthcare service provider, we leverage the majority of our resources and professional expertise to improve community health – this means investing on a local level to help community members achieve greater health equity. Recognising that it takes time, a deep understanding of the community, and strong relationships to create positive change and greater health equity for all, we are committed to developing long-term, sustainable relationships with our communities.

These policies in relation to community engagement were set out in the Staff Handbook or the Operation Manual of Monarch Dental. They cover all the employees of the Group. These policies were approved and implemented by the HRA Department.

Raising Health Equity

The Group works closely with different organisations to provide health talks, assessments, and education programmes, and provides medical and wellness information as well as healthcare tips through its website and major social media platforms, with the aims of delivering professional and accurate health information, raising health awareness, and promoting healthy lifestyles.

During the Reporting Period, we continuously collaborated with the Hong Kong Lutheran Social Service in organising various activities such as health talks and examination in relation to colorectal cancer and the experience activity related to health risk assessment of blood sugar to raise public health awareness. By fostering these partnerships, we aspire to continue to progress and grow to better serve our community.

CORPORATE CITIZENSHIP *(continued)*

Community Participation and Investment *(continued)*

Participating Green Procurement Sharing Event

The Group has participated of the Green Procurement Sharing Event organised by the iRecycle Charity Foundation, with the objective of gaining deeper insights into green procurement and sustainable consumption solutions and was subsequently awarded a Certificate of Sustainable Development Goal (SDG) No. 3. Through the exchange opportunities, the Group aims to enhance its commitment to environmental protection and sustainable development.

Volunteering and Community Services

The Group joined various volunteering and community services, including 2024/2025 Walks for Millions held by the Community Chest of Hong Kong and gift pack distribution event organised by the Lok Sin Tong on Dragon Boat Festival and Mid-Autumn Festival.

During the Reporting Period, the Group supported several charitable organisations and institutions such as InspiringHK Sports Foundation, Lok Sin Tong, The Community Chest of Hong Kong, The Hong Kong Association of Senior Citizens Limited and the Hong Kong Lutheran Social Service by offering donations and event sponsorship. We also continued to show support to charity organisations such as the Medecins Sans Frontieres Hong Kong and Orbis Hong Kong by placing donation boxes at our medical centres. During the Reporting Period, the Group donated approximately HK\$206,000 to various charitable organisations.

Awards and Recognitions

We are honoured to have received recognition for our corporate responsibility efforts from a number of prominent organisations, including but not limited to the following:

Awards	Awarding Organisation	Year of Award
Happiness-at-work Promotional Scheme 2025	Promoting Happiness Index Foundation	2025
Good Employer Charter 2024	Labour Department	2024
Certificate of Sustainable Development Goal (SDG) No. 3	iRecycle Charity Foundation	2024-2025
Health Partnership Award 2024 – Outstanding Integrated Medical and Health Service Award	ETNet	2024
HONG KONG Power Brand in Medical Health 2023/2024	Hong Kong Institute of Marketing	2023-2024
ERB Manpower Developer Award Scheme	Employees Retraining Board	2025
Tomorrow's Leaders Job-shadowing Programme 2024	Social Welfare Department	2024

Environmental, Social and Governance Report

CORPORATE CITIZENSHIP *(continued)*

Community Participation and Investment *(continued)*

Awards and Recognitions *(continued)*

Awards	Awarding Organisation	Year of Award
Sight-restoring work around the world in 2024	Orbis	2024
2024/2025 Walks for Millions	The Community Chest	2025
2024「慶祝國慶75周年：樂善共迎中秋日」送暖活動感謝狀	The Lok Sin Tong Benevolent Society, Kowloon (Lok Sin Tong)	2024
2025「樂善之友樂善端午糉有情」送暖活動感謝狀	The Lok Sin Tong Benevolent Society, Kowloon (Lok Sin Tong)	2025

These awards reaffirm our dedicated efforts to nurture a robust relationship with the communities we operate in. Looking forward, we will continue to empower volunteerism and altruism in the community with our expertise in the healthcare industry to make real and lasting contribution.

GREEN OPERATIONS

The Group's commitment to the health of our planet is stronger than ever. Not only do we recognise that embracing green operations directly contribute to improving overall performance and efficiency, we also recognise the undeniable connection between our physical and emotional well-being and the health of the environment. Therefore, the Group emphasise the importance of its environmental strategy and goals setting, effluent and waste management, as well as medical packaging consumption. Other aspects such as air and greenhouse gases ("GHG") emissions, and climate change are relatively immaterial to the Group. Nevertheless, we shall continue to invest our time and resources in measures that help minimise unnecessary disruption or mitigate any adverse impacts to our natural environment.

Environmental Policy and Targets

The Group is committed to proactively managing our environmental impact as an integral part of our operations. As a step forward for the Group, we formalised our commitment to the environment by following and implementing the Environmental Policy. The policy is to provide transparency into our environmental sustainability work, as well as setting out how we plan to operate our business responsibly to create long-term and sustainable value. The policy is reviewed at least annually by the ESG Committee, and is made available to all staff members so that environmental stewardship can be promoted amongst the Group.

GREEN OPERATIONS *(continued)*

Environmental Policy and Targets *(continued)*

As stipulated in the Environmental Policy, the Group is responsible for and committed to reducing the harmful effects our operations have on both the local and global environment mainly by way of Scope 2 GHG emissions by using electricity and generation of solid wastes by disposal of hazardous and non-hazardous wastes. Below are the commitments set out in the Environmental Policy as well as steps taken to achieve the set environmental targets.

Environmental Policy Commitments and Steps Taken to Achieve Environmental Targets

- Identify and mitigate the adverse impacts of air and GHG emissions, wastewater discharge, waste generation, natural resources consumption and significant climate-related issues;
- Identify and comply with all relevant environmental legislation;
- Promote environmental awareness among all staff; and
- Adhere to the procedures in the offices and medical centres, as set out in the policy³.

To evaluate and validate the effectiveness of our ESG policies and management systems, as well as to reduce environmental impact brought by the operations of the Group, during the Reporting Period, the Group closely monitored the environmental targets and the performance in achieving each target are detailedly described as follows.

Environmental Issues	Targets	Performance
Emissions	By the year ending 30 June 2027 ("FY2027"), maintain or reduce GHG emissions (Scope 1 & 2) intensity (by gross floor area ("g.f.a.)) as compared with that for FY2024 baseline.	GHG emissions (Scope 1 & 2) intensity (by g.f.a.) for FY2025: 6.80 tCO ₂ e/thousand ft ² (FY2024: 6.92 tCO ₂ e/thousand ft ²), reduced by 1.73% as compared to FY2024 baseline. (During the Reporting Period, the total g.f.a. for the calculation of emissions reduction was 87,858.45 ft ² (5 medical centres were excluded due to limitation in data collection).)
Waste Management	By FY2027, maintain recycle rate of paper consumption as compared to FY2024 baseline and hold at least one training each year to promote waste reduction.	The recycle rate of paper consumption for FY2025: 12.64% (FY2024: 6.15%), increased by 105.53% as compared to FY2024 baseline. (During the Reporting Period, the Group has organised training course and sent the training reading materials to all staff to raise awareness of environmental protection.)

³ The procedures of waste handling, resource consumption and emissions mitigation in the offices and medical centres are set out in the following sections.

Environmental, Social and Governance Report

GREEN OPERATIONS *(continued)*

Environmental Policy and Targets *(continued)*

Environmental Issues	Targets	Performance
Energy Consumption	By FY2027, maintain or reduce energy consumption intensity (by g.f.a.) compared to FY2024 baseline.	Energy consumption intensity (by g.f.a.) for FY2025: 62,516.53 MJ/thousand ft ² (FY2024: 62,102.23 MJ/thousand ft ²), increased by 0.67% as compared to FY2024 baseline. (During the Reporting Period, the total g.f.a. for the calculation of energy use efficiency was 87,858.45 ft ² (5 medical centres were excluded due to limitation in data collection).)
Water Consumption	By FY2027, maintain or reduce water consumption intensity (by g.f.a.) compared to FY2024 baseline.	Water consumption intensity (by g.f.a.) for FY2025: 34.06 m ³ /thousand ft ² (FY2024: 32.31 m ³ /thousand ft ²), increased by 5.42% as compared to FY2024 baseline. (During the Reporting Period, the total g.f.a. for the calculation of water efficiency was 74,931.68 ft ² (20 medical centres and 1 office were excluded due to limitation in data collection).)

For meaningful comparisons, the intensity used in the above targets (except the waste management) is based on the total g.f.a. where corresponding data is available. As we are committed to measuring and reporting on our progress in a transparent and authentic way, the relevant quantitative data and unit regarding the above targets are also set out in the section “Key Performance Table”.

The Environmental Policy was adopted on 28 September 2020 and was last revised on 28 April 2021 and shall be reviewed by the ESG Committee at least annually. It covers the entire operations of the Group in Hong Kong. The Environmental Policy was approved by the Board and implemented by the ESG Committee of the Group.

During the Reporting Period, the following laws and regulations had a significant impact on the Group in relation to air and GHG emissions, and discharges into water and land:

- Air Pollution Control Ordinance (Cap 311 of the Laws of Hong Kong) which provides for abating, prohibiting and controlling pollution of the atmosphere.
- Water Pollution Control Ordinance (Cap 358 of the Laws of Hong Kong) which controls the pollutions of the water of Hong Kong.

GREEN OPERATIONS *(continued)*

Environmental Policy and Targets *(continued)*

The Group was not aware of any material non-compliance with the above laws and regulations, and has ensured its compliance by monitoring the air and GHG emissions through electricity usage and discharges of water used in the operations of the Group.

During the Reporting Period, the following laws and regulations had a significant impact on the Group in relation to generation of hazardous and non-hazardous waste:

- Pharmacy and Poisons Ordinance (Cap 138 of the Laws of Hong Kong), which governs the manufacture, supply and labeling of, and the keeping of records relating to pharmaceutical product and advanced therapy products.
- Antibiotics Ordinance (Cap 137 of the Laws of Hong Kong), which controls the sale and supply of certain antibiotic substances.
- Dangerous Drugs Ordinance (Cap 134 of the Laws of Hong Kong), which governs the use of medications being supplied and dispensed which are classified as dangerous drugs under the Ordinance.
- Waste Disposal Ordinance (Cap 354 of the Laws of Hong Kong), Waste Disposal (Clinical Waste) (General) Regulation (Cap 354O of the Laws of Hong Kong), and Waste Disposal (Chemical Waste) (General) Regulation (Cap 354C of the Laws of Hong Kong) which govern the control and regulation of the production, storage, collection and disposal of clinical waste as well as chemical waste.

The Group was not aware of any material non-compliance with the above laws and regulations, and has ensured its compliance by engaging qualified third-party clinical/chemical waste collector licenced by the Environmental Protection Department of the Hong Kong Government for the waste disposal and monitoring by Operations Department and Product and Supply Chain Department.

Waste Management

We believe that waste is a sign of inefficiency in our operations and places an avoidable burden on planetary resources. Hence, we strive to reduce waste, promote the effectiveness of resources, and engage in responsible waste management practices. The operations of our healthcare medical services produce both hazardous (clinical and chemical) solid wastes and non-hazardous solid wastes.

Hazardous Clinical and Chemical Waste

Clinical wastes mainly consist of sharp boxes that contain clinical use sharps and needles. Chemical wastes on the other hand, primarily consists of Part I poisons and antibiotic preparations and Part II poisons and non-poison pharmaceutical products, as classified in the Pharmacy and Poisons Ordinance (Cap 138 of the Laws of Hong Kong), Antibiotics Ordinance (Cap 137 of the Laws of Hong Kong) and Dangerous Drugs Ordinance (Cap 134 of the Laws of Hong Kong).

Environmental, Social and Governance Report

GREEN OPERATIONS *(continued)*

Waste Management *(continued)*

Hazardous Clinical and Chemical Waste *(continued)*

To properly dispose of clinical wastes, the Group engages a qualified third-party clinical waste collector licenced by the Environmental Protection Department of the Hong Kong Government. The clinical wastes are put in separately labelled garbage bins and bags prior to being collected by the qualified clinical waste collector.

Regarding the disposal of chemical wastes, the Group engages a chemical waste collector authorised by the Environmental Protection Department of the Hong Kong Government. Collection of wastes are performed on a regular basis. Prior to collection, chemical wastes are separated and categorised. They are then discarded into labelled, leakproof and puncture resistant containers. The containers are subsequently placed in a chemical waste storage area in the medical centres temporarily.

To ensure the proper handling of both clinical and chemical waste, the Environmental Policy further requires the Group to monitor waste separation procedures monthly. Waste handling trainings are also regularly provided to the staff in medical centres. During the Reporting Period, we collected approximately 1.93 and 0.15 tonnes of clinical and chemical wastes respectively, which represents a total of approximately 2.08 tonnes of hazardous waste.

Non-hazardous Domestic Waste

The collection and treatment of domestic wastes in our offices and medical centres are handled by respective management offices. Currently, we do not have a monitoring system in place to record the amount of non-hazardous waste generated. Nevertheless, a data estimation was performed during the Reporting Period.

To estimate the amount of non-hazardous waste generated, non-hazardous wastes were collected and weighed at the offices for 5 consecutive days. In doing so, we were able to estimate the weight of each bag of non-hazardous waste. Using this methodology, our offices and medical centres produce approximately 8.41 and 74.84 tonnes of non-hazardous waste respectively annually, which represents a total of approximately 83.25 tonnes of non-hazardous waste. During the Reporting Period, the amount of paper consumption was also recorded at our offices and medical centres. The quantification assumes that there was no paper in storage prior to the Reporting Period, and that all purchased papers were consumed within the Reporting Period. Based on the aforementioned methodology, approximately 3.74 tonnes of paper were consumed by the Group during the Reporting Period, and 0.47 tonnes of paper were recycled.

In addition, with the view in aligning the short-term sustainability strategies of the Group of minimising emissions and waste, the Company has made arrangements, in accordance with Rules 2.07A of the Listing Rules and the Articles of Association, to send or otherwise make available the corporate communications of the Company, including but not limited to its annual reports, interim reports and circulars of the Company, to the Shareholders electronically unless a printed copy is specifically requested by the Shareholder.

GREEN OPERATIONS *(continued)*

Waste Management *(continued)*

Non-hazardous Domestic Waste *(continued)*

To reduce the amount of waste generated in our offices and medical centres, the Group has adopted the following measures:

Waste Reduction Measures	Paper Reduction Measures
• Collect used fluorescent lamps, ink cartridges, batteries, and CDs for recycling; • Install recycling bins for paper and plastic, among others in a prominent location; • Replace disposable paper cups and cutlery with reusable glasses and cutlery; and • Encourage customers to bring reusable bags.	• Set computer defaults to print double-sided when possible; • Use electronic messages for internal information distribution; and • Implement a spreadsheet system such as an online application system for leave and electronic payslip.

Resource Efficiency

With the advent of global climate change, depleting natural resources, and rising expectations on corporate environmental performance, pursuing resource efficiency is a major priority of the Group. By using resources responsibly and efficiently, it is our intention to reduce our environmental footprint and achieve greater corporate social responsibility. The policies on efficient use of resources were set out in the Environmental Policy. They cover all the medical centres and offices of the Group in Hong Kong. These policies were approved by the Board and implemented by disseminating guidelines by the ESG Committee.

The resources consumed in our operations largely include packaging materials, electricity, water, and paper. During the Reporting Period, various measures were adopted to minimise unnecessary usage of these resources. As paper usage has already been covered in the “Waste Management” subsection above, only initiatives regarding conservation of packaging materials, energy, and water are covered below.

Packaging Materials

Packaging plays a critical role in maintaining the quality, safety, and integrity of our products. All medications prescribed must be packaged individually and labelled properly with relevant patient and drug information for identification purposes. Plastic packaging, including plastic bags, drug bags, potion bottles, ointment boxes and thermal labels, were currently used in our medical centres, but as set out in our Environmental Policy, we are striving and assessing the possibility to preserve and recycle plastic packaging materials whenever possible, as well as purchase sustainable packaging materials.

Environmental, Social and Governance Report

GREEN OPERATIONS *(continued)*

Resource Efficiency *(continued)*

Packaging Materials *(continued)*

To quantify the amount of packaging materials consumed during the Reporting Period, the quantification methodology in estimating packaging materials consumption was performed in a similar manner to that of paper. It is assumed that the materials purchased were consumed within the Reporting Period and that there were no packaging materials in storage prior to the Reporting Period. Based on the aforementioned methodology, approximately 18.34 tonnes of plastic were consumed and approximately 3.13 tonnes of other packaging materials, which represents a total of 21.47 tonnes of packaging materials, were consumed by the Group during the Reporting Period.

Energy Consumption

The energy consumption intensity (by g.f.a.) in the Reporting Period was approximately 62,516.53 MJ/thousand ft², representing an increase of approximately 0.67% from FY2024. During the Reporting Period, the majority of the Group's energy consumption stemmed from electricity consumption in the offices and medical centres. A proportion of the energy usage can also be traceable to gasoline consumption used for powering mobile vehicles owned by the Group.

Indicator	Unit	FY2025			FY2024		
		Offices & Warehouses	Medical Centres	Total	Offices & Warehouses	Medical Centres	Total
Energy Consumption							
Purchased Electricity (Indirect Consumption)	kWh	174,330.52	1,306,531.78	1,480,862.30	183,592.88	1,232,619.85	1,416,212.73
Gasoline Consumption (Direct Consumption)	L	4,629.00	–	4,629.00	6,416.81	–	6,416.81
Total Energy Consumption	MJ	789,090.54	4,703,514.42	5,492,604.96	884,809.75	4,437,431.45	5,322,241.20
Energy Consumption Intensity by FTE	MJ/Person	6,262.62	17,041.72	13,663.20	7,252.54	16,682.07	13,717.12
Energy Consumption Intensity by g.f.a.	MJ/thousand ft²	–	–	62,516.53	–	–	62,102.23

All figures in the above table are approximate quantities.

The calculation of unit conversion was based on, including but not limited to the "Energy Statistics Manual" issued by the International Energy Agency.

To reduce the energy consumption and achieve the energy consumption targets, the Group has adopted several energy-saving practices in the offices and medical centres. For further details, please refer to the subsection "Air Emissions".

GREEN OPERATIONS *(continued)*

Resource Efficiency *(continued)*

Water Consumption

The availability of clean water in health facilities is critical to providing quality healthcare. From personal hygiene to washing tools and equipment used on the patients, water is vital in maintaining a hygienic, healthy, and safe environment within the medical centres. During the Reporting Period, the Group's water consumption intensity (by g.f.a.) was approximately 34.06 m³/thousand ft², indicating a increase of 5.42% from the previous Reporting Period. We had no issues in sourcing water that is fit for purpose.

Due to the nature of the Group's operations as a healthcare industry that prioritises clean and safe sanitation facilities, clean water must be made available at all times. In particular, water consumption is unavoidable in our dental operations. The Group must ensure the health and safety of all employees, customers and other relevant stakeholders. However, the Group will still strive to maintain efficient use of water and in order to achieve our water efficiency target, we have adopted the following measures in our offices and medical centres:

Water Consumption Measures

- Put up water conservation signs to raise awareness on water conservation;
- Remind the staff to use water conscientiously; and
- Carry out regular leakage tests.

Emissions Management

Air Emissions

The Group's air emissions mainly stemmed from the operation of company vehicles, which generates air pollutants, including nitrogen oxides ("NO_x"), sulphur oxides ("SO_x") and particulate matter ("PM").

Indicators	Unit	FY2025			FY2024		
		Offices and Warehouses	Medical Centres	Total	Offices and Warehouses	Medical Centres	Total
NO _x Emissions	kg	2.29	–	2.29	2.20	–	2.20
SO _x Emissions	kg	0.07	–	0.07	0.09	–	0.09
PM Emissions	kg	0.17	–	0.17	0.16	–	0.16

All figures in the above table are approximate quantities.

The calculation method of air emissions and the related emission factors were based on, including but not limited to, "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

Environmental, Social and Governance Report

GREEN OPERATIONS *(continued)*

Emissions Management *(continued)*

GHG Emissions

Regarding GHG emissions, scope 1 direct GHG emissions largely derived from mobile combustion of fossil fuels, due to the use of our Group's own vehicles. Scope 2 energy indirect GHG emissions are traceable to the fossil fuels used to generate purchase electricity we use in our operations.

To accurately quantify and assess the Group's GHG emissions, we engaged an independent consultant to evaluate our overall GHG emissions. The Group would provide data collected to the independent consultant for quantification purposes. The quantification process makes reference to both local and international guidelines, including the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" published by the Environmental Protection Department and the Electrical and Mechanical Services Department of the Hong Kong Government, "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange, as well as other international standards such as the "Greenhouse Gas Protocol" published by the World Resources Institute and World Business Council for Sustainable Development. We also utilised the latest emission factors, which are periodically published by relevant power companies.

Indicators	Unit	FY2025			FY2024		
		Offices and Warehouses	Medical Centres	Total	Offices and Warehouses	Medical Centres	Total
Scope 1 Direct Emissions – Mobile Combustion Sources	tCO ₂ e	12.35	–	12.35	17.12	–	17.12
Scope 2 Energy Indirect Emissions – Purchased Electricity	tCO ₂ e	66.25	518.58	584.83	71.60	504.38	575.98
Scope 1 & 2 Emissions	tCO ₂ e	78.60	518.58	597.18	88.72	504.38	593.10
Scope 1 & 2 Emissions Intensity by FTE	tCO ₂ e/Person	0.62	1.88	1.49	0.73	1.90	1.53
GHG Emissions (Scope 1 & 2) Intensity by g.f.a.	tCO ₂ e/ thousand ft ²	–	–	6.80	–	–	6.92

All figures in the above table are approximate quantities.

GREEN OPERATIONS *(continued)*

Emissions Management *(continued)*

GHG Emissions *(continued)*

We recognise the impact of our GHG and air emissions and are determined to play an active role in managing and minimising our environmental impacts. To ensure that we fulfil our emission targets, during the Reporting Period we were committed to adopting the following measures in our offices and medical centres:

Emissions Reduction Measures

- Turn off all electrical appliances when not in use:
 - Turn off lights during lunch hour manually or adopt automatic sensors;
 - Require staff to switch off their computers (including their screen) after work; and
 - The last person leaving the office after work must check and ensure all electrical appliances are turned off;
- Set indoor temperature at 25.5°C;
- Maintain all electrical appliances such as lamps, computers and fridges regularly to ensure efficiency;
- Analyse electricity consumption data periodically to review energy conservation measures for continuous improvement;
- Maximise use of natural light as far as practicable and adopt energy efficient lighting (e.g. LED and T5 fluorescent lamps);
- Install environmental protection posters and signs in prominent locations (e.g. washrooms, next to printer, pantry);
- Source various paper suppliers with sustainability initiatives; and
- Source plastic bags suppliers which produces reusable, recyclable or compostable plastic bags.

Looking forward, the Group will continue to assess, record, and annually disclose its GHG and air emissions, as well as evaluate the effectiveness of current measures to further improve our environmental sustainability.

Climate Change

Climate change is considered relatively immaterial to the Group's operations. Nevertheless, it is an international environmental problem that has detrimental health and safety consequences to individuals and communities. As a healthcare service provider, our commitment to improving people's health and well-being is certainly at risk. To mitigate and adapt to the direct impacts of climate risk, we have adopted appropriate measures to prepare our operations and staff members to react to extreme weather events.

Environmental, Social and Governance Report

GREEN OPERATIONS *(continued)*

Climate Change *(continued)*

Recognising that extreme weather events (such as storms, floods or heatwaves that may damage our properties, significantly impact our business activities and pose threat to our employees) are becoming more frequent and intense, the Staff Handbook or the Operation Manual of Monarch Dental provides clear and comprehensive guidelines to staff members on how to handle typhoons and rainstorm warnings. During the Reporting Period, we recorded and analysed the locations of our medical centres which are street facing. Through this record, we are able to track which medical centres comparatively face a greater risk from extreme weather events, and subsequently devise appropriate risk management strategies to manage the climate-related risks. As at 30 June 2025, 24 out of 67 medical centres (including day procedure centre, community pharmacy and retail centres) were street facing and the Group considered that the impact of extreme weather to our business was relatively immaterial.

The Group considers that the warmer weather caused by the climate change does not have material impact on the business of the Group during the past few years and the Group shall review and monitor this climate-related risk on an ongoing basis.

In addition to the physical risks, the Group is also aware of the transition risks associated with stricter climate legislation and regulations as part of the transition to a low-carbon economy and in alignment with the global goal of carbon neutrality. These more stringent laws and regulations may expose enterprises to higher risks of legal claims and lawsuits. Failure to meet compliance requirements can also have a negative impact on corporate reputation.

The Group acknowledges the increasing demand for climate disclosures and the need to accelerate climate actions as required by regulatory bodies. To address these requirements, the Group proactively monitors both existing and emerging trends, policies, and regulations related to climate issues. It regularly assesses the impact of these regulatory updates on the Group and is prepared to notify management for necessary actions when appropriate. Furthermore, the Group has established targets and implemented various measures to gradually reduce its energy consumption and GHG emissions. These efforts demonstrate the Group's continuous commitment to sustainability and aligning its operations with environmental goals.

Other measures that have been adopted in our offices and medical centres include the following:

Climate Change Mitigation and Adaptation Measures

- Review and update the Typhoon Policy within the Staff Handbook or the Operation Manual of Monarch Dental on an annual basis;
- Monitor and review significant climate-related risks and opportunities on an annual basis;
- Maintain ongoing communication and engagement with internal and external stakeholders regarding our climate-related performance; and
- Attend regular climate-related issues training.

The above policies on identification and mitigation of significant climate-related issues was set out in the Environmental Policy. They cover all the medical centres and offices of the Group in Hong Kong. These policies were approved by the Board and implementing by disseminating guidelines by ESG Committee.

Environmental, Social and Governance Report □□□

KEY PERFORMANCE TABLE*

Key Performance Indicators	Unit	FY2025			FY2024		
		Offices & Warehouses	Medical Centres ⁴	Total	Offices & Warehouses	Medical Centres	Total
Environmental KPIs							
Greenhouse Gas Emissions							
GHG Emissions (Scope 1 & 2)	tCO ₂ e	78.60	518.58	597.18	88.72	504.38	593.10
GHG Emission (Scope 1 & 2) Intensity by Revenue ⁵	tCO ₂ e/HK\$'million	–	–	0.93	–	–	1.00
GHG Emissions (Scope 1 & 2) Intensity by FTE	tCO ₂ e/Person	0.62	1.88	1.49	0.73	1.90	1.53
GHG Emission (Scope 1 & 2) Intensity by g.f.a. ⁶	tCO ₂ e/thousand ft ²	–	–	6.80	–	–	6.92
Energy Consumption							
Electricity Consumption	kWh	174,330.52	1,306,531.78	1,480,862.30	183,592.88	1,232,619.85	1,416,212.73
Gasoline Consumption	L	4,629.00	–	4,629.00	6,416.81	–	6,416.81
Total Energy Consumption	MJ	789,090.54	4,703,514.42	5,492,604.96	884,809.75	4,437,431.45	5,322,241.20
Energy Consumption Intensity by Revenue ⁵	MJ/HK\$'million	–	–	8,523.19	–	–	9,008.24
Energy Consumption Intensity by FTE	MJ/Person	6,262.62	17,041.72	13,663.20	7,252.54	16,682.07	13,717.12
Energy Consumption Intensity by g.f.a. ⁶	MJ/thousand ft ²	–	–	62,516.53	–	–	62,102.23
Water Consumption							
Water Consumption	m ³	163.17	2,389.16	2,552.33	151.68	2,209.87	2,361.55
Water Consumption Intensity by Revenue ⁵	m ³ /HK\$'million	–	–	3.96	–	–	4.00
Water Consumption Intensity by FTE	m ³ /Person	1.30	8.66	6.35	1.24	8.31	6.09 ⁷
Water Consumption Intensity by g.f.a. ⁶	m ³ /thousand ft ²	–	–	34.06	–	–	32.31
Waste Disposed							
Chemical Waste	Tonnes	–	0.15	0.15	–	0.05	0.05
Clinical Waste	Tonnes	–	1.93	1.93	–	1.21	1.21
Hazardous Waste Intensity by Revenue ⁵	Tonnes/HK\$'million	–	–	0.0032	–	–	0.0021
Hazardous Waste Intensity by FTE	Tonnes/Person	–	0.0075	0.0052	–	0.0047	0.0033
Other Non-hazardous Waste	Tonnes	8.41	74.84	83.25	8.35	71.59	79.94
Non-hazardous Waste Intensity by Revenue ⁵	Tonnes/HK\$'million	–	–	0.13	–	–	0.14
Non-hazardous Waste Intensity by FTE	Tonnes/Person	0.07	0.27	0.21	0.07	0.27	0.21
Paper Consumed	Tonnes	1.01	2.73	3.74	1.54	3.95	5.49
Paper Recycled	Tonnes	0.47	–	0.47	0.34	–	0.34
Packaging Material							
Plastic	Tonnes	–	18.34	18.34	–	23.10	23.10
Others	Tonnes	–	3.13	3.13	–	8.95	8.95
Packaging Material Intensity by Revenue ⁵	Tonnes/HK\$'million	–	–	0.03	–	–	0.05
Packaging Material Intensity by FTE	Tonnes/Person	–	0.08	0.05	–	0.12	0.08

⁴ For FY2025, the environmental data and social related data from Monarch Dental was newly added in this ESG Report as explained in the section "Reporting Scope".

⁵ During the Reporting Period, the Group generated a total revenue of HK\$644,431,000 (FY2024: HK\$590,819,000).

⁶ During the Reporting Period, the g.f.a. for the calculation of GHG emissions (Scope 1 & 2) intensity and energy consumption intensity was 87,858.45 ft² (FY2024: 85,701.29 ft²) respectively and for water consumption intensity was 74,931.68 ft² (FY2024: 73,085.80 ft²).

⁷ Relevant figures were updated after internal review.

* All figures in the above table are approximate quantities.

Environmental, Social and Governance Report

KEY PERFORMANCE TABLE* (continued)

Key Performance Indicators	Unit	Offices & Warehouses	FY2025 Medical Centres	Total	Offices & Warehouses	FY2024 Medical Centres	Total
Social KPIs							
Workforce							
Workforce by Employment Type							
Full-time ⁸	Persons	126	276	402	122	266	388
Part-time ⁸	Persons	1	206	207	1	354	355
FTE by Gender							
Male	Persons	38	6	44	39	5	44
Female	Persons	88	270	358	83	261	344
FTE by Employment Level							
Management	Persons	14	0	14	14	0	14
General	Persons	112	276	388	108	266	374
FTE by Age Group							
<30	Persons	22	77	99	30	96	126
30-40	Persons	53	121	174	47	120	167
41-50	Persons	33	52	85	30	34	64
>50	Persons	18	26	44	15	16	31
FTE by Geographical Region							
Hong Kong	Persons	126	276	402	122	266	388
Turnover Rate							
Turnover Rate (FTE)							
Turnover Rate ⁹	%	20	100	75	48	91	77
Turnover Rate by Gender (FTE)							
Male	%	21	236	48	44	218	66
Female	%	20	97	79	50	88	79
Turnover Rate by Age Group (FTE)							
<30	%	31	112	94	43	100	88
30-40	%	18	80	62	60	69	66
41-50	%	16	92	61	45	116	82
>50	%	18	178	110	22	138	79
Turnover Rate by Geographical Region (FTE)							
Hong Kong	%	20	100	75	48	91	77
Occupational Health and Safety							
Work-Related Fatalities ¹⁰	Cases	0	0	0	0	0	0
Lost Days Due To Work Injury ¹¹	Days	0	19.25	19.25	116	79.5	195.5

⁸ As of 30 June 2025, the Group had 402 full time employees and 207 part-time employees. As of 30 June 2024, the Group had 388 full time employees and 355 part-time employees within the reporting scope of the ESG report for FY2024.

⁹ Turnover rate (FTE) = number of employees who left employment/average numbers of employees for the Reporting Period x 100%.

¹⁰ There were no work-related fatalities cases reported in FY2025, FY2024, FY2023, FY2022, FY2021 and FY2020 respectively.

¹¹ Work injuries refer to those were reported under the Employees' Compensation Ordinance.

KEY PERFORMANCE TABLE* (continued)

		FY2025		FY2024			
		Offices & Warehouses	Medical Centres	Total	Offices & Warehouses	Medical Centres	Total
Key Performance Indicators	Unit						
Social KPIs							
Training and Development							
Percentage of FTE Trained	%	–	–	98.01	–	–	99.23
Breakdown of FTE Trained by Gender							
Male	%	–	–	10.66	–	–	11.43
Female	%	–	–	89.34	–	–	88.57
Percentage of Employees Trained by Gender							
Male	%	–	–	95.45	–	–	100.00
Female	%	–	–	98.32	–	–	99.13
Breakdown of FTE Trained by Employee Category							
Management	%	–	–	3.55	–	–	3.64
General	%	–	–	96.45	–	–	96.36
Percentage of Employees Trained by Employee Category							
Management	%	–	–	100.00	–	–	100.00
General	%	–	–	97.94	–	–	99.20
Average Training Hours by Gender (FTE)							
Male ¹²	Hours	–	–	18.63	–	–	18.42
Female ¹²	Hours	–	–	13.03	–	–	13.46
Average Training Hours by Employee Category (FTE)							
Management ¹²	Hours	–	–	28.26	–	–	30.21
General ¹²	Hours	–	–	13.09	–	–	13.42
Supply Chain							
Number of Suppliers by Geographical Region ¹³							
Asia excluding Hong Kong and Mainland China	No.	–	–	68	–	–	70
Australia	No.	–	–	4	–	–	5
Canada	No.	–	–	2	–	–	2
Europe	No.	–	–	51	–	–	56
Hong Kong	No.	–	–	370	–	–	334
Mainland China	No.	–	–	10	–	–	16
UK	No.	–	–	5	–	–	6
US	No.	–	–	14	–	–	13
Product and Service							
Products Recall Rate for Safety and Health Reasons	%	0	0	0.00	–	–	0.00
Products and Service Related Complaints	Cases	–	–	156	–	–	141
Anti-corruption							
Concluded Legal Cases Regarding Corrupt Practices	Cases	–	–	0	–	–	0

¹² Average training hours by category = total training hours by category for the Reporting Period/number of trained employees by category as at the end of the Reporting Period.

¹³ The geographical region of suppliers is determined by (i) the primary location where products or services are provided by each supplier to the Group as at the end of the Reporting Period; or (ii) the country of origin of majority of products (in terms of monetary value) supplied by each supplier to the Group as at the end of the Reporting Period.

Environmental, Social and Governance Report

STOCK EXCHANGE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Mandatory Disclosure Requirements		
Governance Structure		
	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Approach to Sustainability – Sustainability Governance; Sustainability Strategy; Aligning Sustainability Approach with the United Nations SDGs
Reporting Principles		
	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG Report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be discussed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About this Report – Reporting Standards; Reporting Principles Approach to Sustainability – Aligning Sustainability Approach with the United Nations SDGs; Stakeholder Engagement; Materiality Assessment
Reporting Boundary		
	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About this Report – Reporting Scope

STOCK EXCHANGE CONTENT INDEX *(continued)*

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
"Comply or explain" Provisions		
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green Operations – Environmental Policy and Targets; Emissions Management; Waste Management
KPI A1.1	The types of emissions and respective emissions data.	Green Operations – Emissions Management Key Performance Table
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Operations – Emissions Management Key Performance Table
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Operations – Waste Management Key Performance Table
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Operations – Waste Management Key Performance Table
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Green Operations – Environmental Policy and Targets; Emissions Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Operations – Environmental Policy and Targets; Waste Management

Environmental, Social and Governance Report

STOCK EXCHANGE CONTENT INDEX *(continued)*

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Operations – Resource Efficiency; Air Emissions
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Green Operations – Resource Efficiency Key Performance Table
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Green Operations – Resource Efficiency Key Performance Table
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Operations – Environmental Policy and Targets; Resource Efficiency; Air Emissions
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Green Operations – Environmental Policy and Targets; Resource Efficiency
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Green Operations – Resource Efficiency Key Performance Table
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Green Operations – Environmental Policy and Targets
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Operations – Environmental Policy and Targets
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate – related issues which have impacted, and those which may impact, the issuer.	Green Operations – Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Green Operations – Climate Change

STOCK EXCHANGE CONTENT INDEX *(continued)*

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Dedicated Workforce – Value Employee Welfare
KPI B1.1	Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	Key Performance Table
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Key Performance Table
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Dedicated Workforce – A Safe Work Environment
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Key Performance Table
KPI B2.2	Lost days due to work injury.	Key Performance Table
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Dedicated Workforce – A Safe Work Environment

Environmental, Social and Governance Report

STOCK EXCHANGE CONTENT INDEX *(continued)*

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Dedicated Workforce – Nurture and Develop Talents
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Key Performance Table
KPI B3.2	The average training hours completed per employee by gender and employee category.	Key Performance Table
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Corporate Citizenship – Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Corporate Citizenship – Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Corporate Citizenship – Labour Standards
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Quality Healthcare Services – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Key Performance Table
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Quality Healthcare Services – Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Quality Healthcare Services – Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Quality Healthcare Services – Supply Chain Management

STOCK EXCHANGE CONTENT INDEX *(continued)*

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Quality Healthcare Services – Quality of Medical Services and Products; Putting Safety First; Customer Satisfaction Corporate Citizenship – Data Privacy Protection; Intellectual Property Rights
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality Healthcare Services – Quality of Medical Services and Products Key Performance Table
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Quality Healthcare Services – Customer Satisfaction Key Performance Table
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Corporate Citizenship – Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Healthcare Services – Quality of Medical Services and Products; Putting Safety First
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Corporate Citizenship – Data Privacy Protection

Environmental, Social and Governance Report

STOCK EXCHANGE CONTENT INDEX *(continued)*

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Corporate Citizenship – Anti-Corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Key Performance Table
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Corporate Citizenship – Anti-Corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Corporate Citizenship – Anti-Corruption
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Corporate Citizenship – Community Participation and Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Corporate Citizenship – Community Participation and Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Corporate Citizenship – Community Participation and Investment



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To the shareholders of Human Health Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Human Health Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 131 to 235, which comprise the consolidated statement of financial position as at 30 June 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Independent Auditor's Report

KEY AUDIT MATTERS *(continued)*

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter

How our audit addressed the key audit matter

Impairment of goodwill, other intangible assets and property, plant and equipment

As at 30 June 2025, the Group had goodwill of HK\$54,645,000, other intangible assets of HK\$25,862,000 and property, plant and equipment of HK\$222,373,000. The Group is required to perform impairment test for goodwill and indefinite-lived intangible assets at least on an annual basis, and other intangible assets and property, plant and equipment where an indicator of impairment of these assets exists. The impairment test is based on the recoverable amounts of cash-generating units to which the goodwill, other intangible assets and property, plant and equipment are associated with. During the year, impairment losses of HK\$6,496,000 have been recorded to reduce the carrying amount of certain property, plant and equipment to their estimated recoverable amount.

Our audit procedures included, inter alia, evaluating the Group's policies and procedures and assessing the valuation methodologies used by management to estimate value in use of the cash-generating units to which goodwill, other intangible assets and property, plant and equipment are associated with. We also evaluated the process by which management's future cash flow forecasts were prepared. In addition, we performed a sensitivity analysis and assessed the budgeted gross margins, the growth rates and expenditure assumptions with reference to the Group's historical pattern. We have also involved our internal expert to assist us in evaluating the assumptions and methodologies, including the discount rates, used in the estimation of value in use of the related cash-generating units.

Relevant disclosures are included in notes 3, 13, 15 and 16 to the consolidated financial statements.

Furthermore, we evaluated the adequacy of disclosures on the impairment assessment in the notes to the consolidated financial statements.

KEY AUDIT MATTERS *(continued)*

Key audit matter

How our audit addressed the key audit matter

Valuation of financial assets at fair value

The Group has various financial assets measured at fair value, including equity investments, investment in redeemable preference shares, unlisted investment funds and other unlisted investments. As at 30 June 2025, these financial assets at fair value amounting to HK\$119,384,000 were categorised as Level 3 within the fair value hierarchy. For Level 3 valuation, the Group has applied valuation techniques to determine the fair value of the financial assets at fair value that are not quoted in active markets. These valuation techniques, in particular those that included significant unobservable inputs, involved subjective judgements and assumptions. The sensitivity of the assumptions used may have material impact on the valuation of these financial assets at fair value.

Relevant disclosures are included in notes 3, 18, 19 and 39 to the consolidated financial statements.

We evaluated the competence, capabilities and objectivity of the independent valuer engaged by the Group. We obtained and reviewed the subscription agreements or sales and purchase agreements of the financial assets. We focused on valuation methodologies and assumptions used for the valuation of financial assets that were categorised as Level 3 within the fair value hierarchy. We, with the assistance of our internal valuation specialists, evaluated the valuation techniques, inputs and assumptions, such as market comparables, discount rates, volatility, through comparison with the valuation methodologies that are commonly used in the market and checking unobservable inputs used against available market information.

Furthermore, we evaluated the adequacy of the related disclosures in the notes to the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT *(continued)*

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ip Hing Lam (practising certificate number: P06562).

Ernst & Young

Certified Public Accountants

Hong Kong

25 September 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 30 June 2025



	Notes	2025 HK\$'000	2024 HK\$'000
REVENUE	5	644,431	590,819
Cost of services rendered		(348,974)	(320,968)
Gross profit		295,457	269,851
Other income and gains, net	5	12,939	30,222
Administrative and other expenses		(271,666)	(264,018)
Finance costs	7	(6,550)	(8,220)
Share of losses of associates		(238)	(1,271)
PROFIT BEFORE TAX	6	29,942	26,564
Income tax expense	10	(3,310)	(2,375)
PROFIT FOR THE YEAR		26,632	24,189
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive loss that will not be reclassified to profit or loss:			
Changes in fair value of financial assets at fair value through other comprehensive income, net		(1,770)	(4,851)
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		328	(161)
OTHER COMPREHENSIVE LOSS FOR THE YEAR		(1,442)	(5,012)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		25,190	19,177
Profit attributable to:			
Owners of the Company		26,336	24,189
Non-controlling interests		296	–
		26,632	24,189
Total comprehensive income attributable to:			
Owners of the Company		24,894	19,177
Non-controlling interests		296	–
		25,190	19,177
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	12		
Basic		HK6.9 cents	HK6.4 cents
Diluted		HK6.9 cents	HK6.4 cents

Consolidated Statement of Financial Position

30 June 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	222,373	206,424
Investment properties	14	–	21,100
Goodwill	15	54,645	31,964
Other intangible assets	16	25,862	2,156
Investments in associates	17	9,649	9,887
Loan to an associate	17	–	11,235
Financial assets at fair value through other comprehensive income	18	5,283	7,053
Financial assets at fair value through profit or loss	19	114,101	100,120
Prepayments, deposits and other receivables	22	46,068	49,978
Deferred tax assets	29	6,341	2,842
Total non-current assets		484,322	442,759
CURRENT ASSETS			
Inventories	20	25,075	32,284
Trade receivables	21	62,450	43,699
Prepayments, deposits and other receivables	22	27,642	23,729
Loan to an associate	17	11,445	–
Tax recoverable		20,106	23,298
Pledged deposits	23	1,028	1,021
Cash and cash equivalents	23	439,903	489,583
Total current assets		587,649	613,614
CURRENT LIABILITIES			
Trade payables	24	71,194	51,641
Other payables and accruals	25	46,522	52,165
Lease liabilities	34	49,010	49,022
Contract liabilities	26	17,148	20,765
Interest-bearing bank borrowings	28	16,825	31,542
Tax payable		3,022	10,685
Total current liabilities		203,721	215,820
NET CURRENT ASSETS		383,928	397,794
TOTAL ASSETS LESS CURRENT LIABILITIES		868,250	840,553

Consolidated Statement of Financial Position

30 June 2025



	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT LIABILITIES			
Other long-term payables	25	12,464	7,562
Lease liabilities	34	68,706	65,896
Deferred tax liabilities	29	5,331	429
Total non-current liabilities		86,501	73,887
NET ASSETS		781,749	766,666
EQUITY			
Equity attributable to owners of the Company			
Share capital	30	3,796	3,796
Reserves	32	777,953	762,870
Total equity		781,749	766,666

Mr. Chan Kin Ping, BBS, JP
Director

Dr. Pang Lai Sheung
Director

Consolidated Statement of Changes in Equity

Year ended 30 June 2025

		Attributable to owners of the Company							Non-controlling interests	Total equity
	Notes	Share capital	Share premium*	Other reserve*	Exchange reserve*	Share option reserve*	Retained profits*	Total		
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2023		3,796	190,221	27,411	(1,973)	223	588,539	808,217	–	808,217
Profit for the year		–	–	–	–	–	24,189	24,189	–	24,189
Other comprehensive loss that will not be reclassified to profit or loss:										
Fair value loss on financial assets at fair value through other comprehensive income		–	–	(4,851)	–	–	–	(4,851)	–	(4,851)
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:										
Exchange differences on translation of foreign operations		–	–	–	(161)	–	–	(161)	–	(161)
Total comprehensive income/(loss) for the year		–	–	(4,851)	(161)	–	24,189	19,177	–	19,177
Final 2023 dividend	11	–	–	–	–	–	(60,728)	(60,728)	–	(60,728)
Lapse of share options	31	–	–	–	–	(37)	37	–	–	–
At 30 June 2024 and 1 July 2024		3,796	190,221	22,560	(2,134)	186	552,037	766,666	–	766,666
Profit for the year		–	–	–	–	–	26,336	26,336	296	26,632
Other comprehensive loss that will not be reclassified to profit or loss:										
Fair value loss on financial assets at fair value through other comprehensive income		–	–	(1,770)	–	–	–	(1,770)	–	(1,770)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:										
Exchange differences on translation of foreign operations		–	–	–	328	–	–	328	–	328
Total comprehensive income/(loss) for the year		–	–	(1,770)	328	–	26,336	24,894	296	25,190
Acquisition of a subsidiary		–	–	–	–	–	–	–	5,263	5,263
Recognition of put option from business combination		–	–	784	–	–	–	784	(5,263)	(4,479)
Change in consideration payable arising from the put option granted to non-controlling interests		–	–	32	–	–	–	32	(296)	(264)
Final 2024 dividend	11	–	–	–	–	–	(10,627)	(10,627)	–	(10,627)
At 30 June 2025		3,796	190,221	21,606	(1,806)	186	567,746	781,749	–	781,749

* These reserve accounts comprise the consolidated reserves of HK\$777,953,000 (2024: HK\$762,870,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 30 June 2025



	Notes	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		29,942	26,564
Adjustments for:			
Depreciation	6	66,212	66,398
Amortisation of other intangible assets	6	1,494	1,611
Write-down of inventories to net realisable value	6	534	457
Reversal of impairment of trade receivables, net	6	(233)	(773)
Impairment of property, plant and equipment	6	6,496	12,314
Impairment of other non-financial assets	6	1,113	1,562
Share of losses of associates		238	1,271
Loss/(gain) on disposal of items of property, plant and equipment, net	6	81	(11)
Gain on early termination of lease	6	(582)	–
Changes in fair value of investment properties, net	14	4,000	4,850
Fair value gain of financial assets at fair value through profit or loss, net	5	(2,281)	(16,581)
Underprovision/(overprovision) for reinstatement costs	27	29	(215)
Interest on bank borrowings	7	1,294	2,025
Interest on lease liabilities	7	5,043	5,991
Interest in discounted amounts of provision for reinstatement costs arising from the passage of time	7	213	204
Interest in discounted amounts of rental deposits arising from the passage of time	5	(238)	(228)
Interest income	5	(12,464)	(16,924)
		100,891	88,515
Decrease/(increase) in inventories		6,675	(4,415)
(Increase)/decrease in trade receivables		(13,809)	58,702
Decrease in prepayments, deposits and other receivables		2,397	7,042
Increase/(decrease) in trade payables		12,096	(5,716)
Decrease in other payables and accruals		(8,003)	(26,835)
Decrease in contract liabilities		(3,617)	(8,346)
		96,630	108,947
Cash generated from operations		12,464	16,383
Interest received		(10,498)	(112,124)
Hong Kong profits tax paid, net			
Net cash flows from operating activities		98,596	13,206

Consolidated Statement of Cash Flows

Year ended 30 June 2025

	Notes	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of items of property, plant and equipment		–	17
Acquisition of a subsidiary	37	(33,814)	–
Purchase of items of property, plant and equipment		(7,766)	(39,508)
Purchase of a financial asset at fair value through profit or loss		(11,700)	–
Settlement of provision	27	(181)	(803)
Placement of time deposits with maturity of more than three months when acquired		(832,891)	(1,176,927)
Withdrawal of time deposits with maturity of more than three months when acquired		890,066	1,169,586
Net cash flows from/(used in) investing activities		3,714	(47,635)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank loan		(23,429)	(4,968)
Bank loan interest paid		(1,294)	(1,864)
Lease interest		(5,043)	(5,991)
Repayment of principal portion of lease liabilities		(54,532)	(50,971)
Dividend paid		(10,627)	(60,728)
Net cash flows used in financing activities		(94,925)	(124,522)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		7,385	(158,951)
Cash and cash equivalents at beginning of year		136,097	295,104
Effect of foreign exchange rate changes, net		118	(56)
CASH AND CASH EQUIVALENTS AT END OF YEAR		143,600	136,097

Consolidated Statement of Cash Flows



Year ended 30 June 2025

	Notes	2025 HK\$'000	2024 HK\$'000
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	143,600	136,097
Non-pledged time deposits	23	296,303	353,486
Cash and cash equivalents as stated in the consolidated statement of financial position		439,903	489,583
Non-pledged time deposits with maturity more than three months when acquired		(296,303)	(353,486)
Cash and cash equivalents as stated in the consolidated statement of cash flows		143,600	136,097

Notes to the Financial Statements

1. CORPORATE AND GROUP INFORMATION

Human Health Holdings Limited is a limited liability company incorporated in the Cayman Islands. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at 12th Floor, Enterprise Square Two, 3 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong.

The Company is an investment holding company. During the year, the Group is principally engaged in the provision of comprehensive, one-stop and quality healthcare services.

In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company is Treasure Group Global Limited, a company incorporated in the British Virgin Islands ("BVI").

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Company name	Place of incorporation/ registration and business	Issued ordinary share capital/ paid-up registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Actmax Limited	Hong Kong	HK\$2	–	100	Provision of general practice services
Actwise Limited	Hong Kong	HK\$1	–	100	Investment holding
Be Health Specialist Limited	Hong Kong	HK\$5,000,100	–	100	Provision of specialties services
Happy Reach Limited	Hong Kong	HK\$1	–	100	Properties investment
Healthvision (Asia) Limited	Hong Kong	HK\$1	–	100	Provision of retail services
Human Health Associate Limited	Hong Kong	HK\$2	–	100	Provision of general practice services
Human Health (H.K.) Limited	Hong Kong	HK\$2	–	100	Head office management
Human Health Medical Services Limited	Hong Kong	HK\$2	–	100	Management of consultancy agreements with doctors and dentists

1. CORPORATE AND GROUP INFORMATION *(continued)*

Information about subsidiaries *(continued)*

Company name	Place of incorporation/ registration and business	Issued ordinary share capital/ paid-up registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Impact Medical Imaging Centre Company Limited	Hong Kong	HK\$7,500,000	–	100	Provision of medical imaging services
Monarch Dental Clinic Limited	Hong Kong	HK\$10,000	–	75	Provision of dental services
Poly Dental Services Limited	Hong Kong	HK\$100	–	100	Provision of dental services
We Health Medical Diagnostic Limited	Hong Kong	HK\$1	–	100	Provision of medical diagnostic services
Win Ocean Limited	Hong Kong	HK\$1	–	100	Provision of general practice services
盈健企業管理諮詢(上海)有限公司 ("Yingjian Qiye") [#]	The People's Republic of China ("PRC")/ Mainland China	Registered capital of HK\$44,400,000	–	100	Investment holding

[#] Wholly-foreign-owned enterprise under PRC Law.

During the year, the Group acquired Monarch Dental Clinic Limited (formerly known as Monarch Medical Services Limited). Further details of the acquisition are included in note 37 to the financial statements.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Notes to the Financial Statements

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and investment properties which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 30 June 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.1 BASIS OF PREPARATION *(continued)*

Basis of consolidation *(continued)*

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the " 2020 Amendments ")
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the " 2022 Amendments ")
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the impact of the revised HKFRS Accounting Standards are described below:

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

Notes to the Financial Statements

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

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

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

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ³
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ²
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
Amendments to HKAS 21	<i>Lack of Exchangeability</i> ¹
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ²

¹ Effective for annual periods beginning on or after 1 January 2025

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

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

⁴ No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

Notes to the Financial Statements

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS *(continued)*

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19. Some of the Company's subsidiaries are considering the application of HKFRS 19 in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS *(continued)*

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the “own-use” requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity’s financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group’s financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor’s profit or loss only to the extent of the unrelated investor’s interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group’s financial statements.

Notes to the Financial Statements

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS *(continued)*

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- *HKFRS 7 Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKFRS 9 Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKFRS 10 Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKAS 7 Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

Notes to the Financial Statements

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Business combinations and goodwill *(continued)*

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 30 June. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Business combinations and goodwill *(continued)*

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Put option arrangements on non-controlling interest

Put options on non-controlling interest of the Group are financial instruments granted by the Group which permit the holders to put back to the Group their shares in certain non wholly-owned subsidiaries of the Group for cash or other financial instruments when certain conditions are met. If the Group does not have the unconditional right to avoid delivering cash or other financial instruments under the put option, a financial liability is initially recognised in the consolidated financial statements at the present value of the estimated future cash outflows on exercise under the put option. Subsequently, if the Group revises its estimates of payments, the Group will adjust the carrying amount of the financial liability to reflect actual and revised estimated cash outflows. The Group will recalculate the carrying amount based on the present value of revised estimated future cash outflows at the financial instrument's original effective interest rate and the adjustment will be recognised in the consolidated statement of changes in equity. In the event that the put option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

The put option liabilities are non-current liabilities unless the put option first becomes exercisable within 12 months after the end of the reporting period.

Fair value measurement

The Group measures its financial assets at fair value and investment properties at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the Financial Statements

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Fair value measurement *(continued)*

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- | | | |
|---------|---|---|
| Level 1 | – | based on quoted prices (unadjusted) in active markets for identical assets or liabilities |
| Level 2 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly |
| Level 3 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable |

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Notes to the Financial Statements

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	Over the lease terms
Computer	25%
Office and medical equipment	10% to 25%
Furniture and fixtures	25%
Motor vehicles	25%
Leasehold improvements	Over the lease terms or 33.3%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Brand names

Brand names with indefinite useful lives are stated at cost less any impairment losses, and are not amortised.

Trademark

Trademark is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 12 years.

Customer lists

Customer lists are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 6 to 10 years.

Notes to the Financial Statements

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	24 to 27 years
Properties	1 to 6 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Leases *(continued)*

Group as a lessee *(continued)*

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Notes to the Financial Statements

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Investments and other financial assets *(continued)*

Subsequent measurement *(continued)*

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Notes to the Financial Statements

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Impairment of financial assets *(continued)*

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- | | | |
|---------|---|--|
| Stage 1 | – | Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs |
| Stage 2 | – | Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs |
| Stage 3 | – | Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs |

Notes to the Financial Statements

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Impairment of financial assets *(continued)*

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, financial liabilities included in other payables and accruals, lease liabilities and interest-bearing bank borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities is as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value, and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Notes to the Financial Statements

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Provision

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Provision for reinstatement costs is recognised based on past experience of the actual costs incurred.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Income tax *(continued)*

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Notes to the Financial Statements

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Revenue generated from the rendering of integrated healthcare services is recognised when the services are rendered, given that the integrated healthcare service is generally completed within a short period of time.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Rental income is recognised on a time proportion basis over the lease term.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Share-based payments

The Company operates a share option scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 31 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Notes to the Financial Statements

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Other employee benefits

Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the end of the reporting period is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the end of the reporting period for the expected future cost of such paid leave earned during the year by the employees and carried forward.

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees’ basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividend are disclosed in the notes to the financial statements.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Foreign currencies *(continued)*

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of an overseas subsidiary and an associate are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the accumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of a subsidiary are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Current tax and deferred tax

The Group is subject to income taxes in Hong Kong. The Group carefully evaluates tax implications of its transactions in accordance with prevailing tax regulations and makes tax provision accordingly. Judgement is required in determining the amount of the provision for tax as there are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact on the income tax and deferred tax provisions in the periods in which such determination is made.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 30 June 2025 was HK\$54,645,000 (2024: HK\$31,964,000). Further details are given in note 15 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

Estimation uncertainty *(continued)*

Impairment of intangible assets and property, plant and equipment

The Group determines whether intangible assets with definite useful lives, property, plant and equipment, including right-of-use assets are impaired when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying values of these assets exceed their recoverable amounts, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair values less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the assets. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the assets or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in notes 13 and 16 to the financial statements.

Impairment of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The information about the ECLs on the Group's trade receivables is disclosed in note 21 to the financial statements.

Provision for obsolete inventories and write-down of inventories to net realisable value

The Group reviews an ageing analysis of its inventories at the end of each reporting period, and makes allowances if there are obsolete and slow-moving inventory items identified that are no longer suitable for use or selling. The Group also reviews the expiration of its inventory items at the end of each reporting period, and makes allowances if there are inventory items identified that are expired. The estimated net realisable value of the Group's inventories is based primarily on the latest selling prices and current market conditions. As at 30 June 2025, the carrying amount of inventories was HK\$25,075,000 (2024: HK\$32,284,000). Further details are given in note 20 to the financial statements.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

Estimation uncertainty *(continued)*

Fair values of financial assets at fair value

The fair values of financial assets at fair value that are not quoted in active markets are determined by using valuation techniques. Management judgement and estimates are required for the selection of appropriate valuation parameters, assumptions and modeling techniques. As at 30 June 2025, the carrying amount of financial assets at fair value was HK\$119,384,000 (2024: HK\$107,173,000). Further details are given in notes 18 and 19 to the financial statements.

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) General practice services segment engages in the provision of general medical consultation and related services;
- (b) Specialties services segment engages in the provision of specialist services and related medical services; and
- (c) Dental services segment which comprises the provision of dental services and related treatments.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that interest income, share of losses of associates, finance costs as well as head office and corporate income and expenses are excluded from such measurement.

Segment assets exclude other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

4. SEGMENT INFORMATION (continued)

	General practice services		Specialties services		Dental services		Total	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Segment revenue								
Revenue from external customers	410,825	398,388	165,849	133,962	67,757	58,469	644,431	590,819
Intersegment sales	704	1,150	6,372	6,270	37	20	7,113	7,440
Total segment revenue							651,544	598,259
Reconciliation:								
Elimination of intersegment sales							(7,113)	(7,440)
Total revenue							644,431	590,819
Segment results	96,248	95,267	(13,114)	(39,270)	7,621	4,706	90,755	60,703
Reconciliation:								
Interest income							12,464	16,924
Corporate and unallocated income							3,612	17,701
Corporate and unallocated expenses							(75,435)	(65,409)
Finance costs							(1,216)	(2,084)
Share of losses of associates							(238)	(1,271)
Profit before tax							29,942	26,564
Income tax credit/(expense)	(5,648)	(3,436)	2,939	537	(601)	524	(3,310)	(2,375)
Profit for the year							26,632	24,189
Segment assets	571,510	592,078	143,701	175,087	126,419	64,642	841,630	831,807
Reconciliation:								
Elimination of intersegment receivables							(127,020)	(152,464)
Corporate and other unallocated assets							357,361	377,030
Total assets							1,071,971	1,056,373

Notes to the Financial Statements

4. SEGMENT INFORMATION (continued)

	General practice services		Specialties services		Dental services		Total	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Segment liabilities	168,082	163,157	179,580	214,749	44,680	19,398	392,342	397,304
Reconciliation:								
Elimination of intersegment payables							(127,020)	(152,464)
Corporate and other unallocated liabilities							24,900	44,867
Total liabilities							290,222	289,707
Other segment information								
Depreciation	38,019	34,403	13,985	18,446	6,374	5,791	58,378	58,640
Unallocated depreciation							7,834	7,758
Total							66,212	66,398
Amortisation of other intangible assets	533	737	250	346	711	528	1,494	1,611
(Reversal of impairment)/impairment of trade receivables, net	(99)	(252)	(222)	(517)	88	(4)	(233)	(773)
Impairment of property, plant and equipment	2,537	2,242	3,851	8,077	108	1,995	6,496	12,314
Impairment of other non-financial assets	-	-	1,113	1,562	-	-	1,113	1,562
(Gain)/loss on disposal of items of property, plant and equipment, net	28	(16)	7	5	3	-	38	(11)
Unallocated loss on disposal of items of property, plant and equipment, net							43	-
							81	(11)
Finance costs	2,782	2,561	1,955	3,224	355	351	5,092	6,136
Unallocated finance costs							1,458	2,084
							6,550	8,220
Capital expenditures [#]	2,406	20,302	1,121	14,132	87	1,071	3,614	35,505
Unallocated capital expenditures [#]							6,431	7,789
							10,045	43,294

[#] Capital expenditures consist of additions to property, plant and equipment, other than right-of-use assets of properties.

4. SEGMENT INFORMATION *(continued)*

Geographical information

In determining the Group's geographical segments, revenues and results are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets. As the Group's major operations and markets are principally located in Hong Kong, no further geographical segment information is provided.

Information about major customers

No single customer contributed for 10% or more of the Group's total revenue during the year ended 30 June 2025 and year ended 30 June 2024.

5. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of the Group's revenue is as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers		
Integrated healthcare services income	644,431	590,819

(i) Disaggregated revenue information

	2025 HK\$'000	2024 HK\$'000
Types of services		
General practice services	410,825	398,388
Specialties services	165,849	133,962
Dental services	67,757	58,469
Total	644,431	590,819

Notes to the Financial Statements

5. REVENUE, OTHER INCOME AND GAINS, NET *(continued)*

(i) Disaggregated revenue information *(continued)*

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025 HK\$'000	2024 HK\$'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Integrated healthcare services income	12,601	15,357

Location of services

The Group's revenue are all derived from Hong Kong based on the location of services delivered.

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Provision of integrated healthcare services

The performance obligation is satisfied when the services are rendered and payment is due immediately, except for patients using medical cards or corporate customers, where the terms are generally due within 1 to 6 months.

The following table shows the unsatisfied performance obligation resulting from the provision of integrated healthcare services.

	2025 HK\$'000	2024 HK\$'000
At end of year		
Amounts expected to be recognised as revenue:		
Within one year	16,077	14,975
After one year	1,071	5,790
Total	17,148	20,765

5. REVENUE, OTHER INCOME AND GAINS, NET *(continued)*

An analysis of the Group's other income and gains, net is as follows:

	2025 HK\$'000	2024 HK\$'000
Other income and gains, net		
Bank interest income	12,464	16,383
Interest in discounted amounts of rental deposits arising from the passage of time	238	228
Fair value gain of financial assets at fair value through profit or loss, net	2,281	16,581
Fair value loss of investment properties	(4,000)	(4,850)
Government subsidies (note)	226	456
Rental income from investment properties	559	537
Others	1,171	887
Total	12,939	30,222

Note: The Group recognised government subsidies during the years ended 30 June 2025 and 2024 in respect of the Reimbursement of Maternity Leave Pay Scheme and other government subsidies received. As at the end of the reporting period, there were no unfulfilled conditions or other contingencies attaching to the government subsidies that had been recognised by the Group.

Notes to the Financial Statements

6. PROFIT BEFORE TAX

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

	2025 HK\$'000	2024 HK\$'000
Cost of pharmaceutical supplies	92,704	97,902
Fees payable to doctors and dentists	233,828	206,142
Laboratory expenses	4,139	4,685
Other direct cost (note iii)	16,656	10,220
Impairment of other non-financial assets	1,113	1,562
Write-down of inventories to net realisable value	534	457
Total cost of services rendered	348,974	320,968
Depreciation charge (note i)	66,212	66,398
Amortisation of other intangible assets (note i)	1,494	1,611
Loss/(gain) on disposal of items of property, plant and equipment, net	81	(11)
Gain on early termination of leases	(582)	–
Auditor's remuneration	2,454	2,146
Employee benefit expense (excluding directors' remuneration) (note 8):		
Wages and salaries	130,668	123,192
Pension scheme contributions (defined contribution scheme) (note ii)	5,074	4,959
Total	135,742	128,151
Reversal of impairment of trade receivables, net (note i)	(233)	(773)
Impairment of property, plant and equipment (note i)	6,496	12,314

Notes:

- (i) The depreciation charge, amortisation of other intangible assets, reversal of impairment of trade receivables, net and impairment of property, plant and equipment for the year are included in "administrative and other expenses" in the consolidated statement of profit or loss and other comprehensive income.
- (ii) As at 30 June 2025 and 2024, there are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.
- (iii) Other direct cost includes HK\$7,463,000 (2024: HK\$4,040,000) of other employee benefit expenses for the year ended 30 June 2025.

7. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on bank borrowings	1,294	2,025
Interest on lease liabilities	5,043	5,991
Interest in discounted amounts of provision for reinstatement costs arising from the passage of time	213	204
Total	6,550	8,220

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 HK\$'000	2024 HK\$'000
Fees	571	540
Other emoluments		
Salaries, allowances and benefits in kind	11,641	7,296
Discretionary performance-related bonuses	2,321	5,324
Pension scheme contributions	54	54
Subtotal	14,016	12,674
Total	14,587	13,214

Notes to the Financial Statements

8. DIRECTORS' REMUNERATION (continued)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 HK\$'000	2024 HK\$'000
Dr. Lui Sun Wing	180	180
Mr. Chan Yue Kwong Michael	180	180
Mr. Sin Kar Tim*	76	180
Mr. Chan Hey Man [#]	135	—
Total	571	540

* Mr. Sin Kar Tim retired and ceased to be the independent non-executive director of the Company with effect from 2 December 2024.

[#] Mr. Chan Hey Man was appointed as an independent non-executive director of the Company with effect from 1 October 2024.

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

8. DIRECTORS' REMUNERATION (continued)

(b) Executive directors

	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Discretionary performance- related bonuses HK\$'000	Pension scheme contributions HK\$'000	Total remuneration HK\$'000
2025					
Executive directors:					
Mr. Chan Kin Ping, BBS, JP*	-	4,632	798	18	5,448
Dr. Pang Lai Sheung	-	4,632	798	18	5,448
Mr. Poon Chun Pong	-	2,377	725	18	3,120
Total	-	11,641	2,321	54	14,016
2024					
Executive directors:					
Mr. Chan Kin Ping, BBS, JP*	-	2,508	1,832	18	4,358
Dr. Pang Lai Sheung	-	2,508	1,832	18	4,358
Mr. Poon Chun Pong	-	2,280	1,660	18	3,958
Total	-	7,296	5,324	54	12,674

* Mr. Chan Kin Ping, BBS, JP is also the chief executive officer of the Company during the year.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2024: Nil).

Notes to the Financial Statements

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2024: three) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining two (2024: two) highest paid employees who are not a director of the Company are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and benefits in kind	4,895	4,709
Discretionary performance-related bonuses	1,198	1,127
Pension scheme contributions	36	36
Total	6,129	5,872

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
HK\$2,500,001 to HK\$3,000,000	1	2
HK\$3,000,001 to HK\$3,500,000	1	–
Total	2	2

10. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%). No provision for PRC corporate income tax has been made as the Group's PRC subsidiary had no estimated assessable profits for the year (2024: Nil).

	2025 HK\$'000	2024 HK\$'000
Current		
Charge for the year	6,131	4,291
Overprovision in prior years	(66)	(1,295)
Deferred (note 29)	(2,755)	(621)
Total tax charge for the year	3,310	2,375

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

	2025 HK\$'000	2024 HK\$'000
Profit before tax	29,942	26,564
Tax at the statutory tax rate of 16.5%	4,940	4,383
Adjustments in respect of current tax of previous periods	(66)	(1,295)
Income not subject to tax	(2,433)	(5,637)
Expenses not deductible for tax	2,225	2,314
Tax losses not recognised	3,315	6,601
Tax losses utilised from previous periods	(2,539)	(3,408)
Temporary differences not recognised	(2,187)	(628)
Profits or losses attributable to associates	39	210
Others	16	(165)
Tax charge at the Group's effective rate of 11.0% (2024: 8.9%)	3,310	2,375

Notes to the Financial Statements

11. DIVIDENDS

	2025 HK\$'000	2024 HK\$'000
Proposed final dividend – HK3.0 cents (2024: HK2.8 cents) per ordinary share	11,387	10,627

The proposed final dividend for the year is subject to the approval of the Company’s shareholders at the forthcoming annual general meeting.

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the Company of HK\$26,336,000 (2024: HK\$24,189,000), and the weighted average number of ordinary shares of 379,552,233 (2024: 379,552,233) outstanding during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 30 June 2025 and 2024 in respect of a dilution as the impact of the share options and share awards outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

13. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use-assets			Owned assets							
	Leasehold land HK\$'000	Properties HK\$'000	Sub-total HK\$'000	Buildings HK\$'000	Computer HK\$'000	Office and medical equipment HK\$'000	Furniture and fixtures HK\$'000	Motor vehicles HK\$'000	Leasehold improvements HK\$'000	Sub-total HK\$'000	Total HK\$'000
30 June 2025											
At 1 July 2024:											
Cost	68,110	196,575	264,685	13,290	35,688	62,057	3,137	3,070	77,445	194,687	459,372
Accumulated depreciation and impairment	(5,684)	(124,852)	(130,536)	(1,223)	(22,419)	(37,155)	(2,405)	(1,636)	(57,574)	(122,412)	(252,948)
Net carrying amount	62,426	71,723	134,149	12,067	13,269	24,902	732	1,434	19,871	72,275	206,424
At 1 July 2024, net of accumulated depreciation and impairment	62,426	71,723	134,149	12,067	13,269	24,902	732	1,434	19,871	72,275	206,424
Acquisition of a subsidiary (note 37)	-	4,424	4,424	-	2	1,276	-	-	1,116	2,394	6,818
Additions	-	54,793	54,793	-	6,554	731	9	-	2,751	10,045	64,838
Transfer from investment properties (note 14)	11,600	-	11,600	5,500	-	-	-	-	-	5,500	17,100
Disposals	-	(18)	(18)	-	(60)	(21)	-	-	-	(81)	(99)
Impairment	-	(4,147)	(4,147)	-	(6)	(1,475)	-	-	(868)	(2,349)	(6,496)
Depreciation provided during the year	(2,625)	(44,745)	(47,370)	(504)	(4,226)	(5,226)	(311)	(749)	(7,826)	(18,842)	(66,212)
At 30 June 2025, net of accumulated depreciation and impairment	71,401	82,030	153,431	17,063	15,533	20,187	430	685	15,044	68,942	222,373
At 30 June 2025:											
Cost	79,710	212,989	292,699	18,790	40,329	65,992	3,126	3,070	83,994	215,301	508,000
Accumulated depreciation and impairment	(8,309)	(130,959)	(139,268)	(1,727)	(24,796)	(45,805)	(2,696)	(2,385)	(68,950)	(146,359)	(285,627)
Net carrying amount	71,401	82,030	153,431	17,063	15,533	20,187	430	685	15,044	68,942	222,373
30 June 2024											
At 1 July 2023:											
Cost	54,565	203,567	258,132	12,315	27,014	48,510	3,133	2,735	75,283	168,990	427,122
Accumulated depreciation and impairment	(3,250)	(101,980)	(105,230)	(733)	(18,222)	(32,720)	(2,186)	(1,596)	(44,571)	(100,028)	(205,258)
Net carrying amount	51,315	101,587	152,902	11,582	8,792	15,790	947	1,139	30,712	68,962	221,864
At 1 July 2023, net of accumulated depreciation and impairment	51,315	101,587	152,902	11,582	8,792	15,790	947	1,139	30,712	68,962	221,864
Additions	13,545	19,984	33,529	975	8,888	15,002	104	1,000	3,780	29,749	63,278
Disposals	-	-	-	-	-	(6)	-	-	-	(6)	(6)
Impairment	-	(5,193)	(5,193)	-	(572)	(828)	(5)	-	(5,716)	(7,121)	(12,314)
Depreciation provided during the year	(2,434)	(44,655)	(47,089)	(490)	(3,839)	(5,055)	(314)	(705)	(8,906)	(19,309)	(66,398)
At 30 June 2024, net of accumulated depreciation and impairment	62,426	71,723	134,149	12,067	13,269	24,903	732	1,434	19,870	72,275	206,424
At 30 June 2024:											
Cost	68,110	196,575	264,685	13,290	35,688	62,057	3,137	3,070	77,445	194,687	459,372
Accumulated depreciation and impairment	(5,684)	(124,852)	(130,536)	(1,223)	(22,419)	(37,155)	(2,405)	(1,636)	(57,574)	(122,412)	(252,948)
Net carrying amount	62,426	71,723	134,149	12,067	13,269	24,902	732	1,434	19,871	72,275	206,424

Notes to the Financial Statements

13. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Right-of-use assets included in the Group's property, plant and equipment:

	Leasehold land HK\$'000	Properties HK\$'000	Total HK\$'000
As at 1 July 2023	51,315	101,587	152,902
Additions	13,545	3,141	16,686
Lease modification	–	16,843	16,843
Impairment	–	(5,193)	(5,193)
Depreciation charge	(2,434)	(44,655)	(47,089)
As at 30 June 2024 and 1 July 2024	62,426	71,723	134,149
Acquisition of a subsidiary (note 37)	–	4,424	4,424
Additions	–	3,340	3,340
Lease modification	–	51,453	51,453
Transfer from investment properties (note 14)	11,600	–	11,600
Early termination	–	(18)	(18)
Impairment	–	(4,147)	(4,147)
Depreciation charge	(2,625)	(44,745)	(47,370)
As at 30 June 2025	71,401	82,030	153,431

As at 30 June 2025, the Group's property, plant and equipment with a carrying value of HK\$17,100,000 (2024: HK\$60,381,000) were pledged to secure the mortgage loans granted to the Group as detailed in note 28 to the financial statements.

Impairment assessment of property, plant and equipment

As at 30 June 2025, the Group's management identified certain cash generating units ("CGUs") which were underperforming during the year and estimated the corresponding recoverable amounts. Based on management's estimates, an impairment loss of HK\$6,496,000 (2024: HK\$12,314,000) was recognised to write-down the carrying amounts of the property, plant and equipment of the CGUs to their aggregate recoverable amounts of HK\$52,356,000 as at 30 June 2025 (2024: HK\$86,001,000). The recoverable amounts of the CGUs are determined based on value in use calculations using cash flow projections based on financial budgets covering a period of the remaining lease terms of 1 to 3 years plus the anticipated renewal period approved by senior management. The pretax discount rates applied for the cash flow projection are 10.0% to 11.3% (2024: 11.0% to 13.0%).

14. INVESTMENT PROPERTIES

	2025 HK\$000	2024 HK\$000
Carrying amount at 1 July	21,100	25,950
Net loss from a fair value adjustment	(4,000)	(4,850)
Transfer to an owner-occupied property (note 13)	(17,100)	–
Carrying amount at 30 June	–	21,100

The Group's investment properties consist of two commercial properties and one car park space in Hong Kong. The directors of the Company have determined that the investment properties consist of two classes of assets, i.e., commercial properties and car park space, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 30 June 2025 based on valuations performed by Graval Consulting Limited, independent professionally qualified valuers, at HK\$17,100,000. Each year, the Group's finance team decides to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's finance team has discussions with the valuer on the valuation assumptions and valuation results when the valuation is performed for annual financial reporting.

The investment properties are leased to third parties under operating leases in the prior year, further summary details of which are included in note 34 to the financial statements.

During the year ended 30 June 2025, the investment properties with a carrying amount of HK\$17,100,000 were transferred to property, plant and equipment at fair value of HK\$17,100,000, based on valuation by Graval Consulting Limited, independent professionally qualified valuers.

As at 30 June 2024, the Group's investment properties with a carrying value of HK\$21,100,000 were pledged to secure the mortgage loans granted to the Group as detailed in note 28 to the financial statements.

Notes to the Financial Statements

14. INVESTMENT PROPERTIES *(continued)*

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

Fair value measurement as at 30 June 2025				
	Quoted prices in active market (Level 1) HK\$000	Significant observable inputs (Level 2) HK\$000	Significant unobservable inputs (Level 3) HK\$000	Total HK\$000
Recurring fair value measurement for:				
Commercial properties	–	–	–	–
Car park space	–	–	–	–
Total	–	–	–	–

Fair value measurement as at 30 June 2024				
	Quoted prices in active market (Level 1) HK\$000	Significant observable inputs (Level 2) HK\$000	Significant unobservable inputs (Level 3) HK\$000	Total HK\$000
Recurring fair value measurement for:				
Commercial properties	–	–	19,400	19,400
Car park space	–	–	1,700	1,700
Total	–	–	21,100	21,100

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2024: Nil).

14. INVESTMENT PROPERTIES (continued)

Fair value hierarchy (continued)

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Commercial properties HK\$000	Car park space HK\$000	Total HK\$000
Carrying amount at 1 July 2023	24,000	1,950	25,950
Net loss from a fair value adjustment recognised in profit or loss	(4,600)	(250)	(4,850)
Carrying amount at 30 June 2024 and 1 July 2024	19,400	1,700	21,100
Net loss from a fair value adjustment recognised in profit or loss	(4,000)	–	(4,000)
Transfer to an owner-occupied property	(15,400)	(1,700)	(17,100)
Carrying amount at 30 June 2025	–	–	–

Set out below is a summary of the valuation technique used and the key inputs to the valuation of the Group's properties held for own use:

Valuation technique		Significant unobservable input	Range	
			2025	2024
Commercial properties	Direct comparison approach	Market unit selling price (per sq. ft.)	HK\$6,210 to HK\$7,020	HK\$6,789 to HK\$10,916
Car park space	Direct comparison approach	Market unit selling price (per car park space)	HK\$1,600,000 to HK\$1,850,000	HK\$1,200,000 to HK\$2,000,000

Under the direct comparison approach, fair value is estimated by the direct comparison method on the assumption of the sale of the property interest with the benefit of vacant possession and by referring to comparable sales transactions as available in the market.

The valuation takes into account the characteristics of the investment properties, which included the location, size, shape, view, floor level, year of completion and other factors collectively, to arrive at the market price of each investment property.

The key input was the market price of investment properties, where a significant increase/(decrease) in the market price would result in a significant increase/(decrease) in the fair value of the investment properties.

Notes to the Financial Statements

15. GOODWILL

	HK\$'000
Cost:	
At 1 July 2023, 30 June 2024 and 1 July 2024	31,964
Acquisition of a subsidiary (note 37)	22,681
At 30 June 2025	54,645
Accumulated impairment:	
At 1 July 2023, 30 June 2024, 1 July 2024 and 30 June 2025	–
Net carrying amount	54,645

Impairment testing of goodwill

The carrying amount of the goodwill acquired through acquisitions of subsidiaries is allocated to the following cash-generating units:

	2025 HK\$'000	2024 HK\$'000
General practice services	5,897	5,897
Specialties services	2,774	2,774
Dental services	45,974	23,293
Total	54,645	31,964

General practice services cash-generating unit

The recoverable amount of the general practice services cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 11.57% (2024: 12.7%) for the year ended 30 June 2025. The growth rate used to extrapolate the cash flows of the general practice services cash-generating unit beyond the five-year period is 2% (2024: 2.5%). This growth rate does not exceed the average growth rate of the healthcare industry. Senior management of the general practice services cash-generating unit believes that this growth rate is justified, given the established business model adopted by the Group. The Group has an extensive medical centre network which has enjoyed the economies of scale to obtain optimum operational efficiency.

15. GOODWILL *(continued)*

Specialties services cash-generating unit

The recoverable amount of the specialties services cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 11.10% (2024: 12.5%) for the year ended 30 June 2025. The growth rate used to extrapolate the cash flows of the specialties services cash-generating unit beyond the five-year period is 2% (2024: 2.5%). This growth rate does not exceed the average growth rate of the healthcare industry. Senior management of the specialties services cash-generating unit believes that this growth rate is justified, given the established business model adopted by the Group. The Group has an extensive medical centre network which has enjoyed the economies of scale to obtain optimum operational efficiency.

Dental services cash-generating unit

The recoverable amount of the dental services cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 11.52% (2024: 12.4%) for the year ended 30 June 2025. The growth rate used to extrapolate the cash flows of the dental services cash-generating unit beyond the five-year period is 2% (2024: 2.5%). This growth rate does not exceed the average growth rate of the healthcare industry. Senior management of the dental services cash-generating unit believes that this growth rate is justified, given the medical centre network established by the Group. The Group has an extensive medical centre network which has enjoyed the economies of scale to obtain optimum operational efficiency.

Assumptions were used in the value in use calculation of the general practice services, specialties services and dental services cash-generating units at 30 June 2025. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

Growth rates – The growth rates are determined with reference to the historical growth rates for the relevant unit, adjusted for expected business, market development and economic condition.

The values assigned to the key assumptions on market development of industries and discount rates are consistent with external information sources.

Notes to the Financial Statements

16. OTHER INTANGIBLE ASSETS

	Brand names HK\$'000	Trademark HK\$'000	Customer lists HK\$'000	Total HK\$'000
30 June 2025				
Cost at 1 July 2024, net of accumulated amortisation	–	1,477	679	2,156
Acquisition of a subsidiary (note 37)	22,000	–	3,200	25,200
Amortisation provided during the year	–	(633)	(861)	(1,494)
At 30 June 2025, net of accumulated amortisation	22,000	844	3,018	25,862
At 30 June 2025:				
Cost	22,000	7,600	12,980	42,580
Accumulated amortisation	–	(6,756)	(9,962)	(16,718)
Net carrying amount	22,000	844	3,018	25,862
30 June 2024				
At 1 July 2023				
Cost	–	7,600	9,780	17,380
Accumulated amortisation	–	(5,489)	(8,124)	(13,613)
Net carrying amount	–	2,111	1,656	3,767
Cost at 1 July 2023, net of accumulated amortisation	–	2,111	1,656	3,767
Amortisation provided during the year	–	(634)	(977)	(1,611)
At 30 June 2024, net of accumulated amortisation	–	1,477	679	2,156
At 30 June 2024:				
Cost	–	7,600	9,780	17,380
Accumulated amortisation	–	(6,123)	(9,101)	(15,224)
Net carrying amount	–	1,477	679	2,156

17. INVESTMENTS IN ASSOCIATES

	Notes	2025 HK\$'000	2024 HK\$'000
Share of net assets		(1,951)	(1,713)
Loan to an associate	(a)	11,600	11,600
Investments in associates		9,649	9,887
Loan to an associate	(b)	11,445	11,235

On 24 April 2015, Yingjing Qiye and Ping An Health Internet Holdings Limited ("**Ping An Health**") which is a third party to the Group, have set up a limited company in the PRC named Pingan Yingjian Medical Management (Shanghai) Limited (平安盈健醫療管理(上海)有限公司) ("**Pingan Yingjian**"), which acts as the Group's medical services provider in Mainland China.

The Group has discontinued the recognition of its share of losses of Pingan Yingjian because the share of losses of the associate exceeded the Group's interest in the associate and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of losses of this associate for the current year and cumulatively were HK\$1,821,000 (2024: HK\$6,932,000) and HK\$9,445,000 (2024: HK\$7,804,000), respectively.

On 15 February 2023, a wholly owned subsidiary of the Group acquired 20% equity interest of ProCare Integrated Medical Imaging & Laboratory Centre (Tsim Sha Tsui) Limited ("**ProCare**"), a limited company in Hong Kong which provides medical, imaging and laboratory services.

Notes:

- (a) The loan to an associate is unsecured, interest-free and repayable on demand. In the opinion of the directors, this loan is unlikely to be repaid in the foreseeable future and is considered as part of the Group's net investments in associates. There was no recent history of default and past due amount for the loan to the associate. As at 30 June 2025 and 2024, the loss allowance was assessed to be minimal.
- (b) The loan to an associate is unsecured, interest-bearing at 4.75% per annum and repayable within one year (2024: two years) from the end of the year. There was no recent history of default and past due amount for loan to the associate. As at 30 June 2025 and 2024, the loss allowance was assessed to be minimal.

Notes to the Financial Statements

17. INVESTMENT IN ASSOCIATES *(continued)*

Particulars of the Group's associates are as follows:

Name	Particulars of registered capital	Place of registration and business	Percentage of			Principal activities
			Ownership interest	Voting power	Profit sharing	
Pingan Yingjian Medical Management (Shanghai) Limited (平安盈健醫療管理(上海)有限公司) ("Pingan Yingjian")	Renminbi ("RMB") 35,000,000	PRC/Mainland China	50	40	50	Provision of medical services
ProCare Integrated Medical Imaging & Laboratory Centre (Tsim Sha Tsui) Limited ("ProCare")	HK\$100	Hong Kong	19	20	19	Provision of medical, imaging and laboratory services

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2025 HK\$'000	2024 HK\$'000
Share of the associates' loss for the year	(238)	(1,271)
Share of the associates' total comprehensive loss for the year	(238)	(1,271)
Aggregate carrying amount of the Group's investments in associates	9,649	9,887

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 HK\$'000	2024 HK\$'000
Unlisted equity investments, at fair value		
– Heals Healthcare	395	1,212
– Unlisted company	4,888	5,841
Total	5,283	7,053

Management irrevocably designated the above equity investments as financial assets at fair value through other comprehensive income, as the Group considers these investments to be strategic in nature.

On 10 December 2018, the Group subscribed 156,667 ordinary shares of Heals Healthcare (Asia) Limited (“**Heals Healthcare**”), an independent third party, at a deemed consideration of HK\$13,040,000. On 3 May 2021, the Group disposed of 51,804 shares at a consideration of approximately HK\$10,361,000.

On 24 January 2018, the Group acquired 100,000 ordinary shares of an unlisted company incorporated in Hong Kong, at a consideration of HK\$3,500,000. On 26 July 2021, the Group acquired additional 38,793 ordinary shares at a consideration of approximately HK\$45,000. At 30 June 2025, the Group has 10.29% equity interest in the above-mentioned company.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 HK\$'000	2024 HK\$'000
Investment in redeemable preference shares	30,152	30,808
Unlisted investment funds	75,636	61,829
Other unlisted investment	8,313	7,483
Total	114,101	100,120

On 18 January 2019, the Group subscribed redeemable preference shares in an unlisted company established in the British Virgin Islands, at a consideration of US\$3,000,000 (equivalent to HK\$23,550,000). As the rights and obligations of the ownership over these redeemable preference shares are substantially different from the ownership of ordinary shares of the unlisted company, the Group’s investment in these redeemable preference shares is measured at fair value through profit or loss.

Notes to the Financial Statements

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

On 29 May 2019, the Group entered into an amended and restated exempted limited partnership agreement with Inno Healthcare Limited in relation to the formation of New Journey Healthcare LP ("**Limited Partnership**") and subscribed 8.8% of the committed fund size amounting to RMB30,000,000 (equivalent to HK\$34,125,000). As detailed in the Company's announcement dated 10 January 2020, following the change of composition of the Limited Partnership in late 2019, the Group was the holder of approximately 73.2% of the partnership interest in Limited Partnership as at 30 June 2025 and 2024, and Limited Partnership invested in New Journey Health Group Ltd (formerly known as New Journey Hospital Group Ltd). Pursuant to the terms of the limited partnership agreement, the directors of the Company considered the control of the limited partnership remained with the general partner and the Group as a limited partner does not have any controlling power nor exert any significant influence over the limited partnership.

On 3 May 2023, the Group invested in an unlisted investment, which represented a convertible loan issued by a private company in the BVI of US\$850,000 (equivalent to HK\$6,680,000).

On 11 April 2025, the Group entered into a subscription agreement in relation to the formation of a BVI limited partnership and subscribed US\$1,500,000 (equivalent to HK\$11,700,000). The Group was the holder of approximately 83.3% of the partnership interest in the limited partnership as at 30 June 2025, and the limited partnership invested in a clinical stage biotechnology group. Pursuant to the terms of the agreement, the Group as a limited partner does not have any controlling power nor exert any significant influence over the limited partnership.

20. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Pharmaceutical supplies	25,075	32,284

21. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	73,387	54,869
Impairment	(10,937)	(11,170)
Net carrying amount	62,450	43,699

Most of the patients of the medical and dental practices settle in cash and credit cards. Payments by patients using medical cards or corporate customers will normally be settled within 1 to 6 months. The Group allows an average credit period of 90 days to its trade customers under other business activities. The Group seeks to maintain strict control over its outstanding receivables and has personnel to monitor the implementation of measures to minimise the credit risk.

There is a certain concentration of credit risk. The total trade receivables due from the Group's largest debtor as at 30 June 2025 and 2024 accounted for 16% and 15% of the Group's total trade receivables, respectively, while 57% and 55% of the total trade receivables were due from the five largest debtors as at 30 June 2025 and 2024, respectively.

The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Notes to the Financial Statements

21. TRADE RECEIVABLES *(continued)*

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

	2025 HK\$'000	2024 HK\$'000
Within 2 months	46,844	33,209
2 to 4 months	10,141	6,384
4 to 6 months	2,730	1,674
Over 6 months	2,735	2,432
Total	62,450	43,699

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 HK\$'000	2024 HK\$'000
At beginning of year	11,170	11,943
Reversal of impairment losses, net (note 6)	(233)	(773)
At end of year	10,937	11,170

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

21. TRADE RECEIVABLES (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 30 June 2025

	Past due				Total
		≤181 days	>181 days but ≤365 days	>365 days	
Group A	Current				
Expected credit loss rate	0.03%	0.04%	4.09%	28.92%	0.33%
Gross carrying amount (HK\$'000)	52,888	7,466	1,930	370	62,654
Expected credit losses (HK\$'000)	15	3	79	107	204

	Past due				Total
		≤181 days	>181 days but ≤365 days	>365 days	
Group B	Current				
Expected credit loss rate	0%	0%	0%	100%	100%
Gross carrying amount (HK\$'000)	–	–	–	10,733	10,733
Expected credit losses (HK\$'000)	–	–	–	10,733	10,733

As at 30 June 2024

	Past due				Total
		≤181 days	>181 days but ≤365 days	>365 days	
Group A	Current				
Expected credit loss rate	0.03%	0.05%	5.46%	34.06%	0.53%
Gross carrying amount (HK\$'000)	38,436	4,344	604	549	43,933
Expected credit losses (HK\$'000)	12	2	33	187	234

	Past due				Total
		≤181 days	>181 days but ≤365 days	>365 days	
Group B	Current				
Expected credit loss rate	0%	0%	0%	100%	100%
Gross carrying amount (HK\$'000)	–	–	–	10,936	10,936
Expected credit losses (HK\$'000)	–	–	–	10,936	10,936

Notes to the Financial Statements

21. TRADE RECEIVABLES *(continued)*

The Group categorises the customers by making reference to the customer type in the following groups:

Group A: Independent customers of integrated healthcare services

Group B: Independent customers of the trading of wellness related products and the provision of medical aesthetic services

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Prepayments	22,165	30,756
Deposits	43,198	41,564
Other receivables	8,347	1,387
Total	73,710	73,707
Less: Non-current portion	(46,068)	(49,978)
Current portion	27,642	23,729

Deposits and other receivables mainly represent rental deposits. Where applicable, an impairment analysis is performed at each reporting date by considering the probability of default of comparable companies with published credit ratings. In the situation where no comparable companies with credit ratings can be identified, expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. As at 30 June 2025 and 2024, the Group assessed the loss allowance and the expected credit loss rate under the application of HKFRS 9 were minimal.

None of the above assets is either past due or impaired. The financial assets included in the above balances related to receivables for which there was no recent history of default.

23. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	2025 HK\$'000	2024 HK\$'000
Cash and bank balances	143,600	136,097
Time deposits	297,331	354,507
Subtotal	440,931	490,604
Less: Pledged time deposits for credit facilities	(1,028)	(1,021)
Cash and cash equivalents	439,903	489,583

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to HK\$5,487,000 (2024: HK\$5,371,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

24. TRADE PAYABLES

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

	2025 HK\$'000	2024 HK\$'000
Within 1 month	62,573	46,987
1 to 3 months	4,523	4,642
Over 3 months	4,098	12
Total	71,194	51,641

The trade payables are non-interest-bearing and are normally settled on terms of 60 days.

The trade payables of the Group included fees payable to doctors and dentists who are related parties of the Group for the amount of HK\$2,683,000 (2024: HK\$1,851,000).

Notes to the Financial Statements

25. OTHER PAYABLES AND ACCRUALS

	2025 HK\$'000	2024 HK\$'000
Other payables	28,457	25,945
Accruals	19,965	24,728
Provision for reinstatement costs (note 27)	10,564	9,054
Total	58,986	59,727
Less: Non-current portion	(12,464)	(7,562)
Current portion	46,522	52,165

Other payables and accruals are unsecured, non-interest-bearing and are normally repayable on demand.

The non-current portion represents the provision for reinstatement costs and consideration payable arising from the put option granted to non-controlling interests.

26. CONTRACT LIABILITIES

	30 June 2025 HK\$'000	30 June 2024 HK\$'000	1 July 2023 HK\$'000
Short-term advances received from customers			
Integrated healthcare services	17,148	20,765	29,111

Contract liabilities represented short-term advances received to render integrated healthcare services. The decrease in contract liabilities in 2025 and 2024 were mainly due to the decrease in short-term advances received from customers in relation to the rendering of integrated healthcare services at the end of the year.

27. PROVISIONS

	Reinstatement costs HK\$'000
At 1 July 2023	9,792
Additions	76
Accretion of interest recognised during the year (note 7)	204
Overprovision in prior years	(215)
Amounts utilised during the year	(803)
At 30 June 2024 and 1 July 2024	9,054
Acquisition of a subsidiary	400
Additions	1,049
Accretion of interest recognised during the year (note 7)	213
Underprovision in prior years	29
Amounts utilised during the year	(181)
At 30 June 2025	10,564

	2025 HK\$'000	2024 HK\$'000
Current liabilities	2,842	1,492
Non-current liabilities	7,722	7,562
Total	10,564	9,054

The Group provides for reinstatement costs for its medical centres, as estimated based on past experience of the actual costs incurred. The estimation basis is reviewed on an ongoing basis and revised where appropriate. The timing of outflows is expected to be utilised in one to three years.

Notes to the Financial Statements

28. INTEREST-BEARING BANK BORROWINGS

	2025			2024		
	Contractual interest rate (%)	Maturity	HK\$'000	Contractual interest rate (%)	Maturity	HK\$'000
Current:						
Bank loans – unsecured (note (b))	Prime rate – 2.25%	2034	8,595	–	–	–
Bank loan – secured	–	–	–	HIBOR + 1.75	2024	474
Bank loans – secured	HIBOR + 1.2	2036	8,230	HIBOR + 1.2	2036	31,068
Total			16,825			31,542
Analysed into:						
Bank loans repayable:						
Within one year or on demand			16,825			31,542

(a) The Group's bank loans are secured by:

- (i) the corporate guarantees of the Company and certain of its subsidiaries;
- (ii) mortgages over the Group's property, plant and equipment situated in Hong Kong, which had an aggregate carrying value at the end of the reporting period of HK\$17,100,000 (2024: HK\$60,381,000); and
- (iii) mortgages over the Group's investment properties situated in Hong Kong, which had an aggregate carrying value at the end of the reporting period of nil (2024: HK\$21,100,000).

(b) The bank loan is guaranteed by personal guarantees provided by one of the director of a subsidiary of the Group, and a guarantee issued by the HKSAR Government.

29. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

	Accelerated depreciation allowance HK\$'000	Fair value adjustment arising from acquisition of subsidiaries HK\$'000	Others HK\$'000	Total HK\$'000
At 1 July 2023	1,416	–	622	2,038
Deferred tax charged/(credited) to profit or loss during the year (note 10)	56	–	(266)	(210)
At 30 June 2024 and 1 July 2024	1,472	–	356	1,828
Acquisition of a subsidiary (note 37)	–	4,158	–	4,158
Deferred tax charged/(credited) to profit or loss during the year (note 10)	234	(30)	(216)	(12)
Gross deferred tax liabilities at 30 June 2025	1,706	4,128	140	5,974

Deferred tax assets

	Losses available for offsetting against future taxable profits HK\$'000	Depreciation in excess of depreciation allowance HK\$'000	Impairment of right-of-use assets HK\$'000	Provision for reinstatement costs HK\$'000	Others HK\$'000	Total HK\$'000
At 1 July 2023	2,132	906	724	–	68	3,830
Deferred tax credited/(charged) to profit or loss during the year (note 10)	450	88	(182)	–	55	411
At 30 June 2024 and 1 July 2024	2,582	994	542	–	123	4,241
Deferred tax credited/(charged) to profit or loss during the year (note 10)	(747)	987	1,438	1,163	(98)	2,743
Gross deferred tax assets at 30 June 2025	1,835	1,981	1,980	1,163	25	6,984

Notes to the Financial Statements

29. DEFERRED TAX *(continued)*

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 HK\$'000	2024 HK\$'000
Net deferred tax assets recognised in the consolidated statement of financial position	6,341	2,842
Net deferred tax liabilities recognised in the consolidated statement of financial position	(5,331)	(429)
Net deferred tax assets	1,010	2,413

The Group has tax losses arising in Hong Kong of HK\$176,449,000 (2024: HK\$175,113,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets in respect of these losses of HK\$164,378,000 (2024: HK\$159,463,000) and deductible temporary differences of HK\$54,612,000 (2024: HK\$55,342,000) have not been recognised as they have arisen in subsidiaries that have been loss-making for some time and in the opinion of the directors, it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

There are no income tax consequences attaching to the payment of dividends by the Company to the shareholders.

30. SHARE CAPITAL

Shares

	2025 HK\$'000	2024 HK\$'000
Issued and fully paid: 379,552,233 (2024: 379,552,233) ordinary shares at HK\$0.01 each	3,796	3,796

The Company has authorised share capital of HK\$100,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.01 each.

31. SHARE OPTION SCHEME AND SHARE AWARD SCHEME

Share Option Scheme

The Company adopted the share option scheme (the “**Share Option Scheme**”) pursuant to the written resolution of the shareholders on 17 February 2016, which was subsequently amended on 7 December 2023 (the “**Adoption Date**”) for the purpose of providing incentives or rewards to eligible participants for their contribution to, and continuing efforts to promote the interests of the Group. Eligible participants of the Share Option Scheme include any director of a Group Company (as defined in the Share Option Scheme), any employee (whether full time or part time) of a group company, any director or employee of any holding company or fellow subsidiary or associated company of the Company, and service providers (as defined in the Share Option Scheme) of the Group. The Share Option Scheme became effective on the Adoption Date, unless otherwise cancelled or amended, will remain in force for 10 years from 1 April 2016.

The maximum number of new shares which may be issued in respect of all share awards to be granted under the Share Award Scheme (as defined below), all share options to be granted under the Share Option Scheme, and all share options and share awards to be granted under any other share schemes of the Company shall not be, in aggregate, more than 37,955,223 Shares, representing approximately 10% of the Shares in issue as at the Adoption Date. The maximum number of new shares which may be issued in respect of all share awards to be granted under the Share Award Scheme, all share options to be granted under the Share Option Scheme, and all share options and share awards to be granted under any other share schemes of the Company to the service providers, shall not be, in aggregate, more than 30,364,178 shares, representing approximately 8% of the shares in issue as at the Adoption Date. The maximum number of share issuable in respect of share options to each eligible participant in the Share Option Scheme within any 12-month period shall not exceed 1% of the shares of the Company in issue up to the date of grant. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

Share options and/or share awards granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors (excluding any independent non-executive director who is a proposed grantee of the options). In addition, any share options and/or share awards granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at the date of grant, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of offer. The exercise period of the share options granted is determinable by the directors, and commences after the date on which the option is duly accepted by the grantee in accordance with the terms of the Share Option Scheme (“**Commencement Date**”) and ends on a date not later than the last day of the 10-year period after the Commencement Date.

Notes to the Financial Statements

31. SHARE OPTION SCHEME AND SHARE AWARD SCHEME *(continued)*

Share Option Scheme *(continued)*

The exercise price of share options is determinable by the directors, but must be at least the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.

The following share options were outstanding under the Scheme during the year:

	Year ended 30 June			
	2025		2024	
	Weighted average exercise price HK\$ per share	Number of options '000	Weighted average exercise price HK\$ per share	Number of options '000
At 1 July	2.090	150	2.090	180
Granted during the year	–	–	–	–
Exercised during the year	–	–	–	–
Lapsed during the year	–	–	2.090	(30)
	<u>2.090</u>	<u>150</u>	<u>2.090</u>	<u>150</u>
At 30 June	2.090	150	2.090	150
Exercisable at the end of the year	<u>2.090</u>	<u>150</u>	<u>2.090</u>	<u>150</u>

The options outstanding at the end of the year have a weighted average remaining contractual life of 1.9 years (2024: 2.9 years) and the weighted average exercise price is HK\$2.090 (2024: HK\$2.090).

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2025

Number of options '000	Exercise price* HK\$ per share	Exercise period
49	2.090	1-6-21 to 31-5-27
49	2.090	1-6-22 to 31-5-27
52	2.090	1-6-23 to 31-5-27
<u>150</u>		

31. SHARE OPTION SCHEME AND SHARE AWARD SCHEME (continued)

Share Option Scheme (continued)

2024

Number of options '000	Exercise price* HK\$ per share	Exercise period
49	2.090	1-6-21 to 31-5-27
49	2.090	1-6-22 to 31-5-27
52	2.090	1-6-23 to 31-5-27
150		

* The exercise price of share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

The fair value of the share options granted on 28 May 2018 were HK\$223,000. The Group did not recognise share option expense during the year ended 30 June 2025 (2024: nil).

The fair values of equity-settled share options granted was estimated as at the date of grant using the binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

		Options granted on 28 May 2018
Underlying stock price		HK\$2.09
Exercise price		HK\$2.09
Contractual option life		9 years
Risk-free rate		2.86%
Expected dividend yield		0.96%
Expected volatility of underlying shares		64%
Exercise multiple	Directors:	N/A
	Employees:	2.20
Weighted average estimated fair value for each share option	Directors:	N/A
	Employees:	HK\$1.2413

Notes to the Financial Statements

31. SHARE OPTION SCHEME AND SHARE AWARD SCHEME *(continued)*

Share Option Scheme *(continued)*

Expected volatility was determined by using the historical volatility of the similar industry as the Company's share price over the previous years. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The exit rate in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

No other feature of the options granted was incorporated into the measurement of fair value. The fair value of the option subject to the above inputs and the limitation to the binomial model.

At the end of the reporting period, the Company had 150,000 share options outstanding under the scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 150,000 additional ordinary shares of the Company and additional share capital of HK\$1,500 (before issue expenses) and share premium of HK\$498,000 (after transfer of the share options' fair value from the share option reserve upon exercise).

At the date of approval of these financial statements, the Company had 150,000 share options outstanding under the Scheme, which represented approximately 0.04% of the Company's shares in issue as at that date.

The share option reserve comprises the fair value of share options granted which are yet to be exercised. The amount will either be transferred to share capital when the related options are exercised, or be transferred to retained profits should the related options expired or be forfeited.

Share Award Scheme

The Company adopted the share award scheme (the "**Share Award Scheme**") by ordinary resolution of the shareholders of the Company in the annual general meeting held on 7 December 2023. The purpose and objectives of the Share Award Scheme are to recognise the contribution by certain eligible participants, provide them with incentives in order to retain them for the continual operation and development of the Group, and attract suitable personnel for further development of the Group.

No share award was granted, issued, vested, cancelled or lapsed pursuant to the Share Award Scheme during and at the end of the reporting period.

32. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 134 of the financial statements.

33. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

- (i) During the year, the acquisition of property, plant and equipment included the provision for reinstatement costs of HK\$1,049,000 (2024: HK\$76,000), which was included in other payables and accruals.
- (ii) During the year, the Group had non-cash additions or modifications to right-of-use assets and lease liabilities of HK\$53,744,000 (2024: HK\$19,908,000) and HK\$53,744,000 (2024: HK\$19,908,000), respectively, in respect of lease arrangements of properties.

(b) Changes in liabilities arising from financing activities

	Lease liabilities HK\$'000	Interest bearing bank borrowings HK\$'000
At 1 July 2023	145,981	36,510
Other changes:		
Addition of leases	3,065	–
Lease modification	16,843	–
Finance costs	5,991	1,864
Changes from financing cash flows	(56,962)	(6,832)
At 30 June 2024 and 1 July 2024	114,918	31,542
Other changes:		
Acquisition of a subsidiary	4,186	8,712
Addition of leases	3,204	–
Lease modification	50,540	–
Early termination	(600)	–
Finance costs	5,043	1,294
Changes from financing cash flows	(59,575)	(24,723)
At 30 June 2025	117,716	16,825

Notes to the Financial Statements

34. LEASES

The Group as a lessee

The Group entered into various lease agreements for office premises and medical centres. These leases have remaining non-cancellable lease terms of between 1 to 6 years. All leases held by the Group comprise fixed payments over the lease term.

The carrying amount of lease liabilities and the movement during the year are as follows:

Lease liabilities

	Properties HK\$'000
At 1 July 2023	145,981
Additions	3,065
Lease modification	16,843
Finance costs	5,991
Payments	(56,962)
At 30 June 2024 and 1 July 2024	114,918
Acquisition of a subsidiary (note 37)	4,186
Additions	3,204
Lease modification	50,540
Finance costs	5,043
Early termination	(600)
Payments	(59,575)
At 30 June 2025	117,716

34. LEASES (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

Future lease payments are due as follows:

	Contractual undiscounted payments 30 June 2025 HK\$'000	Interest 30 June 2025 HK\$'000	Carrying amount 30 June 2025 HK\$'000
Not later than one year	53,378	(4,368)	49,010
Later than one year and not later than two years	42,178	(2,209)	39,969
Later than two years and more	29,274	(537)	28,737
Total	124,830	(7,114)	117,716

	Contractual undiscounted payments 30 June 2024 HK\$'000	Interest 30 June 2024 HK\$'000	Carrying amount 30 June 2024 HK\$'000
Not later than one year	53,279	(4,257)	49,022
Later than one year and not later than two years	31,843	(2,165)	29,678
Later than two years and more	37,529	(1,311)	36,218
Total	122,651	(7,733)	114,918

Notes to the Financial Statements

34. LEASES (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

The present value of future lease payments are analysed as:

	30 June 2025 HK\$'000	30 June 2024 HK\$'000
Current liabilities	49,010	49,022
Non-current liabilities	68,706	65,896
Total	117,716	114,918

The amounts recognised in profit or loss in relation to leases are as follows:

	2025 HK\$'000	2024 HK\$'000
Interest on lease liabilities	5,043	5,991
Depreciation charge of right-of-use assets	47,370	47,089
Impairment of right-of-use-assets	4,147	5,193
Total amount recognised in profit or loss	56,560	58,273

34. LEASES (continued)

The Group as a lessor

The Group leases its investment properties (note 14) consisting of two commercial properties and one car park space located in Hong Kong under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was HK\$559,000 (2024: HK\$537,000), details of which are included in note 5 to the financial statements.

At 30 June 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with third-party tenants are as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	–	624
After one year but within two years	–	520
Total	–	1,144

35. CAPITAL COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period.

	2025 HK\$'000	2024 HK\$'000
Medical equipment	23	–
Leasehold improvements	1,964	–
IT equipment	193	179
Total	2,180	179

Notes to the Financial Statements

36. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

	Relationship	Nature	2025 HK\$'000	2024 HK\$'000
Fees payable to doctors and dentists who are related parties	(1)	(i)	12,694	13,355
Integrated healthcare services income charged to a related party	(2)	(ii)	16,388	17,095
Donation and sponsorship to a related party	(2)	(iii)	147	2,024

Nature of transactions

- The fees represented the professional fees payable to these doctors and dentists for their professional services rendered to the Group. The fees were determined based on the terms as set out in the respective service contracts entered into by the parties and at a rate considered by the directors to be the market rate.
- The income represented the service income charged for the integrated healthcare services provided by the Group. The income was determined based on the terms as set out in the respective service contract entered into by the parties and at a rate considered by the directors to be the market rate.
- During the year, a subsidiary of the Company donated or sponsored HK\$147,000 (2024: HK\$2,024,000) to a related party for public welfare services.

36. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

Relationship of related parties

1. These doctors and dentists are either director of the Group or director of certain subsidiaries of the Group or senior management of the Group.
2. Mr. Chan Kin Ping, BBS, JP, controlling shareholder of the Company, is also a director of the related party.

(b) Compensation of key management personnel of the Group

	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and benefits in kind	11,641	7,296
Discretionary performance-related bonus	2,321	5,324
Pension scheme contributions	54	54
Total	14,016	12,674

Further details of directors' emoluments are included in note 8 to the financial statements.

The related party transactions in respect of fees payable to Dr. Pang Lai Sheung, Dr. Lau Wai Man, Dr. Seto Siu Keung and Dr. Cheung Yu Lung included in note (a) item (i) above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

Notes to the Financial Statements

37. BUSINESS COMBINATION

On 3 January 2025, Rank Best Group Limited ("**Rank Best**"), an indirect wholly-owned subsidiary of the Group, entered into a sale and purchase agreement (the "**Agreement**") with the seller to acquire 75% of the equity interest in Monarch Dental Clinic Limited ("**Monarch**", formerly known as Monarch Medical Services Limited) at a consideration of HK\$38,850,000, subject to adjustments as detailed in the Company's announcement dated 3 January 2025.

Monarch is principally in the business of operation of the dental clinics for the provision of dental services in Hong Kong. The purchase consideration for the acquisition was in the form of cash.

Upon completion of the acquisition on 28 February 2025, Monarch became a non-wholly owned subsidiary of the Group.

A profit guarantee arrangement is included in the Agreement. Under the arrangement, the seller has agreed to give a profit guarantee to the purchaser that the annual audited profit after tax for each of the five consecutive financial years after completion of acquisition (the "**Guarantee Period**") shall be no less than HK\$7,400,000 for each financial year (as defined in the Agreement).

Management expected profit targets as stated in the Agreement will be met. Accordingly, after considering the adjustments and profit guarantee arrangement, the present value of the aggregate consideration in connection with the acquisition on the completion date was HK\$38,470,000.

Rank Best also granted a put option (the "**Put Option**") to the seller, within ten years commencing from the expiry of a period of two years after the Guarantee Period, the right to require Rank Best to purchase from it the remaining 25% of the issued share capital of Monarch (the "**Option Shares**"), subject to the fulfilment of certain terms and conditions as set out in the shareholders' agreement. Upon the exercise of the Put Option, Rank Best shall become bound to purchase the Option Shares. The consideration of the Option Shares payable by Rank Best to the seller shall be calculated based on a multiple of the average net profit after tax of Monarch for the preceding two financial years before the exercise of the Put Option with the percentage of the seller's shareholding in Monarch.

The acquisition was made as part of the Group's strategy to expand the Group's market share by broadening the Group's customer base and reaching out to more new patients by expanding its dental service network and coverage, thereby strengthening the Group's presence and enhancing overall profitability.

The Group measures the non-controlling interests in Monarch at their proportionate share of Monarch's net identifiable assets.

37. BUSINESS COMBINATION *(continued)*

The fair values of the identifiable assets and liabilities of Monarch as at the date of acquisition are as follows:

	Notes	Total HK\$'000
Property, plant and equipment	13	6,818
Intangible assets	16	25,200
Trade receivables		4,709
Prepayments, deposits and other receivables		5,200
Tax recoverable		38
Cash and cash equivalents		4,656
Trade payables		(7,457)
Other payables and accruals		(1,056)
Lease liabilities	34	(4,186)
Interest-bearing bank borrowings		(8,712)
Deferred tax liabilities		(4,158)
Total identification net assets at fair value		21,052
Non-controlling interests		(5,263)
Goodwill on acquisition	15	22,681
Consideration satisfied by cash		38,470

The Group incurred acquisition-related costs of HK\$1,144,000. These costs have been charged to "Administrative and other expenses" in the consolidated statement of profit or loss and other comprehensive income for the year.

The goodwill of HK\$22,681,000 arising from the acquisition was attributable to the synergy from the customer pool with the business of the Group.

The intangible assets with indefinite useful lives are related to brand names, which are stated at cost less any impairment losses and are not amortised. The remaining intangibles are amortised over their estimated useful lives.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the leases relative to market terms.

Notes to the Financial Statements

37. BUSINESS COMBINATION *(continued)*

An analysis of the cash flows in respect of the acquisition of Monarch is as follows:

	HK\$'000
Cash consideration	(38,470)
Cash and bank balances acquired	<u>4,656</u>
Net outflow of cash and cash equivalents included in cash flows from investing activities	(33,814)
Transaction costs of the acquisition included in cash flows from operating activities	<u>(1,144)</u>
Total net cash outflow	<u>(34,958)</u>

Since the acquisition, Monarch contributed HK\$11,469,000 to the Group's revenue and HK\$1,336,000 to the Group's consolidated profit for the year ended 30 June 2025.

Had the combination taken place at the beginning of the year, the revenue from continuing operations of the Group and the profit of the Group for the year would have been HK\$666,402,000 and HK\$29,181,000, respectively.

38. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	Financial assets at fair value through profit or loss HK\$'000	Financial assets at fair value through other comprehensive income HK\$'000	Financial assets at amortised cost HK\$'000	Total HK\$'000
2025				
Loan to an associate	–	–	11,445	11,445
Financial assets at fair value through other comprehensive income	–	5,283	–	5,283
Financial assets at fair value through profit or loss	114,101	–	–	114,101
Trade receivables	–	–	62,450	62,450
Financial assets included in prepayments, deposits and other receivables	–	–	51,545	51,545
Pledged deposits	–	–	1,028	1,028
Cash and cash equivalents	–	–	439,903	439,903
Total	114,101	5,283	566,371	685,755

Notes to the Financial Statements

38. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial assets (continued)

	Financial assets at fair value through profit or loss HK\$'000	Financial assets at fair value through other comprehensive income HK\$'000	Financial assets at amortised cost HK\$'000	Total HK\$'000
2024				
Loan to an associate	–	–	11,235	11,235
Financial assets at fair value through other comprehensive income	–	7,053	–	7,053
Financial assets at fair value through profit or loss	100,120	–	–	100,120
Trade receivables	–	–	43,699	43,699
Financial assets included in prepayments, deposits and other receivables	–	–	42,951	42,951
Pledged deposits	–	–	1,021	1,021
Cash and cash equivalents	–	–	489,583	489,583
Total	100,120	7,053	588,489	695,662

Financial liabilities

	Financial liabilities at amortised cost	
	2025 HK\$'000	2024 HK\$'000
Trade payables	71,194	51,641
Financial liabilities included in other payables and accruals	9,772	14,509
Lease liabilities	117,716	114,918
Interest-bearing bank borrowings	16,825	31,542
Total	215,507	212,610

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

Financial assets

As at 30 June 2025

	Carrying amount HK\$'000	Fair value HK\$'000
Loan to an associate	11,445	11,445
Financial assets at fair value through profit or loss	114,101	114,101
Financial assets at fair value through other comprehensive income	5,283	5,283
Deposits, non-current portion	36,544	36,544
Total	167,373	167,373

As at 30 June 2024

	Carrying amount HK\$'000	Fair value HK\$'000
Loan to an associate	11,235	11,235
Financial assets at fair value through profit or loss	100,120	100,120
Financial assets at fair value through other comprehensive income	7,053	7,053
Deposits, non-current portion	34,857	34,857
Total	153,265	153,265

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

At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

Notes to the Financial Statements

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Financial assets *(continued)*

The fair values of the financial assets and liabilities are included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the non-current portion of deposits and loan to an associate have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities, which approximate to their carrying amounts.

The fair values of Heals Healthcare were estimated based on the Black-Scholes option pricing model with reference to the enterprise value to sales ("**EV/Sales**") and discount for lack of marketability ("**DLOM**") as at 30 June 2025 and 2024.

The valuation methodology on estimating the fair value of the unlisted investment funds was changed from the Black-Scholes option pricing model with reference to adjusted prices of recent transactions of the investment as at 30 June 2024 to the Black-Scholes option pricing model with reference to price-to-book ("**P/B**") and DLOM as at 30 June 2025.

The valuation methodology on estimating the fair value of the unlisted investment was P/B and DLOM as at 30 June 2025 and 2024. While the fair values of the investment in redeemable preference shares were estimated based on the Black-Scholes option pricing model with reference to adjusted prices of recent transactions of the investment as at 30 June 2025 and 2024.

The valuation methodology on estimating the fair value of another unlisted company, which refers to convertible loans issued by a private company in the BVI, was binomial model with reference to EV/Sales and DLOM as well as the market interest rates of instruments with similar risk and time to maturity as at 30 June 2025 and 2024.

The Group has estimated the fair value of another unlisted investment fund based on the Black-Scholes option pricing model with reference to adjusted prices of recent transactions of the investment as at 30 June 2025.

The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss or other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Financial assets *(continued)*

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2025 and 30 June 2024:

As at 30 June 2025

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investment – Heals Healthcare	Market approach	EV/Sales and DLOM	EV/Sales: 1.50 DLOM: 15.60%	10% increase in EV/Sales would result in increase in fair value by HK\$160,000 while 10% decrease in EV/Sales would result in decrease in fair value by HK\$129,000 10% increase in DLOM would result in decrease in fair value by HK\$8,000 while 10% decrease in DLOM would result in increase in fair value by HK\$7,000
Unlisted company	Market approach	P/B and DLOM	P/B: 4.41 DLOM: 15.6%	10% increase in P/B would result in increase in fair value by HK\$489,000, while 10% decrease in P/B would result in decrease in fair value by HK\$488,000 10% increase in DLOM would result in decrease in fair value by HK\$90,000 while 10% decrease in DLOM would result in increase in fair value by HK\$91,000
Investment in redeemable preference shares	Market approach	Price adjustment and DLOM	Price adjustment: -5.16% DLOM: 15.6%	10% increase in price adjustment would result in decrease in fair value by HK\$92,000 while 10% decrease in price adjustment would result in increase in fair value by HK\$93,000 10% increase in DLOM would result in decrease in fair value by HK\$557,000 while 10% decrease in DLOM would result in increase in fair value by HK\$558,000

Notes to the Financial Statements

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Financial assets *(continued)*

As at 30 June 2025 *(continued)*

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted investment funds	Market approach	P/B and DLOM	P/B: 2.62 DLOM: 15.6%	10% increase in P/B would result in increase in fair value by HK\$5,714,000, while 10% decrease in P/B would result in decrease in fair value by HK\$5,721,000 10% increase in DLOM would result in decrease in fair value by HK\$1,056,000 while 10% decrease in DLOM would result in increase in fair value by HK\$1,057,000
Other unlisted investment	Binomial model	Discount rate	Discount rates: 10.72%	10% increase in discount rate would result in decrease in fair value by HK\$80,000 while 10% decrease in discount rate would result in increase in fair value by HK\$81,000

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Financial assets *(continued)*

As at 30 June 2024

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investment – Heals Healthcare	Market approach	EV/Sales and DLOM	EV/Sales: 2.19 DLOM: 15.7%	10% increase in EV/Sales would result in increase in fair value by HK\$294,000 while 10% decrease in EV/Sales would result in decrease in fair value by HK\$264,000 10% increase in DLOM would result in decrease in fair value by HK\$23,000 while 10% decrease in DLOM would result in increase in fair value by HK\$22,000
Unlisted company	Market approach	P/B and DLOM	P/B: 3.51 DLOM: 15.7%	10% increase in P/B would result in increase in fair value by HK\$584,000, while 10% decrease in P/B would result in decrease in fair value by HK\$584,000 10% increase in DLOM would result in decrease in fair value by HK\$109,000 while 10% decrease in DLOM would result in increase in fair value by HK\$108,000
Investment in redeemable preference shares	Market approach	Price adjustment and DLOM	Price adjustment: 3.63% DLOM: 15.7%	10% increase in price adjustment would result in increase in fair value by HK\$73,000 while 10% decrease in price adjustment would result in decrease in fair value by HK\$73,000 10% increase in DLOM would result in decrease in fair value by HK\$574,000 while 10% decrease in DLOM would result in increase in fair value by HK\$574,000

Notes to the Financial Statements

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Financial assets *(continued)*

As at 30 June 2024 *(continued)*

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted investment funds	Market approach	Price adjustment	Price adjustment: -10.8%	10% increase in price adjustment would result in decrease in fair value by HK\$674,000 while 10% decrease in price adjustment would result in increase in fair value by HK\$673,000
Other unlisted investment	Binomial model	Discount rate	Discount rates: 12.01%	10% increase in discount rate would result in decrease in fair value by HK\$67,000 while 10% decrease in discount rate would result in increase in fair value by HK\$68,000

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy

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

Assets measured at fair value:

As at 30 June 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	Total HK\$'000
Financial assets at fair value through other comprehensive income	–	–	5,283	5,283
Financial assets at fair value through profit or loss	–	–	114,101	114,101
Total	–	–	119,384	119,384

As at 30 June 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	Total HK\$'000
Financial assets at fair value through other comprehensive income	–	–	7,053	7,053
Financial assets at fair value through profit or loss	–	–	100,120	100,120
Total	–	–	107,173	107,173

Notes to the Financial Statements

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy *(continued)*

The movements in fair value measurements within Level 3 during the year are as follows:

	<i>HK\$'000</i>
Financial assets at fair value through other comprehensive income	
At 1 July 2023	11,904
Change in fair value recognised in other comprehensive income during the year	(4,851)
At 30 June 2024 and 1 July 2024	7,053
Change in fair value recognised in other comprehensive income during the year	(1,770)
At 30 June 2025	5,283
Financial assets at fair value through profit or loss	
At 1 July 2023	83,539
Change in fair value recognised in profit or loss during the year	16,581
At 30 June 2024 and 1 July 2024	100,120
Additions	11,700
Change in fair value recognised in profit or loss during the year	2,281
At 30 June 2025	114,101

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy *(continued)*

Assets for which fair values are disclosed:

As at 30 June 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	Total HK\$'000
Loan to an associate	–	11,445	–	11,445
Deposits, non-current portion	–	36,544	–	36,544
Total	–	47,989	–	47,989

As at 30 June 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	Total HK\$'000
Loan to an associate	–	11,235	–	11,235
Deposits, non-current portion	–	34,857	–	34,857
Total	–	46,092	–	46,092

Notes to the Financial Statements

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from Group's financial instruments are credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Credit risk

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

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 30 June 2025 and 2024. The amounts presented are gross carrying amounts for financial assets.

As at 30 June 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loan to an associate	11,445	–	–	–	11,445
Trade receivables*	–	–	–	73,387	73,387
Financial assets included in prepayments, deposits and other receivables					
– Normal**	51,545	–	–	–	51,545
Pledged deposits					
– Not yet past due	1,028	–	–	–	1,028
Cash and cash equivalents					
– Not yet past due	439,903	–	–	–	439,903
Total	503,921	–	–	73,387	577,308

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Credit risk *(continued)*

Maximum exposure and year-end staging *(continued)*

As at 30 June 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loan to an associate	11,235	–	–	–	11,235
Trade receivables*	–	–	–	54,869	54,869
Financial assets included in prepayments, deposits and other receivables					
– Normal**	42,951	–	–	–	42,951
Pledged deposits					
– Not yet past due	1,021	–	–	–	1,021
Cash and cash equivalents					
– Not yet past due	489,583	–	–	–	489,583
Total	544,790	–	–	54,869	599,659

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 21 to the financial statements.

** The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Credit risk concentration

The Group had certain concentrations of credit risk as the trade receivables in terms of the following percentages were due from the Group's largest external debtor and the Group's five largest external debtors out of the Group's total trade receivables.

	2025	2024
Due from the Group's largest external debtor	16%	15%
Due from the Group's five largest external debtors	57%	55%

Notes to the Financial Statements

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group's objectives are to maintain a prudent financial policy, to monitor liquidity ratios against risk limits and to maintain contingency plan for funding to ensure that the Group maintains sufficient cash to meet its liquidity requirements.

The maturity profile of the Group's financial liabilities as the end of the reporting period based on the contractual undiscounted payments is as follows:

	On demand HK\$'000	Less than 3 months HK\$'000	3 to less than 12 months HK\$'000	1 to 5 years HK\$'000	Total HK\$'000
As at 30 June 2025					
Trade payables	–	71,194	–	–	71,194
Financial liabilities included in other payables and accruals	–	9,772	–	–	9,772
Interest-bearing bank borrowings	16,825	–	–	–	16,825
Lease liabilities	–	15,317	38,061	71,452	124,830
Total	16,825	96,283	38,061	71,452	222,621

	On demand HK\$'000	Less than 3 months HK\$'000	3 to less than 12 months HK\$'000	1 to 5 years HK\$'000	Total HK\$'000
As at 30 June 2024					
Trade payables	–	51,641	–	–	51,641
Financial liabilities included in other payables and accruals	–	14,509	–	–	14,509
Interest-bearing bank borrowings	31,542	–	–	–	31,542
Lease liabilities	–	14,081	39,198	69,372	122,651
Total	31,542	80,231	39,198	69,372	220,343

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Liquidity risk *(continued)*

In respect of interest-bearing bank borrowings of HK\$16,825,000 (2024: HK\$31,542,000), the loan agreement contains a repayment on demand clause giving the bank the unconditional right to call in the loan at any time and therefore, for the purpose of the above maturity profile, the total amount is classified as "on demand".

Notwithstanding the above clause, the directors do not consider that the loans will be called in its entirety within 12 months, and they consider that the loan will be repaid in accordance with the maturity dates as set out in the loan agreement.

In accordance with the terms of the loan, the contractual undiscounted payments at 30 June 2025 for the interest-bearing bank borrowings in respect of the Group are HK\$531,000 (2024: HK\$1,494,000) within three months, HK\$1,593,000 (2024: HK\$2,624,000) in three to twelve months, HK\$8,490,000 (2024: HK\$13,993,000) in one to five years, and HK\$8,027,000 (2024: HK\$26,036,000) over five years.

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business.

The Group manages its capital structure and make adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2025 and 30 June 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by the total capital plus net debt. Net debt includes interest-bearing bank borrowings. Total capital represents equity attributable to the owners of the Company. The gearing ratios as at the end of the reporting periods were as follows:

	2025 HK\$'000	2024 HK\$'000
Net debt (interest-bearing bank borrowings)	16,825	31,542
Equity attributable to owners of the Company	781,749	766,666
Capital and net debt	798,574	798,208
Gearing ratio	2.1%	4.0%

Notes to the Financial Statements

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS		
Investments in subsidiaries	99	99
CURRENT ASSETS		
Prepayments, deposits and other receivables	153	141
Amounts due from subsidiaries	373,173	314,074
Dividend receivable from a subsidiary	–	10,000
Cash and cash equivalents	104,673	111,913
Total current assets	477,999	436,128
CURRENT LIABILITIES		
Other payables and accruals	889	829
Amounts due to subsidiaries	266,573	221,695
Total current liabilities	267,462	222,524
NET CURRENT ASSETS	210,537	213,604
Net assets	210,636	213,703
EQUITY		
Share capital	3,796	3,796
Reserves (note)	206,840	209,907
Total equity	210,636	213,703

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

Note:

A summary of the Company's reserves is as follows:

	Share premium <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 July 2023	190,221	99	223	63,123	253,666
Profit and total comprehensive income for the year	–	–	–	16,969	16,969
Final 2023 dividend	–	–	–	(60,728)	(60,728)
Lapse of share options	–	–	(37)	37	–
At 30 June 2024 and 1 July 2024	190,221	99	186	19,401	209,907
Profit and total comprehensive income for the year	–	–	–	7,560	7,560
Final 2024 dividend	–	–	–	(10,627)	(10,627)
At 30 June 2025	190,221	99	186	16,334	206,840

42. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 September 2025.

Five Years' Financial Summary

A summary of the results and of the assets, liabilities and non-controlling interest of the Group for the last five financial years, as extracted from published audited financial statements is set out below:

	Year ended 30 June				2025 HK\$'000
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	
Revenue	654,712	1,121,793	1,001,746	590,819	644,431
Net profits attributable to					
Owners of the Company	144,453	375,309	180,839	24,189	26,336
Non-controlling interests	–	–	–	–	296
	144,453	375,309	180,839	24,189	26,632
	As at 30 June				2025 HK\$'000
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	
Total assets	612,388	1,158,614	1,263,486	1,056,373	1,071,971
Total liabilities	(202,257)	(416,668)	(455,269)	(289,707)	(290,222)
Net assets	410,131	741,946	808,217	766,666	781,749