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康 TOWN
健 HEALTH

Town Health International Medical Group Limited
康健國際醫療集團有限公司

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

(Stock Code: 3886)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2025:

– The Group recorded revenue of approximately HK$900,923,000 (2024: HK$914,280,000).

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

As at 30 June 2025:

– The Group had net assets of approximately HK$3,436,900,000 (31 December 2024: HK$3,380,347,000), including net current assets of approximately HK$1,306,142,000 (31 December 2024: HK$1,300,647,000).

– The Group had a current ratio (defined as total current assets divided by total current liabilities) of 3.19 (31 December 2024: 3.19) and a gearing ratio (defined as total bank borrowings divided by equity attributable to owners of the Company) of 0.38% (31 December 2024: 2.71%).

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

RESULTS

The Board hereby reports the unaudited interim condensed consolidated results of the Company and its subsidiaries for the six months ended 30 June 2025, together with the comparative unaudited figures for the six months ended 30 June 2024, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

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

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

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

	Notes	**30 June 2025 (unaudited) *HK$'000***	31 December 2024 (audited) *HK$'000*
CURRENT LIABILITIES			
Trade and other payables	*14*	**332,077**	326,406
Contract liabilities		**11,001**	7,308
Amounts due to non-controlling interests		**35,622**	38,040
Bank borrowings	*15*	**11,436**	17,594
Lease liabilities		**63,198**	69,660
Convertible bonds		**115,119**	112,365
Tax payable		**28,245**	22,825
		596,698	594,198
NET CURRENT ASSETS		**1,306,142**	1,300,647
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,506,855**	3,532,705
NON-CURRENT LIABILITIES			
Bank borrowings	*15*	**–**	63,089
Lease liabilities		**37,096**	56,870
Deferred tax liabilities		**32,859**	32,399
		69,955	152,358
		3,436,900	3,380,347
CAPITAL AND RESERVES			
Share capital	*16*	**67,735**	67,735
Reserves		**2,941,573**	2,909,179
Equity attributable to owners of the Company		**3,009,308**	2,976,914
Non-controlling interests		**427,592**	403,433
Total equity		**3,436,900**	3,380,347

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL

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

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

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

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

2. BASIS OF PREPARATION

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

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

Application of amendments to HKFRS Accounting Standards

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

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability

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

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

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]
Amendments to HK Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[3]

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

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

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

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

4. REVENUE

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

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Revenue recognised under HKFRS 15		
Hong Kong medical services		
– Medical services	**348,690**	360,904
– Dental services	**28,856**	33,558
	377,546	394,462
Hong Kong managed medical network business	**233,162**	250,043
Mainland hospital management and medical services	**285,985**	264,377
	896,693	908,882
Revenue recognised under other accounting standard		
Others		
– Rental income	**4,230**	5,398
Total	**900,923**	914,280

	2025	2024
Revenue recognised under HKFRS 15		
Timing of revenue recognition		
At a point in time	**859,712**	876,563
Over time	**36,981**	32,319
	896,693	908,882

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

5. SEGMENT INFORMATION

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

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

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

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

Segment revenue and results

Six months ended 30 June 2025

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

Six months ended 30 June 2024

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

Geographical information

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

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

6. OTHER INCOME

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

7. OTHER GAINS AND LOSSES, NET

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

8. FINANCE COSTS

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

9. INCOME TAX EXPENSES

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

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

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

10. PROFIT (LOSS) FOR THE PERIOD

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

11. DIVIDENDS

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

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

12. EARNINGS (LOSS) PER SHARE

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

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

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

Number of Shares

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

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

13. TRADE AND OTHER RECEIVABLES

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

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

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

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

14. TRADE AND OTHER PAYABLES

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

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

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

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

15. BANK BORROWINGS

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

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

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

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

16. SHARE CAPITAL

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

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

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

Decrease in Fair Value Losses on Investment Properties

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

Decrease in Impairment Losses Recognised on Interests in Associates

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

Decrease in Share of Losses of Associates

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

Decrease in Gross Profit

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

BUSINESS REVIEW

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

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

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

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

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

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

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

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

Healthcare Service Network of the Group

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

Business in Hong Kong

Medical Services

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

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

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

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

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

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

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

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

Managed Medical Network – Vio

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

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

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

Businesses in Mainland China

Hospital Management Business

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

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

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

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

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

Health Management Business

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

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

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

Other Businesses

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

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

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

OUTLOOK

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

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

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

Hong Kong

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

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

Mainland China

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

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

Others

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

LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts a prudent cash and financial management policy. As at 30 June 2025, the Group held total bank balances and deposits of approximately HK$1,410,255,000 (31 December 2024: HK$1,420,245,000), including fixed bank deposits of approximately HK$155,604,000 (31 December 2024: HK$227,741,000), pledged bank deposits of approximately HK$1,016,000 (31 December 2024: HK$1,107,000) and bank balances and cash of approximately HK$1,253,635,000 (31 December 2024: HK$1,191,397,000). The majority of the Group's bank balances and cash are deposited with banks in Hong Kong and the Mainland China and denominated mostly in HK$ and RMB. In order to strengthen fund management, the Group's treasury activities are relatively centralised. Under the premise of ensuring the safety of funds, the Group, adhering to standardised operation, risk prevention, prudent investment and capital preservation and appreciation as the primary principles, mainly utilises funds to place time deposits with banks to generate more returns for the Group and its Shareholders. As at 30 June 2025, the Group had bank borrowings of approximately HK$11,436,000 (31 December 2024: HK$80,683,000) of which approximately HK$1,251,000 (31 December 2024: HK$6,746,000) are repayable within one year. The Group's loans were arranged on a floating interest rate basis and denominated in HK$. As at 30 June 2025, the Group had available unutilised banking facilities of HK$20,000,000 (31 December 2024: HK$20,000,000). Details of the bank borrowings of the Group are set out in note 15 to the condensed consolidated financial statements for the six months ended 30 June 2025 set out in this announcement.

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

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

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

CAPITAL STRUCTURE

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

SHARE CAPITAL

Details of movements in the share capital of the Company during the period under review are set out in note 16 to the condensed consolidated financial statements for the six months ended 30 June 2025 set out in this announcement.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL

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

PLEDGE OF ASSETS

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

CONTINGENT LIABILITIES

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

LITIGATION

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

2023 Profit Guarantee

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

On 23 April 2024, the Buyer served a notice in accordance with the Share Purchase Agreement to the Seller, Central Healthcare Group Limited, Dr. Tsang Wah Tak, Kenneth and Mr. Shiu Shu Ming (the "**Respondents**") to demand them, along with the other Seller Parties, to pay to the Buyer the Claim Amount on or before 30 April 2024. Notwithstanding the lapse of 30 April 2024, the Respondents have failed to pay the Claim Amount. Due to the failure to pay the Claim Amount, after taking legal advice, on 4 June 2024, the Buyer has initiated proceedings against the Respondents claiming, among others, the Claim Amount, the related interest, the legal fees and costs. As at the date of this announcement, the proceedings are still ongoing and no reward has been handed down.

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

2024 Profit Guarantee

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

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

The Seller Parties have failed to meet the Profit Guarantee for the financial year ended 31 March 2024. After taking legal advice, on 29 August 2025, the Buyer served notices in accordance with the Share Purchase Agreement to the Seller, Central Healthcare Group Limited, Dr. Tsang Wah Tak, Kenneth and Mr. Shiu Shu Ming to demand them, along with the other Seller Parties, to pay to the Buyer on or before 5 September 2025 an amount in the sum of HK$234,070,695 (i.e. (HK$30,000,000 – HK$14,395,287) x 15) (the "**FY2024 Claim Amount**"), being the Buyer's legal entitlement under the Share Purchase Agreement pursuant to the legal advice. Should the Respondents fail to pay the FY2024 Claim Amount by the said deadline, the Buyer is currently minded to commence proceedings against the Respondents claiming, among others, the FY2024 Claim Amount, the related interest, the legal fees and costs.

The Company will issue further announcement(s) to update the development of the above matter, as and when appropriate, in accordance with Rule 14.36B of the Listing Rules.

EVENTS AFTER REPORTING PERIOD

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

HUMAN RESOURCES AND TRAINING SCHEME

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

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

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

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

REVIEW OF INTERIM RESULTS

The condensed consolidated financial information of the Group for the six months ended 30 June 2025 has not been audited, but has been reviewed by the audit committee of the Board. Moore CPA Limited, as the Company's auditors, has reviewed the condensed consolidated interim financial statements of the Group for the six months ended 30 June 2025 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

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

Hong Kong, 29 August 2025

As at the date of this announcement, the executive Directors are Mr. Choi Ka Tsan Karson (Chairman and Chief Executive Officer), Dr. Fok Siu Wing Dominic, Ms. Zhang Xiaoxue and Mr. Huang Yu; the non-executive Directors are Ms. Lee Wai Ling Linda, Ms. Lau Suk Hing Clara, Mr. Liu Yang and Ms. Zhang Leidi; and the independent non-executive Directors are Mr. Yu Xuezhong, Dr. Xu Weiguo, Mr. Han Wenxin, Mr. Chan Wai Kan, Mr. Cheung Ka Ming and Mr. Tsui Wing Cheong Sammy.

GLOSSARY

Board	the board of Directors
Central Medical	Central Medical Holdings Limited, a company incorporated under the laws of the British Virgin Islands
China or PRC	the People's Republic of China
CLIS	中國人壽保險股份有限公司山東省分公司 (in English, for identification purpose only, China Life Insurance Company Limited, Shandong Branch)
CLIO	China Life Insurance (Overseas) Company Limited, a company established in the Mainland China with limited liability and is a wholly-owned subsidiary of China Life Insurance
Company	Town Health International Medical Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange
Director(s)	the director(s) of the Company
eHealth	Electronic Health Record Sharing System developed by the Hong Kong government
Ganghe Clinic	深圳港和診所 (in English, for identification purpose only, Shenzhen Ganghe Clinic)
Group	the Company and its subsidiaries
Guangzhou Integrated Clinic	Guangzhou Integrated Clinic is a clinic under the operation of 廣州宜康醫療管理有限公司 (in English, for identification purpose only, Guangzhou Yikang Medical Management Co., Ltd.) (a company established in the PRC with limited liability and a subsidiary of the Company) in Guangzhou City, Guangdong Province in the PRC

HK$	Hong Kong dollars, the lawful currency of Hong Kong
HKICPA	Hong Kong Institute of Certified Public Accountants
Hong Kong	Hong Kong Special Administrative Region of the PRC
Hong Kong Medical Consultants	Hong Kong Medical Consultants Limited, a company incorporated in Hong Kong with limited liability, which is a wholly-owned subsidiary of the Company
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
Mainland China	the People's Republic of China, excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan
Nanshi Hospital	南陽南石醫院 (in English, for identification purpose only, Nanshi Hospital of Nanyang)
Nanyang Xiangrui	南陽祥瑞醫院管理諮詢有限公司 (in English, for identification purpose only, Nanyang Xiangrui Hospital Management Advisory Co., Ltd.), a subsidiary of the Company
RMB	Renminbi, the lawful currency of the PRC
period under review	the six months ended 30 June 2025
Share(s)	ordinary share(s) of HK$0.01 each in the share capital of the Company
Shareholders	holders of the Share(s)
Stock Exchange	The Stock Exchange of Hong Kong Limited
TBMG	The Beauty Medical Group

Town Health International Health Management Centre	Town Health International Health Management Centre is a health management centre under the operation of 濟南歷康門診部有限公司 (in English, for identification purpose only, Jinan Likang Outpatient Department Co., Ltd.) (a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company) in Jinan City, Shandong Province in the PRC
Vio	Dr. Vio & Partners Limited, a subsidiary of the Company