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Top Eminent Healthcare Group Limited (卓著健康集團有限公司)*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6877)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Top Eminent Healthcare Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) presents the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2025 (the “**2025 Interim Period**”), together with the comparative figures for the corresponding period in 2024 (the “**2024 Interim Period**”). The condensed consolidated interim financial information has not been audited but was reviewed by the Company’s audit committee (the “**Audit Committee**”) and approved by the Board.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

		Unaudited Six months ended 30 June	
	Notes	2025 HK\$'000	2024 HK\$'000
Sales of goods from healthcare business	2	41,559	50,687
Other income	2, 3	3,625	4,814
Total income		45,184	55,501
Cost of sales from healthcare business		(23,852)	(31,086)
Referral expenses and other charges		(1,089)	(1,305)
Staff costs		(1,351)	(1,630)
Depreciation – property, plant and equipment		(34)	(194)
Other operating expenses	4	(20,424)	(13,850)
Total expenses		(46,750)	(48,065)
(Loss)/profit before tax		(1,566)	7,436
Income tax expense	5	(649)	(1,176)

<i>Notes</i>	Unaudited	
	Six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/profit for the period	<u>(2,215)</u>	<u>6,260</u>
Other comprehensive income/(expense)		
<i>Items that may be reclassified to profit or loss</i>		
Currency translation difference	<u>6,154</u>	<u>(519)</u>
Other comprehensive income/(expense) for the period, net of tax	<u>6,154</u>	<u>(519)</u>
Total comprehensive income for the period	<u>3,939</u>	<u>5,741</u>
(Loss)/profit per share for (loss)/profit attributable to the equity holders of the Company for the period (HK cents per share)		
– Basic and diluted	<u>(0.11)</u>	<u>0.31</u>

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

		Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
	Notes		
ASSETS			
Non-current assets			
Property, plant and equipment		<u>69</u>	<u>77</u>
Total non-current assets		<u>69</u>	<u>77</u>
Current assets			
Inventories	8	17,239	34,546
Trade receivables	9	28,838	36,720
Other receivables, prepayments and deposits	10	1,239	1,703
Tax prepayment		258	–
Cash and bank balances and client trust bank balances	11	<u>218,597</u>	<u>206,336</u>
Total current assets		<u>266,171</u>	<u>279,305</u>
Total assets		<u>266,240</u>	<u>279,382</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13	20,333	20,333
Reserves		<u>227,913</u>	<u>223,974</u>
Total equity		<u>248,246</u>	<u>244,307</u>
Current liabilities			
Income tax payable		–	3,093
Trade and other payables	12	16,907	30,861
Clients' balances		<u>1,087</u>	<u>1,121</u>
Total current liabilities		<u>17,994</u>	<u>35,075</u>
Total liabilities		<u>17,994</u>	<u>35,075</u>
Total equity and liabilities		<u>266,240</u>	<u>279,382</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard 34, ‘Interim Financial Reporting’ issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which has been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA.

Except as described below, the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group’s accounting policies and the critical accounting estimates and judgements were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

2. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the executive directors and senior management of the Group. The Group’s operating businesses are structured and managed separately according to the nature of their operations and the services they provide. Each of the Group’s business segments represents a strategic business unit that offers services which are subject to risks and returns that are different from those of the other business segments. The Board of Directors considers the business from geographical and service/product perspective.

Summary details of the business segments from geographical and service/product perspective are as follows:

- (a) the healthcare business segment engages in the sales of healthcare products; and
- (b) unallocated segment engages in the provision of services other than healthcare businesses, and the operations of the investment holding companies.

The Group commenced its healthcare business and established online stores through internationally renowned e-commerce platforms in 2022. The Group sells the healthcare products sourced from its suppliers to end-customers and wholesale customers. The healthcare business was organically grown and not as result of a business combination.

Inter-segment transactions, if any, are conducted with reference to the prices charged to third parties and there was no change in the basis during the six months ended 30 June 2025 and 2024.

The segment information provided to the management for the reportable segments for the six months period ended 30 June 2025 and 2024 is as follows:

For the six months ended 30 June 2025 (Unaudited)

	Healthcare business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Segment revenue from external customers	41,559	–	41,559
Other income	–	3,625	3,625
	<hr/>	<hr/>	<hr/>
Total revenue and other income	41,559	3,625	45,184
	<hr/>	<hr/>	<hr/>
Segment profit/(loss)	5,656	(7,222)	(1,566)
	<hr/>	<hr/>	<hr/>
Income tax expense	(649)	–	(649)
	<hr/>	<hr/>	<hr/>
Profit/(loss) for the period	5,007	(7,222)	(2,215)
	<hr/>	<hr/>	<hr/>
Other segment information:			
Depreciation	–	34	34
Lease payments	–	189	189
	<hr/>	<hr/>	<hr/>

For the six months ended 30 June 2024 (Unaudited)

	Healthcare business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Segment revenue from external customers	50,687	–	50,687
Other income	–	4,814	4,814
	<hr/>	<hr/>	<hr/>
Total revenue and other income	50,687	4,814	55,501
	<hr/>	<hr/>	<hr/>
Segment profit/(loss)	8,401	(965)	7,436
	<hr/>	<hr/>	<hr/>
Income tax expense	(1,176)	–	(1,176)
	<hr/>	<hr/>	<hr/>
Profit/(loss) for the period	7,225	(965)	6,260
	<hr/>	<hr/>	<hr/>
Other segment information:			
Depreciation	–	194	194
Lease payments	–	173	173
	<hr/>	<hr/>	<hr/>

The Company is domiciled in Hong Kong. The Group's major income from external customers is derived from its operations in Hong Kong.

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Hong Kong	<u>41,559</u>	<u>50,687</u>
Total	<u>41,559</u>	<u>50,687</u>

Major customers

During the six months period ended 30 June 2025, the following external customers contributed more than 10% of the total revenue of the Group.

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Customer A	9,161	–
Customer B	2,760	10,841
Customer C	2,659	8,699
Customer D	<u>2,550</u>	<u>6,092</u>

Information on segment assets and liabilities are not disclosed as this information is not presented to the Board of Directors as they do not assess performance of reportable segments using information on assets and liabilities.

3. OTHER INCOME

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Interest income	<u>3,625</u>	<u>4,814</u>
	<u>3,625</u>	<u>4,814</u>

4. OTHER OPERATING EXPENSES

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Auditors' remuneration		
– Audit services	684	679
– Non-audit services	25	27
Marketing, advertising and promotion expenses	6,806	5,490
Professional and consultancy fee	3,145	3,895
Personal postal articles tax	1,889	1,659
Postage and courier expenses	1,352	1,064
Information services expenses	672	269
Printing and stationery	535	92
Storage	233	175
Short term lease payments under land and building	189	173
Repair and maintenance (including system maintenance)	172	123
Bank charges	71	142
Insurance	4	4
Gain on disposal of property, plant and equipment	–	(202)
Net foreign exchange loss	3,802	19
Others	845	241
	<u>20,424</u>	<u>13,850</u>

5. INCOME TAX EXPENSE

Hong Kong profits tax has been provided for at the rate of 16.5% (2024: 16.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the respective periods at the rates of taxation prevailing in the countries in which the Group operates. The income tax expenses of the Group are charged at a tax rate of 28% (2024: 28%) in New Zealand and 30% (2024: 30%) in Australia respectively in accordance with the local tax law.

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Current tax:		
Expense for the period	649	1,176
Income tax expense	<u>649</u>	<u>1,176</u>

6. DIVIDENDS

The Board has resolved not to declare any payment of dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: nil).

7. (LOSS)/PROFIT PER SHARE

Basic (loss)/profit per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective periods.

	Unaudited Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
(Loss)/profit attributable to equity holders of the Company	<u>(2,215)</u>	<u>6,260</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares in issue	<u>2,033,290,000</u>	<u>2,033,290,000</u>

	Unaudited Six months ended 30 June	
	2025	2024
Basic and diluted (loss)/profit per share (HK cents)	<u>(0.11)</u>	<u>0.31</u>

For the six months ended 30 June 2025 and 2024, basic (loss)/profit per share is the same as diluted (loss)/profit per share.

8. INVENTORIES

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Finished goods – merchandise	<u>17,239</u>	<u>34,546</u>

The cost of goods recognised as cost of sales amounted to approximately HK\$23,852,000 for the six months ended 30 June 2025 (for the six months ended 30 June 2024: HK\$31,086,000).

9. TRADE RECEIVABLES

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Trade receivables		
Fellow subsidiary	21,688	–
Third parties	<u>7,775</u>	<u>37,345</u>
Trade receivables, gross	29,463	37,345
Less: provision for impairment allowance	<u>(625)</u>	<u>(625)</u>
Trade receivables, net	<u>28,838</u>	<u>36,720</u>

The Group seeks to maintain strict control over its outstanding receivables and has a credit control team to minimise credit risk. Overdue balances are reviewed regularly by senior management.

An ageing analysis of trade receivables by invoice date as at the end of the reporting period is as follows:

	Unaudited 30 June 2025		Audited 31 December 2024	
	Balance HK\$'000	Percentage %	Balance HK\$'000	Percentage %
Current	17,577	59.7	9,514	25.5
Within 3 months	6,696	22.7	15,480	41.5
More than 3 months but within 6 months	2,618	8.9	4,619	12.4
More than 6 months but within 12 months	2,572	8.7	7,732	20.6
	29,463	100.0	37,345	100.0
Less: impairment allowance	(625)		(625)	
Total	28,838		36,720	

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which use a lifetime expected loss allowance for all trade receivables. 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.

The Group determines the expected loss rates based on the credit default rates of the trade receivables of these financial assets with reference to the corresponding credit ratings from internationally renowned credit rating agencies. The rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product, unemployment rate and inflation rate as the key macroeconomic factors in the countries where the Group operates. HK\$625,000 provision was made as at 30 June 2025 and 31 December 2024.

The movements in the loss allowance for impairment of trade receivables are as follows:

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
At beginning of period/year	625	–
Impairment losses	–	625
At end of period/year	625	625

As at 30 June 2025, trade receivables of HK\$21,688,000 (2024: HK\$Nil) are due from related parties. As at 30 June 2025, the loss allowance in respect of the trade receivables due from related parties was HK\$531,000 (2024: HK\$Nil)

	Gross carrying amount HK\$'000	ECL HK\$'000	ECL rate
As at 30 June 2025 (unaudited)	21,688	531	2.45%
As at 31 December 2024 (audited)	Nil	Nil	N/A

As at 30 June 2025, the remaining trade receivables of HK\$7,775,000 (2024: HK\$37,345,000) are due from third parties and have an expected loss rate individually ranged from 0.09% – 4.89% (2024: 0.09% – 4.89%). The loss allowance for these balances was HK\$94,000 (2024: HK\$625,000).

	Gross carrying amount HK\$'000	ECL HK\$'000	ECL rate
As at 30 June 2025 (unaudited)	7,775	94	1.21%
As at 31 December 2024 (audited)	<u>37,345</u>	<u>625</u>	<u>1.67%</u>

Concentration of exposure

Concentrations of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in the same geographical areas or industry sectors, such that their collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions.

The Group uses a number of controls and measures to minimise undue concentration of exposure in the portfolios. These include counterparty limits, approval and review controls.

The Group manages, limits, and controls concentrations of credit risk wherever they are identified, particularly in relation to individual customers or counterparties. The following table is the analysis of concentration by individual customers/counterparties accounting for over 20% of total trade receivables:

	Unaudited 30 June 2025	Audited 31 December 2024
Number of individual customers/counterparties	<u>1</u>	<u>1</u>

As at 30 June 2025, the trade receivables from the largest debtor accounted for 75% (31 December 2024: 85%) of the total trade receivables.

There was also no significant increase in long-aged receivables during the period.

Trade receivables are denominated in the following currencies:

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
HK\$	15,010	28,607
RMB	12,425	6,667
USD	<u>1,403</u>	<u>1,446</u>
	<u>28,838</u>	<u>36,720</u>

All trade receivables' carrying amounts approximate to their fair values.

10. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Interest receivables	734	947
Prepayments	298	551
Other receivables	161	141
Right-of-return assets	41	41
Rental and utility deposits	5	23
	<hr/>	<hr/>
Total	1,239	1,703
	<hr/>	<hr/>

The carrying amounts of the Group's other receivables and deposits approximate to their fair values.

11. CASH AND BANK BALANCES AND CLIENT TRUST BANK BALANCES

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Cash and bank balances	30,884	9,353
Fixed deposits with banks	186,549	195,818
Client trust bank balances	1,164	1,165
	<hr/>	<hr/>
	218,597	206,336
	<hr/>	<hr/>

The Group maintains trust and segregated accounts with authorised financial institutions to hold clients' deposits arising from normal business transactions. The Group is not allowed to use the clients' monies to settle its own obligations in the ordinary course of business, and therefore they are not included as cash and cash equivalents in the condensed consolidated interim statement of cash flows.

As at 30 June 2025 and 31 December 2024, no bank balances are pledged to banks for banking facilities. No overdraft facility was utilised by the Group as at 30 June 2025 and 31 December 2024. None of the bank deposits are placed with market makers as collateral as at 30 June 2025 and 31 December 2024.

For the purposes of the condensed consolidated interim statement of cash flows, cash and cash equivalents comprises of the followings:

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Cash and bank balances	30,884	9,353
Fixed deposits with banks with original maturity within three months	186,549	195,818
	<hr/>	<hr/>
	217,433	205,171
	<hr/>	<hr/>

12. TRADE AND OTHER PAYABLES

		Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Trade payables	(b)	15,633	28,606
Accrued audit fees		705	1,400
Other accruals		544	796
Refund liabilities		18	52
Other payables		7	7
	(a)	<u>16,907</u>	<u>30,861</u>

notes:

- (a) The carrying amounts of the Group's trade and other payables approximate to their fair values.
- (b) The credit terms of merchandise payables granted by the suppliers are usually current to 90 days. At 30 June 2025, the aging analysis of the merchandise payables based on invoice date is as follows:

	Unaudited 30 June 2025		Audited 31 December 2024	
	Balance HK\$'000	Percentage %	Balance HK\$'000	Percentage %
30-90 days	<u>15,633</u>	<u>100.0</u>	<u>28,606</u>	<u>100.0</u>

13. SHARE CAPITAL AND RESERVES

(a) Share capital

	Unaudited 30 June 2025		Audited 31 December 2024	
	Number of shares	HK\$'000	Number of shares	HK\$'000
Authorised:				
Ordinary shares of HK\$0.01 each (2024: same)	<u>4,000,000,000</u>	<u>40,000</u>	<u>4,000,000,000</u>	<u>40,000</u>
Issued and fully paid:				
At beginning and end of the reporting period	<u>2,033,290,000</u>	<u>20,333</u>	<u>2,033,290,000</u>	<u>20,333</u>

note: As at the date hereof, the Company does not hold any treasury shares (whether in the Central Clearing and Settlement System, or otherwise).

(b) Reserves

Reserves includes capital reserves, which represent the difference between the book value of the net assets of CA Premium New Zealand Limited (formerly known as CLSA Premium New Zealand Limited), CA Premium Pty Limited (formerly known as CLSA Premium Pty Limited) and CA Premium International (HK) Limited (formerly known as CLSA Premium International (HK) Limited) over the par value of the shares issued in exchange for these subsidiaries as part of the reorganisation completed in 2012.

14. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

For the outstanding balance due from or to related parties, net amount is presented when the Group has a legally enforceable right to set off the recognised amounts, and intends to settle on a net basis.

The Group had the following material transactions with its related entities during the period.

		Unaudited	
		Six months ended 30 June	
		2025	2024
	<i>notes</i>	HK\$'000	HK\$'000
Transactions			
Amounts paid for the provision of software maintenance, upgrade and support services from:			
– a related party	(i), (v)	14	16
Amounts paid for the provision of management services from:			
– the then immediate holding company	(ii), (v)	115	173
– a fellow subsidiary		70	–
Sales of goods to:			
– a fellow subsidiary	(iii), (v)	817	–
Purchase of inventories from:			
– a fellow subsidiary	(iii), (v)	493	–
Commission paid to:			
– a fellow subsidiary	(iv), (v)	86	–

notes:

- (i) On 6 December 2024, the Company entered into a services agreement with CLSA Limited, a wholly-owned subsidiary of CSI (the then immediate holding company), for the provision of information technology services. Amounts are paid for provision of software maintenance, upgrade and support services based on the terms on agreement signed between parties.
- (ii) On 12 April 2024, the Company entered into a business services agreement with CSI (the then immediate holding company) for the provision of office services at the Company's head office and principal place of business in Hong Kong. This agreement was terminated by expiration on 30 April 2025. Subsequently, on 10 April 2025, the Company entered into a new business services agreement with Beijing Tong Ren Tang (Hong Kong) Limited ("**TRT International**"), a wholly-owned subsidiary of TRT Cayman, for the provision of office services at the new head office and principal place of business in Hong Kong. Payments are made for the shared use of office space and related services in accordance with the terms of the respective agreements.
- (iii) Top Eminent Healthcare (Hong Kong) Limited ("**TE Healthcare HK**", formerly known as CLSA Premium Bullion Limited) is a company incorporated in Hong Kong with limited liability and a directly wholly-owned subsidiary of the Company. TE Healthcare HK engages in the sale and purchase of healthcare products with TRT International on normal commercial terms and following arm's length negotiations.
- (iv) Under a digital commerce cooperation agreement entered into in May 2022 between TE Healthcare HK and TRT International, the Group acquired the right to operate the e-commerce stores at designated sale platforms. In return, TE Healthcare HK is required to pay TRT International a fixed percentage of commission. The agreement was subsequently renewed in May 2025 on substantially the same terms.

- (v) Pursuant to Rule 14A.76 of the Listing Rules, the continuing connected transactions mentioned above are fully exempt from the requirements for shareholders' approval, annual review by independent non-executive directors and auditors, and disclosure obligations.

15. LITIGATIONS AND CONTINGENT LIABILITIES

Contingent liabilities from litigations with Banclogix System Co., Limited

On 6 May 2020, the Company received a writ of summons together with an indorsement of claim dated 6 May 2020 issued in the High Court of The Hong Kong Special Administrative Region by Banclogix System Co., Limited (“**Banclogix**”, the Group’s then IT service provider) against the Company and claims (i) that the termination of the IT service agreement by the Company was wrongful; (ii) alleged termination payment of HK\$2.5 million, software maintenance fee of approximately HK\$450,000 and IT infrastructure fee of HK\$1.5 million; and (iii) alleged loss and damages to be assessed. The Company has been contesting the claims made by Banclogix.

The above proceedings is to be heard together with the High Court legal action started in 2019 by the Company (joined subsequently by its three subsidiaries as plaintiffs) against Banclogix claiming for, among others, repudiatory breach of the IT service agreement by Banclogix; return of the plaintiffs’ data, costs and damages. The Company and Banclogix had a mediation on 23 June 2021. The parties did not reach an agreement.

As at the end of the reporting period and the date of this announcement, the two legal proceedings with Banclogix remain ongoing, with the trial scheduled for January 2026. While the outcome and potential financial impact of the proceedings are subject to uncertainties and cannot be reliably estimated at this stage, the Company’s directors are of the view that no provision is required, as the Company’s legal adviser remains cautiously optimistic about the outcome of both cases.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

Significant financial information for the period ended 30 June

Consolidated profit and loss analysis

Items	Six months ended 30 June 2025 HK\$'000	Six months ended 30 June 2024 HK\$'000	Percentage changes over the corresponding period of last year
Operating results			
Total income	45,184	55,501	-18%
(Loss)/profit before tax	(1,566)	7,436	-121%
(Loss)/profit for the period attributable to equity holders of the Company	(2,215)	6,260	-135%
Net cash generated from/(used in) operating activities	7,030	(2,879)	+344%
Net profit margin	(5.3%)	12.3%	
Inventory turnover (times)	0.9	3.0	
(Loss)/profit per share (HK cents/share)			
Basic and diluted (loss)/profit per share ^{note}	(0.11)	0.31	-135%
Return on equity	<u>(0.9%)</u>	<u>2.6%</u>	

Consolidated financial position analysis

Items	30 June 2025 HK\$'000	31 December 2024 HK\$'000	Percentage changes over the end of last year
Financial position			
Total assets	266,240	279,382	-5%
Total equity	248,246	244,307	2%
Current ratio	14.8	8.0	
Total equity attributable to equity holders of the Company	248,246	244,307	2%
Total issued share capital (in thousand shares)	2,033,290	2,033,290	—
Net assets attributable to equity holders of the Company per share (HK\$/share) ^{note}	0.1221	0.1202	2%
Gearing ratio	<u>Nil</u>	<u>Nil</u>	N/A

note: The denominator is the weighted average number of the Company's ordinary shares in issue.

Analysis on changes in owner's equity

Items	2025 HK\$'000	2024 HK\$'000
Balance at 1 January	244,307	239,865
(Loss)/profit for the period	(2,215)	6,260
Other comprehensive income/(expense)	6,154	(519)
	<hr/>	<hr/>
Total equity balance as at 30 June	248,246	245,606
	<hr/> <hr/>	<hr/> <hr/>

Key financial ratios and trends

The Group recorded a temporary dip in profitability, primarily due to strategic refinements in product mix and pricing aimed at positioning the business for long-term growth. Despite this, the current ratio remained strong, reflecting the Group's solid liquidity position and prudent management of working capital.

While short-term performance was affected by transitional factors, the Board remains optimistic about the Group's underlying strengths and future prospects. We are committed to enhancing operational efficiency and delivering sustainable value to our shareholders and investors.

Commentary on material changes

Compared to the corresponding period in 2024, the Group experienced the following developments:

Revenue: The Group recorded revenue of HK\$41.6 million for the 2025 Interim Period, representing a decrease from HK\$50.7 million for the 2024 Interim Period. This was primarily due to a temporary slowdown in the healthcare business segment. The Group remains confident in the long-term potential of this segment and is actively implementing strategies to enhance product offerings and expand market reach.

Operating Expenses: Operating expenses rose moderately, reflecting strategic investments in professional services and marketing activities. These expenditures are expected to support future growth and strengthen the Group's brand presence.

Profit Attributable to Shareholders: The Group recorded a temporary net loss of HK\$2.2 million, compared to a net profit of HK\$6.3 million in the corresponding period in 2024. This was primarily due to one-off professional expenses of HK\$2.5 million related to the change in the Company's controlling shareholder and the subsequent general offer triggered by such change during the 2025 Interim Period. Excluding these non-recurring costs, the underlying business remains stable and well-positioned for recovery.

Segment Performance: The healthcare segment continues to be the Group's growth engine. Despite a temporary dip, the Group is expanding its B2C channels and ODM portfolio, which are expected to drive sustainable revenue growth.

Despite transitional adjustments, as at 30 June 2025, the Group maintains a robust financial position with HK\$217.4 million in cash and bank balances, providing strong liquidity and flexibility to support future growth initiatives. Management remains committed to enhancing operational efficiency and pursuing growth opportunities to deliver long-term value to shareholders.

The 2025 Interim Period compared with the 2024 Interim Period

Total income

The total income of the Group was approximately HK\$45.2 million for the 2025 Interim Period when compared with approximately HK\$55.5 million for the 2024 Interim Period.

A. Revenue from healthcare business

The revenue from healthcare business of the Group was approximately HK\$41.6 million for the 2025 Interim Period when compared with HK\$50.7 million for the 2024 Interim Period.

B. Other income

The other income of the Group decreased by approximately 24.7% to HK\$3.6 million for the 2025 Interim Period from HK\$4.8 million for the 2024 Interim Period. The decrease is mainly due to the normalization of interest income following market trends during the 2025 Interim Period in relation to the drop in interest rate.

Cost of sales

The cost of sales of the Group was HK\$23.9 million for the 2025 Interim Period when compared with HK\$31.1 million for the 2024 Interim Period, which has included the cost of sales of the healthcare products.

Referral expenses and other charges

The referral expenses and other charges of the Group decreased to HK\$1.1 million for the 2025 Interim Period from HK\$1.3 million for the 2024 Interim Period. The mild drop was consistent to the change in business activities in the healthcare business.

Staff costs

The staff costs of the Group decreased to HK\$1.4 million for the 2025 Interim Period as compared to HK\$1.6 million for the 2024 Interim Period.

Depreciation – property, plant and equipment

Depreciation of property, plant and equipment decreased to approximately HK\$0.03 million for the 2025 Interim Period from approximately HK\$0.2 million for the 2024 Interim Period. The depreciation expense in the 2025 Interim Period is less than that of the 2024 Interim Period as some of the assets became fully depreciated in 2025.

Other operating expenses

The other operating expenses of the Group increased by approximately 47.5% to HK\$20.4 million for the 2025 Interim Period from HK\$13.8 million for the 2024 Interim Period. This was mainly due to the increase of marketing and promotional expenses of HK\$1.3 million when compared to that of the 2024 Interim Period, which was aimed at enhancing the Group's long-term brand visibility and customer engagement.

Net Loss

The Group had a net loss of HK\$2.2 million for the 2025 Interim Period, compared with a net profit of HK\$6.3 million for the 2024 Interim Period, mainly due to the reasons set forth above and the one-off expenses such as legal, advisory, and other transaction-related professional fees related to the change of the Company's controlling shareholder and the subsequent general offer triggered by such change.

Liquidity and financial resources

During the 2025 Interim Period, the operations of the Group were financed principally by equity capital, cash generated by the Group's business operations and cash and bank deposits.

As at 30 June 2025, cash and bank balances (including fixed deposits with banks with original maturity within three months) held by the Group amounted to HK\$217.4 million (as at 31 December 2024: HK\$205.2 million).

Foreign currency exposure

During the 2025 Interim Period, the Group recorded an exchange loss of HK\$3.8 million (the 2024 Interim Period: loss of HK\$0.02 million). In addition, the Group recorded a currency translation gain of approximately HK\$6.2 million (the 2024 Interim Period: currency translation loss of approximately HK\$0.5 million), mainly due to the half year end translation of monetary assets denominated in foreign currency into local reporting currency by the Company's subsidiaries in Australia and New Zealand. The foreign currency risk is managed proactively by regular reviews of the currency positions in the basket of currency mix. To minimise the risk exposure, the Group has a hedging strategy based on prevailing market conditions and working capital requirements of subsidiaries.

Capital structure

During the 2025 Interim Period, the Group's capital structure consists of equity attributable to owners of the Company, comprising issued share capital and reserves.

Charges on the Group's assets

As at 30 June 2025, there were no charge on the Group's assets (as at 31 December 2024: nil).

Contingent liabilities

Details of the Group's contingent liabilities as at 30 June 2025 are set out in the Notes to the interim financial information.

Employees and remuneration policies

The Group's remuneration policies are in line with the prevailing market practices and are determined on the basis of performance and experience of individual employees. The Group provides retirement benefits in accordance with the relevant laws and regulations in the place where the staff is employed. As at 30 June 2025, the Group engaged a total number of 13 staff (including employees, consultants and directors).

BUSINESS REVIEW AND OUTLOOK

During the six months ended 30 June 2025, the Group operated in a more complex and competitive environment compared to the same period in 2024, driven by evolving consumer preferences and intensified market dynamics in the healthcare products sector. Although revenue and profit recorded a year-on-year decline, these fluctuations were within expectations and consistent with broader industry trends. The Group remained focused on its strategic priorities product innovation, brand development, and operational efficiency which continue to lay a solid foundation for long-term growth.

The healthcare business remained the Group's core revenue contributor. Although sales volume and gross profit margin were lower than the previous year, the Group made meaningful progress in expanding its B2C distribution channels and enhancing its ODM product portfolio. These efforts, supported by improved cost control and targeted marketing, helped mitigate the impact of softer market conditions. The Group also maintained a healthy financial position, with strong liquidity and low gearing, providing resilience and flexibility to navigate transitional adjustments.

Importantly, the Group demonstrated substantive business operations during the period, clearly reflecting its operational stability and regulatory compliance, thereby providing stakeholders with assurance that the Company possesses the essential conditions for continued listing. Through various major e-commerce platforms, including Tmall, Douyin, and JD.com, the Group actively promoted and sold over 80 healthcare products under reputable brands. These products encompass dietary supplements, proprietary Chinese medicines, and healthcare products, comprehensively catering to the diverse health needs of consumers. The consistent performance across these platforms further underscores the Group's strong operational capabilities and its steadfast commitment to building a sustainable and scalable business.

As of the date of this announcement, the Group is in active discussions with relevant parties regarding the potential distribution of four new healthcare products. While these arrangements have not yet been finalized, they represent promising opportunities to further expand the Group's product portfolio and revenue base.

Looking ahead to the second half of 2025, the Group maintains a cautiously optimistic outlook. With rising health awareness and increasing demand for quality wellness products across Asia, the Group sees promising opportunities for expansion. Plans are in place to introduce new healthcare products and related services with strong commercial potential, strengthen collaborations with existing brand partners, and broaden sales channels. Continued investment in digital marketing, supply chain optimization, and product development is expected to further enhance the Group's competitiveness.

Among the initiatives planned, the Group is preparing to launch four new healthcare products designed to meet emerging consumer health needs. These offerings will be supported by targeted digital campaigns and expanded distribution networks. The Group will closely monitor key performance indicators such as conversion rates, customer retention, and regional sales growth to assess the effectiveness of these initiatives.

With a solid financial foundation and a clear strategic direction, the Group is well-positioned to navigate evolving market conditions and pursue sustainable growth. Continued investment in product innovation, operational efficiency, and strategic partnerships are expected to drive improved performance. The Board remains confident in the Group's ability to deliver meaningful results and long-term value to shareholders and stakeholders.

CREDIT RISK CONCENTRATION IN TRADE RECEIVABLES

As at 30 June 2025, the Group's trade receivables remained stable at HK\$28.8 million (31 December 2024: HK\$36.7 million), reflecting consistent business activity and disciplined credit management. As at 30 June 2025, the trade receivables from the largest debtor accounted for 75% (31 December 2024: 85%) of the total trade receivables. This level of concentration is typical for businesses in the healthcare sector with strong B2B relationships and is supported by long-standing partnerships and reliable payment histories.

To ensure prudent risk management, the Group continues to implement a robust credit control framework, including regular ageing analysis, customer credit assessments, and close monitoring of receivable balances. As at the reporting date, around 60% of trade receivables were current, as compared to 25.5% of trade receivables being current as at 31 December 2024.

The Group remains confident in the quality of its receivables and the resilience of its customer base. Management will continue to refine its credit policies and customer engagement strategies to further strengthen financial performance and safeguard shareholder value.

Subsequent settlement in relation to the trade receivables

	(Unaudited) Gross balance As at 30 June 2025 HK\$'000	(Unaudited) Subsequent settlement As at the date of this announcement HK\$'000
Current	17,577	3,734
Within 3 months	6,696	5,101
More than 3 months but within 6 months	2,618	1,771
More than 6 months but within 12 months	2,572	—
	<u>29,463</u>	<u>10,606</u>

Expected recoverability of long-aged receivables and justification for the adequacy of loss allowances

(1) Customers with strong creditworthiness

Our customers' credit profiles remain robust, with past payment behavior indicating full recoverability of receivables. As of 30 June 2025, the Group's trade receivables primarily stem from large, reputable customers with strong creditworthiness. These customers are in good standing and possess significant bargaining power, often due to their comprehensive internal approval procedures for payments, which can extend their payment cycles. There were no issues with receivable recoverability in previous years, and the Group maintains a strong and cooperative relationship with these customers.

(2) Ongoing business relations with customers for trade receivables balances with invoice dates more than 6 months

As of 30 June 2025, trade receivables with invoice dates more than 6 months but within 12 months totaled HK\$2.6 million, arising from three customers, all of whom are currently engaged in ongoing contracts with the Group with good business relation.

(3) Business model and customer base remain unchanged

Regarding trade receivables, the Group's current and future business models, as well as its customer base, have remained, and are expected to remain, largely consistent. The Group believes it has established standard business arrangements with these customers (especially B2B customer(s)) and has not identified any issues related to the recoverability of trade receivables or the need for additional impairment provisions to date.

Based on these considerations, the Group is confident that the trade receivables are fully recoverable, and therefore, the loss allowances of HK\$625,000 were adequate.

Actions taken or to be taken to recover long-outstanding receivables, if any

The Group has continued to:

1. Boost sales revenue from customers with shorter payment cycles while progressively decreasing sales to customers with relatively longer payment cycles, to enhance the overall collection period of trade receivables.
2. Maintain rigorous control over outstanding trade receivables with a dedicated credit control team to reduce credit risk. This involves direct follow-ups by sales staff for invoices with invoice dates over 3 months and escalation to senior management for invoices with invoice dates exceeding 6 months. The Group has enhanced collaboration between sales and finance teams to improve collection efforts and regularly monitor overdue accounts. Senior management periodically reviews overdue balances to effectively manage potential risks.
3. Periodically review customers' backgrounds, reputation, market standing, and business condition using publicly available data to guide credit assessments.

REGULATORY COMPLIANCE UPDATE

Following the successful resumption of trading in July 2024, the Company has continued to operate its business in a normal and orderly manner. The Board confirms that the Company remains in compliance with Rule 13.24 of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Should there be any further regulatory guidance or requirements, the Company will make timely disclosures in accordance with applicable rules and standards.

MATERIAL ACQUISITIONS OR DISPOSALS

The Group did not undertake any material acquisitions or disposals of subsidiaries or associated companies or joint ventures during the 2025 Interim Period.

SIGNIFICANT INVESTMENTS HELD

During the 2025 Interim Period, the Group did not hold any significant investments.

MATERIAL LITIGATION AND ARBITRATION

Save and except for the legal actions as disclosed in this announcement, during the 2025 Interim Period, the Group did not have any material litigation or arbitration and was not aware of any significant contingent liabilities.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events affecting the Group that occurred after the reporting period and up to the date of this announcement.

INTERIM DIVIDEND

The Board has resolved not to declare any payment of dividend for the 2025 Interim Period (for the 2024 Interim Period: nil).

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

During the 2025 Interim Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions set out in the Corporate Governance Code (“**CG Code**”) contained in Appendix C1 of the Listing Rules throughout the 2025 Interim Period, except for the deviation noted below. The Board will continue to review and monitor the Company's corporate governance practices to ensure ongoing compliance with the CG Code.

Under code provision C.2.1 of the CG Code, the roles of the chairman and chief executive should be separate and should not be performed by the same individual. Since 11 April 2025, both roles have been held by Mr. Ji Guangfei (“**Mr. Ji**”). Given Mr. Ji's extensive management skills, knowledge, and experience, the Board believes that combining the roles of Chairman and Chief Executive Officer facilitates the execution of the Group's business strategies and enhances operational effectiveness. Furthermore, under the supervision of the Board comprising three Executive Directors, three Non-Executive Directors and three Independent Non-Executive Directors, the Company believes the Board is appropriately structured with a balanced distribution of power, providing sufficient checks to safeguard the interests of the Company and its shareholders.

SECURITIES TRANSACTIONS BY DIRECTORS

The Board 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 the code of conduct governing Directors' dealings in Company's securities. In response to a specific enquiry by the Company, all Directors have confirmed that they complied with the Model Code at all applicable times during the 2025 Interim Period.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

All related party transactions entered into by the Group during the reporting period were conducted in the ordinary course of business, on normal commercial terms, and in compliance with the applicable Listing Rules. Save as disclosed in the section titled “Related Party Transactions and Balances” in the Notes to the Interim Financial Information, no transactions, arrangements, or contracts of significance relating to the Group's business – to which the Group was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly – subsisted during the 2025 Interim Period or at any time within that period.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the information of the Directors of the Company, as notified to the Company subsequent to the date of the Company's 2024 annual report and as disclosed in the Company's announcement dated 10 April 2025, are set out below:

With effect from 11 April 2025, Mr. Yuan Feng was redesignated as a Non-Executive Director and resigned from his position as deputy Chief Executive Officer. Mr. Chung Cheuk Fan Marco was also redesignated as a Non-Executive Director. For further details, please refer to the Company's announcement dated 10 April 2025.

On 26 June 2025, the Company received a notice from Mr. Chung Cheuk Fan Marco confirming his waiver of the director's fee of HK\$240,000 per annum, effective from 1 July 2025 until the termination of his appointment as a Non-Executive Director of the Company.

BASIS OF DETERMINING EMOLUMENT TO DIRECTORS

The emoluments of Directors are determined by the Board based on the recommendation of the Company's Remuneration Committee, with reference to the Company's performance and profitability, individual Directors' personal performance, industry remuneration benchmarks, and prevailing market conditions. These emoluments are reviewed periodically. The basis for determining the Directors' emoluments (including bonus payments) remained unchanged during the 2025 Interim Period.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee comprises three Independent Non-Executive Directors: Ms. Hu Zhaoxia, Mr. Zhou Zuyu, and Mr. Lyu Aiping. Ms. Hu Zhaoxia serves as the Chairman of the Audit Committee. The Audit Committee has reviewed and expressed no disagreement with the accounting treatment adopted by the Company in preparing the unaudited condensed consolidated interim results of the Group for the 2025 Interim Period, and has provided advice and comments thereon.

PUBLICATION OF INTERIM REPORT

The Company's 2025 interim report containing all the financial and other related information of the Company as required by the Listing Rules will be available on the websites of the Company (www.tehealth.com) and the Stock Exchange (www.hkexnews.hk) and printed copies will be despatched to the Shareholders in due course.

By Order of the Board
Top Eminent Healthcare Group Limited
Ji Guangfei
Chairman

Hong Kong, 11 August 2025

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Ji Guangfei (Chairman and Chief Executive Officer), Ms. Li Jiang (Deputy Chairman) and Mr. Zhang Huanping; three Non-Executive Directors, namely Mr. Li Jiong, Mr. Yuan Feng and Mr. Chung Cheuk Fan Marco; and three Independent Non-Executive Directors, namely Mr. Zhou Zuyu (Lead INED), Ms. Hu Zhaoxia and Mr. Lyu Aiping.

* For identification purpose only