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TIAN YUAN HEALTHCARE

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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)

**2025 INTERIM RESULTS – ANNOUNCEMENT
UNAUDITED CONSOLIDATED RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

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 2025 (the “Period”) together with comparative figures.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
	Notes	(Unaudited)	(Unaudited)
Revenue		8,436	14,861
Cost of sales		<u>(303)</u>	<u>(5,003)</u>
Gross profit		8,133	9,858
Reversal of expected credit loss		2,496	399
Other gains/(losses), net	3	2,826	(3,050)
Administrative expenses	4	<u>(17,350)</u>	<u>(14,564)</u>
Loss from operating activities		(3,895)	(7,357)
Share of losses of associates		(106)	(23)
Finance costs	5	<u>(1,537)</u>	<u>(1,603)</u>
Loss before taxation		(5,538)	(8,983)
Income tax expense	6	<u>—</u>	<u>—</u>
Loss for the period		<u>(5,538)</u>	<u>(8,983)</u>
Loss for the period attributable to:			
Equity shareholders of the Company		(3,065)	(5,606)
Non-controlling interests		<u>(2,473)</u>	<u>(3,377)</u>
Loss for the period		<u>(5,538)</u>	<u>(8,983)</u>
		HK cents	HK cents
Loss per share			
Basic loss per share	8	<u>(0.77)</u>	<u>(1.40)</u>
Diluted loss per share	8	<u>(0.77)</u>	<u>(1.40)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2025

	Six months ended	
	30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Loss for the period	(5,538)	(8,983)
Other comprehensive income for the period (after taxation):		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations	<u>2,087</u>	<u>593</u>
Total other comprehensive income for the period	<u>2,087</u>	<u>593</u>
Total comprehensive loss for the period	<u>(3,451)</u>	<u>(8,390)</u>
Attributable to:		
Equity shareholders of the Company	(698)	(5,804)
Non-controlling interests	<u>(2,753)</u>	<u>(2,586)</u>
Total comprehensive loss for the period	<u>(3,451)</u>	<u>(8,390)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2025

		As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		35,884	38,045
Intangible assets		4,451	5,644
Goodwill		34,256	31,473
Interests in associates		6,435	6,355
Trade and other receivables	10	3,035	2,986
Deferred tax assets		1,644	1,644
		85,705	86,147
Current assets			
Trade and other receivables	10	29,096	19,382
Inventories		671	798
Financial assets at fair value through profit or loss		1,816	2,578
Loan receivables	11	119,353	127,561
Cash and cash equivalents		26,472	24,468
		177,408	174,787
Current liabilities			
Trade and other payables	12	(49,648)	(43,891)
Bank overdraft		–	(154)
Lease liabilities		(4,571)	(5,044)
Provision for taxation		(163)	(163)
		(54,382)	(49,252)
Net current assets		123,026	125,535
Total assets less current liabilities		208,731	211,682

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
<i>Notes</i>		
Non-current liabilities		
Lease liabilities	(36,231)	(35,731)
	<u>(36,231)</u>	<u>(35,731)</u>
NET ASSETS	<u>172,500</u>	<u>175,951</u>
CAPITAL AND RESERVES		
Share capital	398,980	398,980
Share premium	20,663	20,663
Reserves	<u>(225,659)</u>	<u>(224,961)</u>
Equity attributable to equity shareholders of the Company	193,984	194,682
Non-controlling interests	<u>(21,484)</u>	<u>(18,731)</u>
TOTAL EQUITY	<u>172,500</u>	<u>175,951</u>

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 2025 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 2024. 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 2024 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 2025 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 2024. The following is a list of amendments to HKFRSs Accounting Standards, issued by HKICPA, which are mandatorily effective for financial statements for the year ending 31 December 2025:

Amendments to HKAS 21

Lack of Exchangeability

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	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	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)
For the six months ended 30 June:										
Disaggregated by timing of revenue recognition										
Point of time	-	-	522	5,894	-	-	-	-	522	5,894
Over time	-	-	-	820	-	-	-	-	-	820
Revenue from external customers	-	-	522	6,714	-	-	-	-	522	6,714
Interest income	299	265	-	-	7,914	8,147	-	-	8,213	8,412
Reportable segment revenue	299	265	522	6,714	7,914	8,147	-	-	8,735	15,126
Reportable segment (loss)/profit	(7,644)	(9,408)	(8,273)	(8,035)	10,410	8,546	(31)	(86)	(5,538)	(8,983)
Depreciation and amortisation	(526)	(322)	(3,921)	(3,854)	-	-	-	-	(4,447)	(4,176)
Net realised and unrealised valuation loss on trading securities	(786)	(1,400)	-	-	-	-	-	-	(786)	(1,400)
Net realised and unrealised foreign exchange (loss)/gain	3,567	(2,474)	(899)	586	-	-	55	-	2,723	(1,888)
As at 30 June/31 December:										
Reportable segment assets	75,908	77,196	57,465	28,358	127,986	146,960	110	6,776	261,469	259,290
Reportable segment liabilities	12,823	14,509	77,117	69,706	-	100	510	505	90,450	84,820

3. Other gains/(losses), net

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net realised and unrealised foreign exchange gain/(loss)	2,723	(1,888)
Net realised and unrealised valuation loss on trading securities	(786)	(1,400)
Interest income	299	265
Management fee income	598	–
Miscellaneous loss	(8)	(27)
	<u>2,826</u>	<u>(3,050)</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	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest expenses on lease payment	<u>1,537</u>	<u>1,603</u>
	<u>1,537</u>	<u>1,603</u>

6. Income tax expense

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax		
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	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	248	354
Depreciation of right-of-use assets	2,929	2,690
Amortisation of intangible assets	1,270	1,132
Staff cost (including director's emoluments)	<u>3,408</u>	<u>6,920</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\$3,065,000 (six months ended 30 June 2024: HK\$5,606,000) and the weighted average number of ordinary shares of 398,979,524 (six months ended 30 June 2024: 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 2025 and 30 June 2024.

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 2025 (six months ended 30 June 2024: nil).

b) There were no dividends attributable to the previous financial years, approved and paid during the six months ended 30 June 2025 and 2024.

10. Trade and other receivables

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Trade receivables (<i>note (a)</i>)	6,199	7,960
Less: Allowance for expected credit loss	(3,029)	(4,021)
	<u>3,170</u>	<u>3,939</u>
Interest receivables (<i>note (a)</i>)	9,002	8,196
Less: Allowance for expected credit loss	(369)	(399)
	<u>8,633</u>	<u>7,797</u>
Other receivables and deposits	<u>8,128</u>	<u>2,344</u>
Prepayments (<i>note (b)</i>)	<u>12,200</u>	<u>8,288</u>
	<u>32,131</u>	<u>22,368</u>
Analysed as:		
Non-current	3,035	2,986
Current	<u>29,096</u>	<u>19,382</u>
	<u>32,131</u>	<u>22,368</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 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
Less than 1 month	8,813	11,675
1 to 3 months	16	8
More than 3 months but less than 12 months	1,666	–
More than 12 months	1,308	53
	<u>11,803</u>	<u>11,736</u>

(b) Prepayments

Prepayments mainly consist of professional fees of HK\$2,689,000 (31 December 2024: HK\$3,546,000) paid in advance to business consultants who provide advisory services on the businesses of the Group.

11. Loan receivables

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
Loans to third parties	187,668	197,305
Less: Allowance for expected credit loss	<u>(68,315)</u>	<u>(69,744)</u>
	<u>119,353</u>	<u>127,561</u>
Analysed as:		
Secured	29,502	37,921
Unsecured	<u>89,851</u>	<u>89,640</u>
	<u>119,353</u>	<u>127,561</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\$102,000,000 (31 December 2024: approximately HK\$100,900,000) 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 substantive hearing of the Originating Summons took place on 24 July 2025. The decision will be handed down on or before 24 January 2026 (tentatively). The legal proceedings are still ongoing.

The loans bear interest at rates ranging from 12% to 18.5% (31 December 2024: 12% to 18.5%) per annum, and are repayable within one year.

12. Trade and other payables

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
Trade payables (<i>note (a)</i>)	5,389	3,685
Due to a related party	13,679	–
Other payables and accrued charges	30,580	40,206
	<u>49,648</u>	<u>43,891</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 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
Due within 1 month or on demand	–	189
Due 1 to 3 months	18	18
Due over 3 months but less than 12 months	–	1,761
Due over 12 months	5,371	1,717
	<u>5,389</u>	<u>3,685</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 total revenue of approximately HK\$8.4 million for the Period as compared with a total revenue of approximately HK\$14.9 million in the previous corresponding period. The decrease in total revenue was primarily due to the decrease in revenue of the healthcare business of the Group from approximately HK\$6.7 million for the previous corresponding period to approximately HK\$0.5 million for the Period. Please refer to the subsection headed “Healthcare segment” below for details on the reason for the decrease in revenue of the healthcare business of the Group.

At the same time, the Group recorded a net loss of approximately HK\$5.5 million for the Period as compared with a net loss of approximately HK\$9.0 million in the previous corresponding period, and a net loss attributable to the equity shareholders of the Company of approximately HK\$3.1 million for the Period as compared with a net loss attributable to the equity shareholders of the Company of approximately HK\$5.6 million in the previous corresponding period. The decrease in loss was mainly due to the decrease in net realised and unrealised valuation loss on trading securities by approximately HK\$0.6 million (please refer to the subsection headed “Investment holding segment” below for further details), the reversal of expected credit loss of approximately HK\$2.5 million (please refer to the subsection headed “Money lending and related business segment” below for further details), and the change from net realised and unrealised foreign exchange loss of approximately HK\$1.9 million in the previous corresponding period to net realised and unrealised foreign exchange gain of approximately HK\$2.7 million for the Period, offset by the decrease in total revenue by approximately HK\$6.4 million, during the Period.

Healthcare segment

The Group’s healthcare business has been carried out under Shanghai Yuyue Weilai Healthcare Beauty Hospital Co., Ltd* (上海愉悅薇萊醫療美容醫院有限公司) (“Shanghai Hospital”), PRIP Communications Limited (“PRIP”) and DIAM Holdings Co., Ltd. (“DIAM”). In addition, during the Period, the Group had actively developed its new skincare products business under the healthcare segment. Please refer to the subsection headed “Healthcare business” under the section headed “PROSPECTS” below for details on the the skincare products business under the healthcare segment of the Group.

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\$Nil and net loss of approximately HK\$4.2 million for the Period as compared with revenue of approximately HK\$5.9 million and net loss of approximately HK\$6.3 million for the previous corresponding period.

The decrease in revenue of Shanghai Hospital was primarily due to the temporary suspension of business operations and renovation of Shanghai Hospital during the Period. The decrease in net loss was mainly due to the decrease in revenue, offset by the corresponding decrease in operating costs, as compared to that of the previous corresponding period.

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

In relation to the new skincare products business under the healthcare segment of the Group, the Group recorded revenue of approximately HK\$0.5 million for the Period as compared with revenue of HK\$Nil for 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\$7.9 million for the Period, as compared with interest income from third parties loans of HK\$8.1 million in the previous corresponding period. In addition, there was a reversal of expected credit loss of approximately of HK\$2.5 million for the Period, which was mainly risen from the settlement of both loan and interest receivables for the Period. Consequently, the Group's money lending and related business segment reported a profit before tax of approximately HK\$10.4 million for the Period as compared with a profit before tax of approximately HK\$8.5 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\$0.8 million for the Period, as compared with a net realised and unrealised valuation loss on trading securities of approximately HK\$1.4 million in the previous corresponding period. Consequently, the Group's investment holding segment reported a loss before tax of approximately HK\$7.6 million for the Period as compared with a loss before tax of approximately HK\$9.4 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 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 the PRC and other Asia markets. The Group has been continuously exploring the healthcare, plastic surgery and medical beauty sector in the PRC. The Group is of the view that there is room for growth in customer spending in the medical beauty industry in the PRC in the future.

Through the Group's experience in the management of PRIP, the importation of the Korean DA branding to the market in the PRC, and 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.

At the same time, leveraging the Group's professional expertise and industry presence in the medical aesthetics field, and in order to further expand the Group's market share in plastic surgery and medical aesthetic services while increasing revenue sources within the same business scope, the Group had actively developed new skincare products business by the end of 2024 and in the first half of 2025. According to the domestic market segmentation, skincare products are mainly classified into Cosmetics products (make-up and skincare products for daily use) and Mechanical products (medical device products). The Group has already launched a Mechanical mask product, DA Mask, and a Cosmetics skincare brand, BIOELEGENCE, which launched its first mask product at the end of November 2024. The Group plans to launch more skincare products in both of the above segments.

DA Mask is a hyaluronic acid mask product for aesthetic medical customers which can be used immediately after surgery, suitable for general use in aesthetic medical hospitals. Shanghai Hospital, as a long-established specialised plastic surgery hospital, perfectly fits the scenario of using DA Mask. After completion of renovation and resumption of operations of Shanghai Hospital, Shanghai Hospital will use DA Mask within the hospital and leverage its own customer channels to extensively promote DA Mask. The management will also actively promote DA Mask within the industry, aiming to expand the scope of use through continuous expansion.

The brand positioning of BIOELEGENCE is to promote the whole cycle of skincare products after aesthetic medical surgery. The brand's products are primarily designed to be used at home after aesthetic medical surgery. The establishment of the brand is also based on the Group's many years of practical experience in the aesthetic medical industry, and is specifically developed. The customers of Shanghai Hospital will also be the target customers of BIOELEGENCE brand products. The Group will carry out sales to the potential customers in Shanghai Hospital, transforming the customers of Shanghai Hospital into the seed users of BIOELEGENCE, and further expand the influence of the brand through diversified marketing approaches and different channels. In this way, Shanghai Hospital can also provide its customers with a wider range of better products, coordinating with the medical aesthetic services of Shanghai Hospital to enhance customer experience on the one hand and expanding sales revenue on the other hand.

In order to further promote the brand of BIOELEGENCE, the Group has carried out all-round promotions on online channels such as Xiaohongshu and Douyin, etc. At the same time, the Group has won the Bazaar Beauty Award in 2024, which will give the brand an even greater advantage in terms of brand influence and online promotions in the future. The Group will seek more online cooperation opportunities and synchronised offline promotions, with the goal of increasing its market position and share during the year.

Money lending and related business

In 2025, 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 2025 (for the six months ended 30 June 2024: 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 (including any sale of treasury shares (as defined under the Listing Rules)). The Company did not have any treasury shares (as defined under the Listing Rules) as at 30 June 2025.

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

Hong Kong, 29 August 2025

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*