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TIAN YUAN HEALTHCARE

天元医疗

CHINA TIAN YUAN HEALTHCARE GROUP LIMITED

中國天元醫療集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 557)**

**2024 INTERIM RESULTS – ANNOUNCEMENT  
UNAUDITED CONSOLIDATED RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**RESULTS**

The board (the “Board”) of directors (the “Directors”) of China Tian Yuan Healthcare Group Limited (the “Company”) announces the following unaudited consolidated results of the Company, its subsidiaries and associates (the “Group”) for the six months ended 30 June 2024 (the “Period”) together with comparative figures.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2024

		Six months ended 30 June	
		2024	2023
		<i>HK\$'000</i>	<i>HK\$'000</i>
	Notes	(Unaudited)	(Unaudited)
<b>Revenue</b>		<b>14,861</b>	23,768
Cost of sales		<u>(5,003)</u>	<u>(9,483)</u>
<b>Gross profit</b>		<b>9,858</b>	14,285
Reversal of/(Allowance for) expected credit loss		<b>399</b>	(814)
Other (losses)/gains, net	3	<b>(3,050)</b>	718
Administrative expenses	4	<u><b>(14,564)</b></u>	<u>(23,103)</u>
<b>Loss from operating activities</b>		<b>(7,357)</b>	(8,914)
Share of losses of associates		<b>(23)</b>	(154)
Finance costs	5	<u><b>(1,603)</b></u>	<u>(1,815)</u>
<b>Loss before taxation</b>		<b>(8,983)</b>	(10,883)
Income tax expense	6	<u>—</u>	<u>—</u>
<b>Loss for the period</b>		<u><b>(8,983)</b></u>	<u>(10,883)</u>
<b>Loss for the period attributable to:</b>			
Equity shareholders of the Company		<b>(5,606)</b>	(6,570)
Non-controlling interests		<u><b>(3,377)</b></u>	<u>(4,313)</u>
<b>Loss for the period</b>		<u><b>(8,983)</b></u>	<u>(10,883)</u>
		<i>HK cents</i>	<i>HK cents</i>
<b>Loss per share</b>			
Basic loss per share	8	<u><b>(1.40)</b></u>	<u>(1.64)</u>
Diluted loss per share	8	<u><b>(1.40)</b></u>	<u>(1.64)</u>

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*for the six months ended 30 June 2024*

	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Loss for the period</b>	<b>(8,983)</b>	<b>(10,883)</b>
<b>Other comprehensive income for the period (after taxation):</b>		
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Exchange differences on translation of financial statements of foreign operations	<b>593</b>	1,234
Exchange differences on monetary items forming net investment in a foreign operation	<u>—</u>	<u>166</u>
<b>Total other comprehensive income for the period</b>	<u><b>593</b></u>	<u>1,400</u>
<b>Total comprehensive loss for the period</b>	<u><b>(8,390)</b></u>	<u><b>(9,483)</b></u>
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>(5,804)</b>	(6,705)
Non-controlling interests	<u><b>(2,586)</b></u>	<u>(2,778)</u>
<b>Total comprehensive loss for the period</b>	<u><b>(8,390)</b></u>	<u><b>(9,483)</b></u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

		As at 30 June 2024 <b>HK\$'000</b> (Unaudited)	As at 31 December 2023 <b>HK\$'000</b> (Audited)
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment		38,801	43,683
Intangible assets		6,199	7,331
Goodwill		56,138	57,385
Interests in associates		6,467	6,596
Trade and other receivables	10	4,485	4,884
Deferred tax assets		1,821	1,821
		<b>113,911</b>	<b>121,700</b>
<b>Current assets</b>			
Trade and other receivables	10	21,749	22,495
Inventories		541	801
Financial assets at fair value through profit or loss		4,454	5,855
Loan receivables	11	129,253	131,224
Cash and cash equivalents		20,793	20,879
		<b>176,790</b>	<b>181,254</b>
<b>Current liabilities</b>			
Trade and other payables	12	(41,435)	(41,704)
Lease liabilities		(3,855)	(4,318)
Provision for taxation		(163)	(163)
		<b>(45,453)</b>	<b>(46,185)</b>
<b>Net current assets</b>		<b>131,337</b>	<b>135,069</b>
<b>Total assets less current liabilities</b>		<b>245,248</b>	<b>256,769</b>

	As at 30 June 2024 <i>Notes</i> <b>HK\$'000</b> (Unaudited)	As at 31 December 2023 <i>HK\$'000</i> (Audited)
<b>Non-current liabilities</b>		
Lease liabilities	(38,457)	(41,588)
	<u>(38,457)</u>	<u>(41,588)</u>
<b>NET ASSETS</b>	<b>206,791</b>	215,181
<b>CAPITAL AND RESERVES</b>		
Share capital	398,980	398,980
Share premium	20,663	20,663
Reserves	<u>(195,184)</u>	<u>(189,380)</u>
<b>Equity attributable to equity shareholders of the Company</b>	<b>224,459</b>	230,263
<b>Non-controlling interests</b>	<u>(17,668)</u>	<u>(15,082)</u>
<b>TOTAL EQUITY</b>	<b>206,791</b>	215,181

Notes:–

## 1. Accounting policies

The interim results set out in the announcement do not constitute the Group's interim financial report for the six months ended 30 June 2024 but are extracted from that report.

The condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provision of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34 *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The condensed consolidated interim financial statements have not been audited, but have been reviewed by the Company's Audit Committee.

The unaudited interim financial report contains consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 December 2023. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The financial information relating to the financial year ended 31 December 2023 that is included in this preliminary announcement of the interim results as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

The interim financial report for the six months ended 30 June 2024 has been prepared in accordance with the same accounting policies adopted by the Group as disclosed in the annual report for the year ended 31 December 2023, except for the accounting policy changes that are expected to be reflected in the 2024 annual consolidated financial statements. Details of any changes in accounting policies are set out below.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 and Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

The Group has not applied any new standard or amendment that is not yet effective for the current accounting period. The application of the amendments to HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and on the disclosures set out in these condensed consolidated interim financial statements.

## 2. Revenue and segment reporting

The Group manages its businesses by divisions, which are organised by products and services. The Group has identified the following four reportable segments based on the information that is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment:

	Investment Holding		Healthcare		Money Lending and Related Business		Hospitality		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>For the six months ended 30 June:</b>										
Disaggregated by timing of revenue recognition										
Point of time	–	–	5,894	14,634	–	–	–	–	5,894	14,634
Over time	–	–	820	940	–	–	–	–	820	940
Revenue from external customers	–	–	6,714	15,574	–	–	–	–	6,714	15,574
Interest income	265	14	–	–	8,147	8,194	–	–	8,412	8,208
<b>Reportable segment revenue</b>	<b>265</b>	<b>14</b>	<b>6,714</b>	<b>15,574</b>	<b>8,147</b>	<b>8,194</b>	<b>–</b>	<b>–</b>	<b>15,126</b>	<b>23,782</b>
<b>Reportable segment (loss)/profit</b>	<b>(9,408)</b>	<b>(6,511)</b>	<b>(8,035)</b>	<b>(11,493)</b>	<b>8,546</b>	<b>7,380</b>	<b>(86)</b>	<b>(259)</b>	<b>(8,983)</b>	<b>(10,883)</b>
Depreciation and amortisation	(322)	(323)	(3,854)	(4,205)	–	–	–	–	(4,176)	(4,528)
Net realised and unrealised valuation (loss)/gain on trading securities	(1,400)	3,463	–	–	–	–	–	–	(1,400)	3,463
Net realised and unrealised foreign exchange (loss)/gain	(2,474)	(4,649)	586	(399)	–	–	–	23	(1,888)	(5,025)
<b>As at 30 June/31 December:</b>										
<b>Reportable segment assets</b>	<b>79,843</b>	<b>93,782</b>	<b>71,066</b>	<b>64,465</b>	<b>137,854</b>	<b>135,546</b>	<b>117</b>	<b>7,340</b>	<b>288,880</b>	<b>301,133</b>
<b>Reportable segment liabilities</b>	<b>11,364</b>	<b>13,746</b>	<b>71,776</b>	<b>73,256</b>	<b>100</b>	<b>100</b>	<b>507</b>	<b>508</b>	<b>83,747</b>	<b>87,610</b>

### 3. Other (losses)/gains, net

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net realised and unrealised foreign exchange loss	(1,888)	(5,025)
Net realised and unrealised valuation (loss)/gain on trading securities	(1,400)	3,463
Interest income	265	14
Miscellaneous (loss)/income	(27)	2,266
	<u>(3,050)</u>	<u>718</u>

### 4. Administrative expenses

Administrative expenses comprise mainly expenses incurred by the Group's Investment Holding segment including directors' remuneration and professional fees and Healthcare segment including staff costs.

### 5. Finance costs

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest expenses on lease payment	<u>1,603</u>	<u>1,815</u>
	<u>1,603</u>	<u>1,815</u>

### 6. Income tax expense

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Current tax</b>		
Provision for the period	<u>—</u>	<u>—</u>
Income tax expense	<u>—</u>	<u>—</u>

### 7. Loss for the period

Loss for the period is arrived at after charging:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	354	395
Depreciation of right-of-use assets	2,690	2,731
Amortisation of intangible assets	1,132	1,402
Staff cost (including director's emoluments)	<u>6,920</u>	<u>11,271</u>

## 8. Loss per share

### For the period

#### a) Basic loss per share

The calculation of basic loss per share is based on loss attributable to ordinary equity shareholders of the Company of approximately HK\$5,606,000 (six months ended 30 June 2023: HK\$6,570,000) and the weighted average number of ordinary shares of 398,979,524 (six months ended 30 June 2023: 398,979,524) in issue during the period.

#### b) Diluted loss per share

Diluted loss per share is the same as the basic loss per share because the Group has no dilutive securities that are convertible into shares during the six months ended 30 June 2024 and 30 June 2023.

## 9. Dividends

#### a) Dividend attributable to the interim period

The Directors of the Company have resolved not to declare an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

#### b) There were no dividends attributable to the previous financial years, approved and paid during the six months ended 30 June 2024 and 2023.

## 10. Trade and other receivables

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Trade receivables (note (a))	11,789	13,188
Less: Allowance for expected credit loss	(6,136)	(6,801)
	<u>5,653</u>	<u>6,387</u>
Interest receivables (note (a))	9,150	8,439
Less: Allowance for expected credit loss	(549)	(402)
	<u>8,601</u>	<u>8,037</u>
Other receivables and deposits	<u>2,885</u>	<u>1,528</u>
Prepayments (note (b))	<u>9,095</u>	<u>11,427</u>
Trade and other receivables	<u><u>26,234</u></u>	<u><u>27,379</u></u>
Non-current	4,485	4,884
Current	<u>21,749</u>	<u>22,495</u>
	<u><u>26,234</u></u>	<u><u>27,379</u></u>

## 10. Trade and other receivables (Continued)

### (a) Ageing analysis

Trade receivables are due within 30 days from the date of invoice.

As of the end of the reporting period, the aging analysis of trade receivables and interest receivables (net of allowance for expected credit loss) based on the invoice date is as follows:

	As at 30 June 2024 <i>HK\$'000</i> (Unaudited)	As at 31 December 2023 <i>HK\$'000</i> (Audited)
Less than 1 month	9,496	8,365
1 to 3 months	7	812
More than 3 months but less than 12 months	1,835	993
More than 12 months	2,916	4,254
	<u>14,254</u>	<u>14,424</u>

### (b) Prepayments

Prepayments mainly consist of professional fees of HK\$4,458,000 (31 December 2023: HK\$5,350,000) paid in advance to business consultants who provide advisory services on the businesses of the Group.

## 11. Loan receivables

	As at 30 June 2024 <i>HK\$'000</i> (Unaudited)	As at 31 December 2023 <i>HK\$'000</i> (Audited)
Loan to third parties	198,907	200,760
Less: Allowance for expected credit loss	<u>(69,654)</u>	<u>(69,536)</u>
	<u>129,253</u>	<u>131,224</u>
Analysed as:		
Secured	39,397	53,787
Unsecured	<u>89,856</u>	<u>77,437</u>
	<u>129,253</u>	<u>131,224</u>

The reason for granting the loans by the Group is because it would help enhance the efficiency in the use of the Group's working capital and that it would be beneficial to the Group in terms of generating cashflow stream from expected interest income.

Before granting loans to potential borrowers, the Group performs internal credit assessment process to assess the potential borrowers' credit quality individually and defines the credit limits granted to the borrowers. The credit limits attributed to the borrowers are reviewed by the management regularly.

The Group has a policy for assessing the impairment on loan receivables on an individual basis. The assessment includes evaluation of collectability, aging analysis of account and current creditworthiness, collateral and past collection history of each borrower under the Group's credit risk rating system.

## 11. Loan receivables (Continued)

In determining the recoverability of the loan receivables on a collective basis, the Group considers any change in the credit quality of the loan receivables from the date the credit was initially granted up to the reporting date. This includes assessing the credit history of the borrowers, such as financial difficulties or default in payments, and current market conditions.

At the end of each reporting date, the Group's loan receivables were individually and collectively assessed for impairment.

One of the loans to third parties of approximately HK\$101,500,000 (31 December 2023: approximately HK\$101,500,000) which is secured by a pledge of properties owned by two individuals who have also extended personal guarantees in favour of the borrower. On 12 February 2020, the aforesaid outstanding amount has fallen due. However, the borrower informed the Company that it was unable to repay the said principal amount and the accrued interest at the repayment date, which constituted a default in repayment of the principal amount and accrued interest. On 5 March 2020, the borrower, through its PRC agent, paid a sum of RMB16,000,000 (equivalent to approximately HK\$17,600,000) to a wholly-owned subsidiary of the Company incorporated in the PRC as partial repayment ("Repayment 1"). On 6 March 2020, one of the personal guarantors ("1st Guarantor") paid a sum of HK\$33,000,000 to the Company as partial repayment ("Repayment 2"). Taking into account that Repayment 2 is not lower than the estimated market value of 1st Guarantor's residential property in Hong Kong as secured under the second legal charge, on 15 March 2020, instead of exercising the second legal charge, the Company entered into a deed of partial release to release the second legal charge over the residential property in Hong Kong charged by the 1st Guarantor under the second legal charge in favour of the Company. The remaining amount after the settlement of Repayment 1 and Repayment 2 is classified as expected credit loss.

In order to recover the outstanding amount of the loan facility, the Company has commenced bankruptcy proceedings against the 1st Guarantor on 2 July 2021, and subsequently, bankruptcy order has then been granted against the 1st Guarantor by the court on 19 April 2022. A proof of debt was submitted on 19 May 2022, and the total amount of claim (including any outstanding uncapped interest as at the date of bankruptcy order) was approximately USD 12,000,000. The Official Receiver was appointed as the trustee of the property and estate of the Bankrupt (the "Trustee"). On 25 November 2022, the Trustee adjudicated the Company's proof of debt and declared that a sum of approximately HK\$95,000,000 was admitted as the petitioner's claim. Subsequently, on 20 January 2023, the Trustee distributed a sum of approximately HK\$2,000 as first and final dividend to the Company.

In addition, the Company has commenced an action against Mr. Zhang Shihong ("2nd Guarantor") for an order for possession of a pledged property and served the Originating Summons dated 9 January 2024 on the 2nd Guarantor on 10 January 2024. The legal proceedings are still on-going and a date for substantive hearing has yet been fixed.

The loans bear interest at rates ranging from 12% to 18.5% (31 December 2023: 12% to 18.5%) per annum, and are repayable within one year.

## 12. Trade and other payables

	As at 30 June 2024 <i>HK\$'000</i> (Unaudited)	As at 31 December 2023 <i>HK\$'000</i> (Audited)
Trade payables ( <i>note (a)</i> )	6,991	4,326
Other payables and accrued charges	34,444	37,378
	<u>41,435</u>	<u>41,704</u>

### (a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade payables based on due date is as follows:

	As at 30 June 2024 <i>HK\$'000</i> (Unaudited)	As at 31 December 2023 <i>HK\$'000</i> (Audited)
Due within 1 month or on demand	6,991	735
Due 1 to 3 months	–	542
Due 3 to 12 months	–	3,049
	<u>6,991</u>	<u>4,326</u>

The credit terms of trade payables vary according to the terms agreed with different suppliers. The Group has financial risk management policies in place to ensure all payables are settled within the time frame agreed with the respective suppliers.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group recorded a net loss attributable to the equity shareholders of the Company of approximately HK\$5.6 million for the Period as compared with a net loss attributable to the equity shareholders of the Company of approximately HK\$6.6 million in the previous corresponding period. The decrease in loss was mainly due to the decrease in net loss of approximately 3 million in Shanghai Hospital (as defined below), which is partially offset by the change from net realised and unrealised valuation gain on trading securities of approximately HK\$3.5 million in the previous corresponding period to net realised and unrealised valuation loss on trading securities of approximately HK\$1.4 million for the Period.

### Healthcare segment

The Group's healthcare business has been carried out under Shanghai Yuyue Weilai Healthcare Beauty Hospital Co., Ltd\* (上海愉悅薇萊美容醫院有限公司) ("Shanghai Hospital"), PRIP Communications Limited ("PRIP") and DIAM Holdings Co., Ltd. ("DIAM").

Shanghai Hospital is principally engaged in plastic surgery operation in Shanghai City of the People's Republic of China ("PRC"). Shanghai Hospital is a specialized plastic surgery hospital which operates class 1 to class 3 plastic surgery operations and facial bone contouring technique plastic surgery operations in the PRC, and provides high quality services to the public customers. Shanghai Hospital has obtained the medical institution practicing license in the PRC to carry out its plastic surgery services in the PRC. Shanghai Hospital has been providing plastic surgery services, including but not limited to, Chinese medical aesthetic services, aesthetic dentistry, facial contouring surgery, etc. Shanghai Hospital recorded revenue of approximately HK\$5.9 million and net loss of approximately HK\$6.3 million for the Period as compared with revenue of approximately HK\$14.6 million and net loss of approximately HK\$9.3 million for the previous corresponding period.

PRIP contributed royalty income of approximately HK\$0.8 million for the Period, representing a decrease by HK\$0.1 million as compared to the previous corresponding period, and DIAM contributed no service income for both the Period and the previous corresponding period.

### Money lending and related business segment

Regarding the Group's money lending and related business segment, the Group recognised interest income from third parties loans of HK\$8.1 million for the Period, as compared with interest income from third parties loans of HK\$8.2 million in the previous corresponding period.

### Investment holding segment

The Group's investment holding segment recorded a net realised and unrealised valuation loss on trading securities of approximately HK\$1.4 million as compared with a net realised and unrealised valuation gain on trading securities of approximately HK\$3.5 million in the previous corresponding period. Consequently, the Group's investment holding segment reported a loss before tax of approximately HK\$9.4 million for the Period as compared with a loss before tax of approximately HK\$6.5 million in the previous corresponding period.

There have been no important events affecting the Company and its subsidiaries which have occurred since the end of the accounting period.

## **PROSPECTS**

### **Healthcare business**

The Group will continue to further develop and expand its existing core business, including but not limited to the plastic surgery and medical beauty services in China and other Asia Markets. The Group has been continuously exploring the healthcare and plastic surgery sector in the PRC.

Through the Group's experience in the management of PRIP, and the importation of the Korean DA branding to the market in the PRC, and its experience in the investment in Shanghai Hospital, the Group will further develop the provision of management and marketing services to other plastic surgery hospitals in the PRC in the future.

In 2024, Shanghai Hospital will continue to step up its marketing efforts, raise brand awareness and market share, expand its customer base and business scale and improve its service quality and professional standards, so as to provide better and higher quality services for customers. Shanghai Hospital will also actively seek for diversity cooperative channels, and strengthen the communication and cooperation with partners to jointly explore markets. Also, Shanghai Hospital will strengthen cooperation and communication with domestic and international renowned medical aesthetic institutions to jointly conduct technology research and development and innovation. In addition, Shanghai Hospital will seek for experienced hospital management personnel in markets to join, so as to improve the operation level of the hospital and improve the marketing capabilities with their experiences. Also, it will actively develop new services and products to expand the revenue-generation channels, which include active exploration of new development direction and business opportunities focused on upstream and downstream of medical aesthetic industry, such as exploration of jointly developing co-branded products of medical aesthetic consumables, so as to improve the recognition of the medical aesthetic brand, and contribute to improve revenue. For newly planned new media business, it will actively integrate the online development trends of new media, and utilize its own resources to gain more operating revenue. In the future, it will also integrate new media marketing into the existing marketing of the hospital. For cost, we will optimize its cost structure, reduce various expenses, and thus improve the profit margin. We will also improve the added value of our products and services, strengthen the training of professional knowledge and sales skills, optimize the marketing team, and thereby increasing sales profits.

### **Money lending and related business**

In 2024, the Group will continue its money lending and related business, which include lender or borrower referral business, fund matching, fund arrangement and/or fund participation but exclude any regulatory activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). Given the adverse impact of the trade friction and negotiation between the PRC and the United States, the Group has been and will be more cautious with the credit assessment and acceptance of customers from money lending and related business. In order to strike a balance between expansion of the money lending and related business segment and the risk control of the Group, the Group will adopt a more prudent credit assessment and procedures when accepting customers for money lending business in the future.

## **Investment holding**

The Group will continue to hold some trading securities and will monitor and make appropriate changes on the investment portfolio from time to time to adapt to the economic environment. In addition, the Group will explore different short-term investment plans to improve its investment return by using the cash reserves on hand in different currencies. From time to time, there could be continued adjustments attributable to unrealised gains or losses arising from the fair value measurement of the Group's trading securities and unrealised gains or losses on the revaluation of foreign currency cash deposits.

## **New business segments**

Whilst the Group is striving for progress in its existing businesses, the management is also actively seeking other business opportunities with a view of diversifying and enhancing income sources.

## **AUDIT COMMITTEE**

The members of the audit committee of the Company comprise 3 independent non-executive Directors namely Mr. Yuen Kwok Kuen, Ms. Zhou Siqi and Mr. Li Jun. The audit committee of the Company has reviewed the unaudited interim results and the interim financial information for the Period, and expressed no disagreement with its content and the accounting treatment adopted.

## **OTHER INFORMATION**

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

## **CORPORATE GOVERNANCE CODE**

Paragraph C.2.1 of the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Starting from 4 November 2022, the roles of the chairman and chief executive officer of the Company were performed by the same individual, Ms. Dong Wei. She is responsible for formulating the overall business development strategy and planning of the Group. The Directors meet regularly to consider issues related to corporate matters affecting operations of the Group and considers that this deviation will not impair the balance of power and authority of the Board and the Company's management and thus, the Directors believe the current structure will enable effective planning and implementation of corporate strategies and decisions of the Group. Notwithstanding the above, the Company is endeavouring to identify suitable candidate for executive directors to share the roles of Ms. Dong Wei (as chairman and chief executive officer) as soon as practicable to meet the requirements of the CG Code.

In the opinion of the Directors, saved as disclosed herein, the Company has complied with the code provisions as set out in the CG Code throughout the Period.

The Company reviews its corporate governance practices from time to time to ensure compliance with the CG Code.

## **COMPLIANCE WITH THE 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 of the Listing Rules (the “Model Code”) as its code of conduct regarding Directors’ securities transactions. All Directors confirmed that they have complied with the Model Code throughout the Period.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Period.

By order of the Board  
**China Tian Yuan Healthcare Group Limited**  
**Dong Wei**  
*Executive director*

Hong Kong, 30 August 2024

*As at the date of this announcement, the Board comprises five Directors of which Ms. Dong Wei is the executive Director; Ms. He Mei is the non-executive Director and Mr. Yuen Kwok Kuen, Ms. Zhou Siqi and Mr. Li Jun are the independent non-executive Directors.*

*\* for identification purpose only*