

2025 Interim Report



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CORPORATE INFORMATION

BOARD AND COMMITTEES

Executive Directors

Mr. NG Tit (*Chairman and former Chief Executive Officer*)
(ceased to be Chief Executive Officer with effect from
19 May 2025)

Ms. NG Anna Ching Mei

Non-executive Directors

Dr. QIAN Wei

Ms. CHIN Yu

Independent Non-executive Directors

Mr. YU Tze Shan Hailson

Dr. ZHAO Yubiao

Mr. NG Ming Kwan

Audit Committee

Mr. NG Ming Kwan (*Chairman*)

Mr. YU Tze Shan Hailson

Dr. ZHAO Yubiao

Remuneration Committee

Mr. YU Tze Shan Hailson (*Chairman*)

Mr. NG Tit

Dr. ZHAO Yubiao

Nomination Committee

Dr. ZHAO Yubiao (*Chairman*)

Mr. YU Tze Shan Hailson

Ms. NG Anna Ching Mei

(appointed as member with effect from 30 June 2025)

Mr. NG Tit (*former Chairman*)

(ceased to be Chairman and member with effect from
30 June 2025)

AUTHORISED REPRESENTATIVES

Mr. NG Tit

Mr. CHENG Cheung King

COMPANY SECRETARY

Mr. CHENG Cheung King

AUDITORS

Moore CPA Limited

Registered Public Interest Entity Auditor

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Hong Kong

REGISTERED OFFICE

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Grand Cayman, KY1-1111

Cayman Islands

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

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COMPANY'S WEBSITE

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STOCK CODE

1011

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2025, NT Pharma Group had actively and orderly begun building a full-cycle intelligent health ecosystem platform for bone health encompassing “testing, treatment, and rehabilitation”, and related work was progressing as scheduled. The overall revenue of the Group for the six months ended 30 June 2025 (the “**Period under Review**”) amounted to approximately RMB12.0 million which decreased by approximately RMB19.3 million as compared with approximately RMB31.3 million for the corresponding period in 2024. Loss for the Period under Review has been recorded of approximately RMB16.9 million which decreased by approximately RMB15.6 million as compared with a profit of RMB0.7 million for the corresponding period in 2024.

OUTLOOK

To seize new opportunities arising from the widespread application of artificial intelligence in healthcare and the development of the medical industry, the Group will continue to focus on developing a full-cycle intelligent health ecosystem platform for bone health encompassing “testing, treatment, and rehabilitation” over the coming year. In addition to the existing treatment business mainly focusing on sales and distribution of orthopedic drugs “Teriparatide” and orthopedic health products, we currently plan to expand the testing business through the acquisition of artificial intelligence bone health diagnostic and detection robots, and also partner with a Chinese state-owned company to launch the establishment of a Smart Healthcare Center for developing healthcare services business. These three businesses will form a closed loop within the Group’s orthopedic business, and we will continue to expand our medical artificial intelligence assets and businesses.

These innovative business platforms will not only attract a wider customer base but also generate higher returns for the Group. Management is confident in delivering enhanced returns for shareholders.

FINANCIAL REVIEW

Revenue

Agency Services and Healthcare Services

The Group providing the agency services and healthcare services to bone health product manufacturer and distributors, clinical healthcare institutions, and bone health consumers.

Revenue for the Period under Review amounted to approximately RMB12.0 million which decreased by RMB19.3 million or 61.7% as compared with approximately RMB31.3 million for the corresponding period in 2024.

Cost of sales and gross profit

Cost of sales comprised of the cost of service provided. The cost of sales for the Period under Review amounted to approximately RMB2.0 million which decreased by RMB23.6 million or 92.3% as compared with approximated RMB25.6 million for the corresponding period in 2024.

Gross profit for the Period under Review amounted to approximately RMB10.0 million which decreased by approximately RMB4.3 million or approximately 75.5% as compared with approximately RMB5.7 million for the corresponding period in 2024.

Finance Costs

The Group’s finance costs consist of interest on other borrowings. Finance costs for the Period under Review amounted to approximately RMB14.6 million which increased by approximately RMB8.6 million or 143.1% as compared to RMB6.0 million for the corresponding period in 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Taxation

There is no income tax expense for the Period under Review (for the six months ended 30 June 2024: RMB0.1 million).

Loss attributable to the owners of the Company

Loss attributable to the owners of the Company for the Period under Review amounted to approximately RMB16.9 million (for the six months ended 30 June 2024: profit attributable to equity holders of the Company RMB0.7 million).

LIQUIDITY AND FINANCIAL RESOURCES

Treasury Policies

The primary objective of the Group's capital management is to maintain its ability to continue as a going concern so that the Group can constantly provide returns for shareholders of the Company and benefits for other stakeholders by implementing proper product pricing and securing access to financing at reasonable costs. The Group actively and regularly reviews and manages its capital structure and makes adjustments by taking into consideration the changes in economic conditions, its future capital requirements, prevailing and projected profitability and operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group closely monitors its debt/assets ratio, which is defined as total borrowings divided by total assets.

Foreign Currency Exposure

The Group is exposed to currency risks primarily through sales made by the Group's Hong Kong and PRC subsidiaries in RMB and HKD, certain bank deposits and bank loans which are denominated in HKD. The Group has no exchange gain for the six months ended 30 June 2025 and 2024. Currently, the Group does not employ any financial instruments to hedge against foreign exchange risk.

Interest Rate Exposure

The Group's interest rate risk arises primarily from other borrowings and bank balances. Borrowings at variable rates expose the Group to cash flow interest rate risk. Currently, the Group does not employ any financial instruments to hedge against interest rate risk.

Group Debt and Liquidity

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Total debt	449,731	552,962
Less: Cash and cash equivalents	(4,634)	(9,623)
Net debt	445,097	543,339

MANAGEMENT DISCUSSION AND ANALYSIS

The maturity profile of the Group's borrowings is set out as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Repayable:		
– Within 1 year or on demand	315,659	367,495
– After 1 year but within 2 years	–	7,993
	315,659	375,488

As at 30 June 2025, the Group's other borrowings amounted to approximately RMB315.7 million in aggregate (as at 31 December 2024: approximately RMB375.5 million).

Financial Guarantee Contracts

According to the Debt Restructuring completed at 1 August 2023, the Company has provided financial guarantees on behalf of a former wholly-owned subsidiary of the Company, Suzhou First Pharmaceutical Co., Ltd. (蘇州第壹製藥有限公司) (“**Suzhou First Pharma**”) and its subsidiaries for bank borrowings and one of the other borrowings with aggregated carrying amounts of approximately RMB348,073,000 and RMB58,030,000, respectively as at the date of completion date of transfer of shares of Suzhou First Pharma to the Investor.

Both lenders declared the unsettled balances to the 江蘇省蘇州工業園區人民法院 (the “**Court**”) and the court ruling approved the amounts to be approximately RMB383,156,000 and RMB60,789,000, respectively on 6 July 2023. According to the Debt Restructuring proposal approved by the Court, all creditors are subject to the repayment allocations following several auctions to sell the assets of Suzhou First Pharma and its subsidiaries, which will be carried out by the Administrator.

The directors of the Company consider the Company as a guarantor will be liable on guaranteed borrowings if the repayment allocations could not fully recover the approved amounts. The Company might be subject to repay the remaining unpaid balances.

On 28 November 2024, the Company entered into a subscription agreement with two subscribers, pursuant to which the Company has conditionally agreed to allot and issue 410,156,509 new shares, thereby HK\$87,000,000 representing the partial settlement of the outstanding principal amount and the accrued interest of the other borrowings; and approximately RMB44,000,000 representing release of financial guarantee contracts, respectively would be arranged.

On 21 February 2025, the Company completed the loan capitalization with one of the lender, pursuant to which the Company has conditionally agreed to allot and issue 146,520,146 new shares, thereby RMB44,000,000 representing release of financial guarantee contracts.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2025, the carrying amount of the financial guarantee contract represented the allowance for credit loss under the financial guarantee as at the respective financial year end dates, which were determined by the management of the Company based on the fair value of Suzhou First Pharma's assets to be sold in the coming auctions and the repayment allocations ratio with reference to the first repayment allocation, which was completed upon the transfer to shareholding of Suzhou First Pharma.

As a result, financial guarantee contracts of approximately RMB133,008,000 was recognized as at 30 June 2025.

Up to the date of this report, the lenders have not taken any actions to claim against the Company in respect of these financial guarantees.

Below table shown the balance of the financial guarantee contracts:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Financial guarantee contracts	133,008	177,008

MANAGEMENT DISCUSSION AND ANALYSIS

Debt-to-Assets Ratio

To ensure its solvency and its ability to continue as a going concern, the Group closely monitors its debt-to-assets ratio to optimize its capital structure.

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Total debt	449,731	552,962
Total assets	344,410	334,075
Debt-to-assets ratio	130.58	165.52

Capital Commitments

The Group did not have significant capital commitment as at 30 June 2025.

The Group is the lessee of properties under operating leases. None of the leases includes contingent rentals.

Significant Investments Held

Except for investments in its subsidiaries and interest in Beijing Kangchen, the Group did not hold any significant investment in equity interest in any other company for the six months ended 30 June 2025.

Material Acquisition and Disposal

According to the announcement dated 28 April 2025 and 29 April 2025, the Company entered into the agreement to acquisition of 100% of the issued shares in the target companies involving the issued of consideration shares under specific mandate which indirectly acquire 58.11% of Zhejiang Kangyuan Medical Equipment Co., Ltd (浙江康源醫療器械有限公司).

Save as disclosed above, during the Period under Review, the Group did not have any other material acquisition or disposal.

MANAGEMENT DISCUSSION AND ANALYSIS

HUMAN RESOURCES

As at 30 June 2025, the Group had 21 full-time employees (as at 31 December 2024: 22 employees). For the Period under Review, the Group's total costs on remuneration, welfare and social security amounted to approximately RMB5.2 million (for the six months ended 30 June 2024: approximately RMB2.5 million). The Group maintains good relationships with its employees and certain policies have been carried out to ensure that the employees are receiving competitive remuneration, good welfare and continuous professional training.

The remuneration structure of the Group is based on employee performance, local consumption levels and prevailing conditions in the human resources market. Directors' remunerations are determined with reference to individual Director's experience, responsibilities and prevailing market standards. On top of basic salaries, bonuses may be paid according to the Group's performance as well as individual's performance. Other staff benefits include contributions to the Mandatory Provident Fund retirement benefits scheme in Hong Kong and various retirement benefits schemes including the provision of pension funds, medical insurance, unemployment insurance and other relevant insurance for employees of the Group pursuant to the PRC rules and regulations and the prevailing regulatory requirements of the PRC. The salaries and benefits of the Group's employees are kept at a competitive level and employees are rewarded according to their individual performances within the framework of the Group's salary and bonus system, which is being reviewed annually. The Group also has a share option scheme adopted by the Company on 22 September 2014, and a share award scheme (the **"Share Award Scheme"**) adopted on 4 September 2015, where options to subscribe for Shares and Share awards may be granted to the Directors and employees of the Group.

CORPORATE GOVERNANCE AND OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company for the six months ended 30 June 2025.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to ensuring high standards of corporate governance and has adopted the code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Listing Rules and certain recommended best practices. The Company has complied with all the applicable code provisions in the CG Code throughout the six months ended 30 June 2025, except for the deviation from code provision A.2.1 of the CG Code, which stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Starting from the Period under Review, Mr. Ng Tit assumes both the roles of chairman and chief executive officer of the Company. Nevertheless, the division of responsibilities between the two roles is clearly defined. On the whole, the role of chairman is that of monitoring the duties and performance of the Board, whereas the role of chief executive officer is that of managing the Company's business. The Board believes that at the stage of development of the Company, vesting the roles of both chairman and chief executive officer in the same person provides the Company with a strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.

On 19 May 2025, Mr. Ng Tit resigned as the chief executive officer and Mr. Zhang Bozhi was appointed as the chief executive officer. Mr. Ng Tit remains as the chairman of the Board and monitors the duties and performance of the Board, whereas Mr. Zhang Bozhi manages the Company's business. As a result, there has been a clear division of responsibilities between the chairman and the chief executive officer that the chairman provides leadership and is responsible for the effective functioning and leadership of the Board while the chief executive officer focuses on the Company's business development, daily management and operations generally.

The Board currently comprises two executive Directors, two non-executive Directors and three independent non-executive Directors, with the independent non-executive Directors representing half of the Board members. Such percentage of independent non-executive Directors on the Board can ensure their views carry significant weight and reflect the independence of the Board.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as its code of conduct regarding Directors' securities transactions on terms no less exacting than the requested standard set out in the Model Code. Having made specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2025. The Company continues and will continue to ensure the compliance with the corresponding provisions set out in the Model Code.

INTERIM DIVIDEND

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

REVIEW OF INTERIM REPORT BY AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) comprises Mr. Ng Ming Kwan, chairman of Audit Committee, Mr. Yu Tze Shan Hailson and Dr. Zhao Yubiao, who are all independent non-executive Directors. The Audit Committee has reviewed the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2025 and has recommended its adoption by the Board. The Audit Committee is of the opinion that the financial statements comply with the applicable accounting standards and the Listing Rules and that adequate disclosures have been made.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company had maintained sufficient public float of more than 25% of the Company’s issued share capital as required under the Listing Rules as of the date of this report.

NEW SHARE OPTION SCHEME

The Company adopted a new share option scheme (the “**New Share Option Scheme**”) on 22 September 2014. Under the New Share Option Scheme, the Company granted 6,300,000 options to certain senior management staff of the Company with an exercise price of HK\$1.25 per share on 10 November 2014 (the “**2014 Options**”), and granted 41,500,000 options to certain individuals with an exercise price of HK\$1.23 per share on 15 January 2015 (the “**2015 Options**”), respectively. Each option gives the holder the right to subscribe for one ordinary share in the Company.

A summary of the principal terms of the New Share Option Scheme is set out in Appendix I of the circular of the Company dated 4 September 2014. For further details of the 2014 Options and the 2015 Options, please refer to the announcements of the Company dated 10 November 2014 and 15 January 2015, respectively. As of 30 June 2025 and 30 June 2024, no further options have been granted under New Share Option Scheme.

New Share Option Scheme is expiry in 2024 and as at 30 June 2025, there is no share options were outstanding under the New Share Option Scheme as all share options were lapsed.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) under the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), were as follows:

Long Positions in the Ordinary Shares and Underlying Shares of the Company

Name of Director	Number of shares of the Company				Approximate percentage of interest in the Company (Note 3)
	Personal interests	Family interests	Corporate interests	Other interests	
Ng Tit	– (Note 1)	273,333 (Note 1)	303,925,563 (Note 2)	–	45.12%
Chin Yu	273,333 (Note 1)	–	303,925,563 (Note 2)	–	45.12%
Yu Tze Shan Hailson	15,000	–	–	–	0.002%

Notes:

- (1) Ms. Chin also personally own 273,333 shares of the Company.
- (2) An aggregate of 303,925,563 shares of the Company are beneficially owned by Golden Base Investment Limited (“Golden Base”). Mr. Ng Tit and Ms. Chin Yu are the controlling shareholders of Golden Base.
- (3) The percentage is calculated on the basis of 674,246,015 Shares in issue as at 30 June 2025 but does not take into account of any Shares which may fall to be allotted and issued upon the exercise of any share options or convertible preference shares of the Company which remained outstanding as at 30 June 2025.

Save as disclosed above, as at 30 June 2025, none of the Directors nor the chief executive of the Company or their associates (including their spouses and children under 18 years of age) had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations, as recorded in the register required to be kept under Section 352 of the SFO or required to be notified to the Company and the Stock Exchange under the Model Code contained in Appendix 10 to the Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company

As at 30 June 2025, the interests and short positions of the substantial shareholders of the Company (other than the Directors and chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO were as follows:

Name	Number of shares of the Company (long positions)				Approximate percentage of interest in the Company (Note 1)
	Beneficial owner	Interests of controlled corporation	Family interests	Other interests	
Golden Base	303,425,563	–	–	–	45.08%
Annie Investment Co., Ltd. (Note 1)	170,000	–	–	–	0.03%
Shum Ning (Note 1)	–	170,000	54,762,300	–	8.15%
leong Chong Mang (Note 1)	54,762,300	–	170,000	–	8.15%
leong lat (Note 1)	146,520,146	–	–	–	21.73%

Notes:

- (1) Annie Investment Co., Ltd., a company wholly-owned by Shum Ning ("Ms. Shum"), is the beneficial owner as to 170,000 Shares. leong Chong Mang ("Mr. leong") is the beneficial owner as to 54,762,300 Shares (representing approximately 20.74% of the entire issued share capital as at 31 December 2024). Ms. Shum is the spouse of Mr. leong. leong lat is the son of Mr. leong and Ms. Shum. Under the SFO, Ms. Shum is deemed to be interested in all the shares and underlying shares in which Mr. leong is interested in and vice versa.
- (2) The percentage is calculated on the basis of 674,246,015 shares of the Company (the "Shares") in issue as at 30 June 2025 but does not take into account of any Shares which may fall to be allotted and issued upon the exercise of any share options or convertible preference shares of the Company which remained outstanding as at 30 June 2025.

Save as disclosed above, as at 30 June 2025, the Company had not been notified by any other parties (other than the Directors and chief executive of the Company) who had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

Save as disclosed above, no transaction, arrangement or contract of significance in relation to the Group's business (as defined in the Listing Rules) to which the Company or any of, its subsidiaries, fellow subsidiaries was a party and in which a Director of the Company or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the six months ended 30 June 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CONTRACT OF SIGNIFICANCE

Save as disclosed above, no contract of significance had been entered into between the Company or any of its subsidiaries, and a controlling shareholder of the Company or any of its subsidiaries during the six months ended 30 June 2025.

APPRECIATION

The Board would like to express our heartfelt gratitude towards the management team and staff for their commitment and diligence, and would like to thank our shareholders and business associates for their strong support to the Group.

On behalf of the Board

China NT Pharma Group Company Limited

NG Tit

Chairman

Hong Kong, 8 August 2025

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025 (Expressed in Renminbi)

	Notes	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	3	11,995	31,297
Cost of services		(1,983)	(25,591)
Gross profit		10,012	5,706
Other income and gain	4	6	291
Share of results of associates		–	7,893
Change in fair value of financial asset at fair value through profit or loss	9	(2,218)	–
Selling and distribution expenses		(3,920)	(55)
General and administrative expenses		(6,189)	(7,045)
Finance costs		(14,597)	(6,005)
(Loss)/profit before income tax	5	(16,906)	785
Income tax expense	6	–	(124)
(Loss)/profit for the period		(16,906)	661
Other comprehensive profit/(loss)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		13,644	(7,511)
Other comprehensive profit/(loss) for the period, net of income tax		13,644	(7,511)
Total comprehensive loss for the period		(3,262)	(6,850)

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025 (Expressed in Renminbi)

	Notes	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
(Loss)/profit for the period attributable to the owners of the Company		(16,906)	661
Total comprehensive loss for the period attributable to the owners of the Company		(3,262)	(6,850)
		RMB cents	RMB cents (Restated)
(Loss)/earnings per share attributable to the owners of the Company, basic and diluted (in RMB cents)	7	(3.03)	0.25

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As of 30 June 2025 (Expressed in Renminbi)

	Notes	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		1,079	543
Prepayments and deposits	8	48	65
Financial asset at fair value through profit or loss	9	315,064	317,282
		316,191	317,890
Current assets			
Inventories		449	168
Trade and other receivables	8	23,136	6,394
Cash and bank balances		4,634	9,623
		28,219	16,185
Current liabilities			
Trade and other payables	10	171,556	180,221
Lease liabilities		689	341
Other borrowings	11	315,659	367,495
Financial guarantee contracts	12	133,008	177,008
		620,912	725,065
Net current liabilities		(592,693)	(708,880)
Total assets less current liabilities		(276,502)	(390,990)
Non-current liabilities			
Lease liabilities		375	125
Other borrowings	11	–	7,993
		375	8,118
Net liabilities		(276,877)	(399,108)
Equity			
Share capital		1	1
Reserves		(276,878)	(399,109)
Total capital deficits		(276,877)	(399,108)

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025 (Expressed in Renminbi)

	Share capital RMB'000	Share premium RMB'000	Exchange reserve RMB'000	Attributable to owners of the Company			Capital reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
				Statutory reserve RMB'000	Merger reserve RMB'000	Other reserve RMB'000			
Balance at 1 January 2024 (Audited)	1	1,806,205	50,875	7,851	8,256	281,800	11,052	(2,505,605)	339,565
Changes in equity for 2024:									
Profit for the period	-	-	-	-	-	-	-	661	661
Other comprehensive loss									
Exchange differences on translation of financial statements of entities within the Group outside the PRC	-	-	(7,511)	-	-	-	-	-	(7,511)
Total comprehensive loss	-	-	(7,511)	-	-	-	-	661	(6,850)
Balance at 30 June 2024 (Unaudited)	1	1,806,205	43,364	7,851	8,256	281,800	11,052	(2,504,944)	(346,415)
Balance at 1 January 2025 (Audited)	1	1,806,205	44,689	7,851	8,256	281,800	9,145	(2,557,055)	(399,108)
Changes in equity for 2025:									
Loss for the period	-	-	-	-	-	-	-	(16,906)	(16,906)
Other comprehensive profit									
Exchange differences on translation of financial statements of entities within the Group outside the PRC	-	-	13,644	-	-	-	-	-	13,644
Total comprehensive loss	-	-	13,644	-	-	-	-	(16,906)	(3,262)
Loan capitalization	-	125,493	-	-	-	-	-	-	125,493
Balance at 30 June 2025 (Unaudited)	1	1,931,698	58,333	7,851	8,256	281,800	9,145	(2,573,961)	(276,877)

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

For the six months ended 30 June 2025 (Expressed in Renminbi)

	Six months ended 30 June	
	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Net cash used in operating activities	(19,236)	(5,741)
Net cash from/(used in) investing activities	5	(129)
Net cash from financing activities	14,642	4,273
Net decrease in cash and cash equivalents	(4,589)	(1,597)
Cash and cash equivalents at 1 January	9,623	1,520
Effect of foreign exchange rate changes	(400)	5,868
Cash and cash equivalents at 30 June	4,623	5,791

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Group is currently focusing on the full-cycle intelligent healthcare ecosystem platform for bone health encompassing “testing, treatment and rehabilitation” in the People’s Republic of China (“**PRC**”), principally engaged in the treatment business mainly through the sales agency of orthopedic drugs and orthopedic health products, the testing business of artificial intelligence bone health diagnosis and detection robots, and the smart healthcare business for enterprises.

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix D2 (formerly known as Appendix 16) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The unaudited condensed consolidated interim financial information is presented in Renminbi (“**RMB**”) unless otherwise stated.

These unaudited condensed consolidated interim financial statements have not been audited by the Company’s independent auditors, but have been reviewed by the audit committee of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The accounting policies used in the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 are consistent with those followed in the preparation of the Company’s consolidated financial statements for the year ended 31 December 2024. HKICPA has issued a number of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) that are first effective for the current accounting period of the Group.

None of the developments have had a material effect on how the Group’s results and financial position for the current period or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not effective for the current accounting period.

(b) Going concern basis

The Group incurred a net loss of approximately RMB16,906,000 for the six months ended 30 June 2025, and as at 30 June 2025, the Group had net current liabilities and net liabilities of approximately RMB592,693,000 and RMB276,877,000, respectively. The Group’s total borrowings amounted to approximately RMB315,659,000 and will be due for repayment within next twelve months from 30 June 2025; while its unrestricted cash and bank balances amounted to approximately RMB4,634,000 as at 30 June 2025. In addition, the Group is liable for an unsettled loan owed by its former subsidiaries due to financial guarantee contracts with carrying amount of approximately RMB133,008,000 as at 30 June 2025.

All of the above conditions indicate the existence of material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Going concern basis (Continued)

In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to mitigate the liquidity pressure and to improve the Group's financial position which include, but not limited to, the following:

- (i) The Group has been actively negotiating with lenders for renewal and extension of other borrowings. Specially, the Group is currently in active negotiations with the lenders to extend the repayment dates of the overdue borrowings and borrowings that are repayable on demand, and to obtain waivers from complying with certain restrictive covenants contained in the loan agreements of certain borrowings;
- (ii) The Group will focus on developing a full-cycle intelligent healthcare ecosystem platform encompassing for bone health encompassing "testing, treatment, and rehabilitation". In addition to the existing treatment business mainly focusing on sales and distribution of orthopedic drugs and orthopedic health products, the Group currently plan to expand the testing business through the acquisition of artificial intelligence bone health diagnostic and detection robots, and also partner with a Chinese state-owned company to launch the establishment of a Smart Healthcare Center for developing healthcare services business;
- (iii) The Group will actively be negotiating to obtain new sources financing to repay overdue borrowings; and
- (iv) The Group is actively negotiating with external parties to obtain new strategic capital.

The directors of the Company have reviewed the Group's cash flow forecast prepared by the management of the Company for a period covered not less than twelve months from date of approval for the consolidated financial statements. The directors of the Company are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the next twelve months from the date of approval for the consolidated financial statements. Accordingly, the unaudited condensed consolidated interim financial statements have been prepared on a going concern basis for the six months ended 30 June 2025.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Going concern basis (Continued)

Notwithstanding the above, significant uncertainties exist as to whether management of the Company will be able to implement the abovementioned plans and measures. Whether the Group will be able to continue as a going concern would depend on the Group's ability to generate financial and operating cash flows through the following:

- (i) Successful negotiations with the Group's existing lenders such that no action will be taken by the relevant lenders and creditors of the Group to demand immediate repayment of the borrowings with principals and interests in default and those repayable in demand;
- (ii) Successful development of three businesses within the full-cycle intelligent healthcare ecosystem platform for bone health encompassing "testing, treatment and rehabilitation", achieving stable revenue contribution;
- (iii) Successful obtaining new financing sources to repay such borrowings upon the due date; and
- (iv) Successful obtaining new strategic capital investment within the next twelve months, if necessary.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION

An analysis of the Group's revenue is as follows:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Agency service income	6,054	—
Healthcare service income	5,941	31,297
	11,995	31,297

The timing of revenue recognition of all revenue from contracts with customers is on a point in time basis, whereby revenue is recognised when the customer obtains control of the goods or services transferred by the Group. All of the Group's remaining performance obligations for contracts with customers are for period of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

HKFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision maker ("CODM"), being the executive directors of the Company, in order to allocate resources to segments and to assess their performance. The CODM reviews the financial performance of the Group as a whole, which generated revenue through subsidiaries of the Company, including agency service revenue generated from the sales of orthopedic health products and orthopedic drugs from the treatment business, agency service revenue from artificial intelligence bone density testing from the testing business, and healthcare service revenue generated from the provision of digital smart healthcare services from the smart healthcare business. The financial performance of the Group, determined in accordance with the Group's accounting policies, is reviewed by the CODM for performance assessment purposes. The Group's operations are regarded as two operating and reportable segments, namely agency services and healthcare services respectively.

Segment revenue and results

The following is an analysis of the Group's revenue from continuing operations and results by reportable segments for the six months ended 30 June 2025. No analysis of the Group's revenue and results by reportable segment for the six months ended 30 June 2024 as the Group operated with only one reportable segment during that period.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

For the six months ended 30 June 2025

	Agency services RMB'000	Healthcare services RMB'000	Total RMB'000
Segment revenue	6,054	5,941	11,995
Segment profit	2,692	3,400	6,092
Other income and gain			6
Change in fair value of financial asset at fair value through profit or loss			(2,218)
Finance costs			(14,597)
Unallocated general and administrative expenses (Note)			(6,189)
Loss before income tax			(16,906)

Note: Unallocated general and administrative expenses mainly included staff salaries, directors' remuneration, depreciation of property, plant and equipment and right-of-use assets for the six months ended 30 June 2025.

Segment assets and liabilities

The CODM makes decisions according to operating results of each segment. No analysis of segment assets and liabilities is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Geographical information

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Hong Kong	291	30,793
China	11,704	504
	11,995	31,297

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Information about major customer

Revenue from customer, which individually contributed over 10% of the total revenue of the Group for the six months ended 30 June 2025 and 2024 is as follows:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Customer A	3,017	–
Customer B	–	30,793

4. OTHER REVENUE AND OTHER INCOME

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Bank interest income	5	2
Other income	1	289
	6	291

5. (LOSS)/PROFIT BEFORE TAXATION

Loss before taxation is arrived at after charging:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Depreciation of property, plant and equipment	8	7
Depreciation of right-of-use assets	310	504

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current tax		
– Hong Kong Profit Tax		
Provision for the period	–	124
Income tax expense	–	124

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdiction in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Group is not subject to any income tax under these jurisdictions during the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25% (for the six months ended 30 June 2024: 8.25%), and profits above HK\$2,000,000 will be taxed at 16.5% (for the six months ended 30 June 2024: 16.5%). The assessable profits of group entities that are not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (for the six months ended 30 June 2024: 16.5%) for the six months ended 30 June 2025.

Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% (for the six months ended 30 June 2024: 8.25%) of the first HK\$2,000,000 (equivalent to approximately US\$258,000) of the estimated assessable profits and at 16.5% (for the six months ended 30 June 2024: 16.5%) on the estimated profits above HK\$2,000,000 (equivalent to approximately US\$258,000), taking into account the tax concession granted by the Government of Hong Kong Special Administrative Region during the six months ended 30 June 2025.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements for the six months ended 30 June 2025. No provision for Hong Kong Profits Tax was made for the six months ended 30 June 2025, as the Group did not have assessable profits subject to Hong Kong Profits Tax during the six months ended 30 June 2025.

The PRC Corporate Income Tax has been provided at the rate of 25% (for the six months ended 30 June 2024: 25%) on the taxable profits of the Group’s subsidiaries in the PRC during the six months ended 30 June 2025.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

7. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 30 June 2024 RMB'000 (Unaudited)
(Loss)/profit		
(Loss)/profit for the period for the purposes of basic and diluted loss per share	(16,906)	661

Weighted average number of ordinary shares

	Number of shares '000	Number of shares '000 (Restated)
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	558,677	264,090

The calculation of diluted loss per share does not assume the exercise of the Company's outstanding share options which had an anti-dilutive effect. Accordingly, diluted loss per share was the same as the basic loss per share for the six months ended 30 June 2025 and 2024.

The weighted average number of ordinary shares used in the computation of basic and diluted earnings per share for the six months ended 30 June 2024 have been retrospectively adjusted to reflect the share consolidation on the basis of every ten (10) issued and unissued shares of US\$0.00000008 each into one (1) consolidated share of US\$0.00000008 each pursuant to the proposal set out by the directors of the Company on 14 May 2024.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

8. TRADE AND OTHER RECEIVABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade receivables, net	8,732	–
Deposits, prepayments and other receivables	14,452	6,459
	23,184	6,459
Less: non-current portion prepayments and deposits	(48)	(65)
	23,136	6,394

Trade debtors are normally due within 60 to 180 days from the date of billing. Included in trade and other receivables are trade debtors and bills receivable (net of allowance for doubtful debts) with the following ageing analysis, based on the billing date of invoice, as at the date of the statement of financial position:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Within 3 months	8,732	–
More than 3 months but within 6 months	–	–
	8,732	–

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

9. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Unlisted equity investment (<i>note (a)</i>)	315,064	317,282

Note:

- (a) The directors of the Company have determined that the Group no longer exercises any significant influence over the operating and financial activities of Beijing Kangchen since 30 November 2024, and the Group's interest in Beijing Kangchen has been reclassified from interests in an associate to financial asset at fair value through profit or loss.

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
At the beginning of the period	317,282	–
Changes in fair value	(2,218)	–
At the end of the period	315,064	–

10. TRADE AND OTHER PAYABLES

All the trade and other payables are expected to be settled within one year or are repayable on demand.

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade Payables	6,956	498
Amount due to a former subsidiary	33,038	34,011
Accrued staff costs	3,003	2,425
Accrued directors' fee	3,227	3,350
Interest payables	120,505	125,976
Deposits, accruals and other payables	4,827	13,961
	171,556	180,221

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

10. TRADE AND OTHER PAYABLES (CONTINUED)

Included in trade and other payables are trade creditors and bills payable with the following ageing analysis, based on the date of invoice, as at the date of the statement of financial position:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Within 3 months	6,472	–
More than 3 months but within 6 months	–	–
More than 6 months but within 1 year	–	–
More than 1 year	484	498
	6,956	498

11. OTHER BORROWINGS

Details of other borrowings are as follows:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Current		
Secured other borrowings	30,142	31,030
Unsecured other borrowings		
– Other borrowings	266,595	324,457
– Corporate bonds	18,922	12,008
	315,659	367,495
Non-current		
Unsecured other borrowings	–	7,993
	315,659	375,488

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

12. FINANCIAL GUARANTEE CONTRACTS

According to the Debt Restructuring completed at 1 August 2023, the Company has provided financial guarantees on behalf of a former wholly-owned subsidiary of the Company, Suzhou First Pharmaceutical Co., Ltd. (蘇州第壹製藥有限公司) (“**Suzhou First Pharma**”) and its subsidiaries for bank borrowings and one of the other borrowings with aggregated carrying amounts of approximately RMB348,073,000 and RMB58,030,000, respectively as at the date of completion date of transfer of shares of Suzhou First Pharma to the Investor.

Both lenders declared the unsettled balances to the 江蘇省蘇州工業園區人民法院 (the “**Court**”) and the court ruling approved the amounts to be approximately RMB383,156,000 and RMB60,789,000, respectively on 6 July 2023. According to the Debt Restructuring proposal approved by the Court, all creditors are subject to the repayment allocations following several auctions to sell the assets of Suzhou First Pharma and its subsidiaries, which will be carried out by the Administrator.

The directors of the Company consider the Company as a guarantor will be liable on guaranteed borrowings if the repayment allocations could not fully recover the approved amounts. The Company might be subject to repay the remaining unpaid balances.

On 28 November 2024, the Company entered into a subscription agreement with two subscribers, pursuant to which the Company has conditionally agreed to allot and issue 410,156,509 new shares, thereby HK\$87,000,000 representing the partial settlement of the outstanding principal amount and the accrued interest of the other borrowings; and approximately RMB44,000,000 representing release of financial guarantee contracts, respectively would be arranged.

On 21 February 2025, the Company completed the loan capitalization with one of the lender, pursuant to which the Company has conditionally agreed to allot and issue 146,520,146 new shares, thereby RMB44,000,000 representing release of financial guarantee contracts.

As at 30 June 2025, the carrying amount of the financial guarantee contract represented the allowance for credit loss under the financial guarantee as at the respective financial year end dates, which were determined by the management of the Company based on the fair value of Suzhou First Pharma’s assets to be sold in the coming auctions and the repayment allocations ratio with reference to the first repayment allocation, which was completed upon the transfer to shareholding of Suzhou First Pharma.

As a result, financial guarantee contracts of approximately RMB133,008,000 was recognized as at 30 June 2025.

Up to the date of this report, the lenders have not taken any actions to claim against the Company in respect of these financial guarantees.

Below table shown the balance of the financial guarantee contracts:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Financial guarantee contracts	133,008	177,008

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

13. CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the unaudited condensed consolidated interim statement of changes in equity.

(b) Dividend

No dividend was declared or paid by the Company for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

(c) Share capital

A summary of movements in the Company's issued share capital during the six months ended 30 June 2025 is as follows:

	No. of shares '000	Amount RMB'000
Ordinary shares, issued and fully paid:		
At 1 January 2024	2,640,895	1
Share consolidation (<i>note iii</i>)	(2,376,805)	–
At 31 December 2024 and 1 January 2025	264,090	1
Loan capitalization (<i>note iv</i>)	410,156	–*
At 30 June 2025	674,246	1

* Amount less than RMB1,000

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

13. CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Share capital (Continued)

Notes:

- (i) The Company was incorporated on 1 March 2010 with an authorised share capital of US\$50,100 divided into 626,250,000 shares of US\$0.00000008 each and one share was issued at par upon incorporation.
- (ii) On 5 June 2017, the authorised share capital of the Company was re-designated from US\$50,100 comprising 626,925,000,000 ordinary shares of US\$0.00000008 each into US\$50,100 comprising (i) 625,925,000,000 ordinary shares of par value of US\$0.00000008 each, and (ii) 325,000,000 redeemable convertible preference shares of par value of US\$0.00000008 each with the rights, privileges and restrictions of the redeemable convertible preference shares.
- (iii) On 14 May 2024, the directors of the Company proposed to implement a share consolidation on the basis that every ten (10) issued and unissued shares of US\$0.00000008 each would be consolidated into one (1) consolidated share of US\$0.00000008 each.

Pursuant to an ordinary resolution passed in an extraordinary general meeting of the Company on 28 June 2024, the share consolidation was approved by the shareholders of the Company and has become effective on 3 July 2024. Immediately after the share consolidation, the total number of issued shares of the Company was adjusted from 2,640,895,000 to 264,089,500.

Details of the Share Consolidation were set out in the Company's announcements dated 14 May 2024 and 28 June 2024.

- (iv) On 28 November 2024, the Company entered into a subscription agreement with two subscribers, pursuant to which the Company has conditionally agreed to allot and issue 410,156,509 new shares, thereby HK\$87,000,000 representing the partial settlement of the outstanding principal amount and the accrued interest of the other borrowings; and approximately HK\$48,352,000 representing release of financial guarantee contracts, respectively (the "**Subscription**") would be arranged.

On 21 February 2025, the Subscription was completed, 263,636,363 and 146,520,146 new shares were duly allotted and issued as fully paid by the Company to the two subscribers respectively.

Details of the loan capitalisation were disclosed in the announcements of the Company dated 28 November 2024, 19 December 2024, 28 January 2025, 4 February 2025, 17 February 2025 and 21 February 2025 and the circular dated 28 January 2025.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

14. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

Share option schemes

NT Holdings operated a share option scheme which was adopted on 18 September 2009 (“**2009 Share Option Scheme**”). Under the scheme, certain employees of the Group may be granted share options to acquire the shares in NT Holdings. The options vest after one to three years from the date of grant and are exercisable within ten years after the date of grant. Each option gives the holder the right to subscribe for one ordinary share in NT Holdings.

On 7 April 2011, the directors of NT Holdings terminated the 2009 Share Option Scheme and the directors of the Company adopted the Pre-IPO Share Option Scheme under which each option gives the holder the right to subscribe for one ordinary share in the Company. Under the Pre-IPO Share Option Scheme, each grantee of options under the 2009 Share Option Scheme exchanged his/her options under the 2009 Share Option Scheme for options under the Pre-IPO Share Option Scheme on a 2 for 1 basis. The exercise price payable by the grantees for each option granted under the Pre-IPO Share Option Scheme is double the exercise price payable by the grantees for their respective options granted under the 2009 Share Option Scheme (save for those options which have an exercise price of 70% of the price at which the Company offered its shares for subscription in the public offering on 20 April 2011 (the “**Offer Price**”). All other terms of the Pre-IPO Share Option Scheme are identical to the 2009 Share Option Scheme. The exchange of the share options was considered a modification to the 2009 Share Option Scheme.

The Company adopted a share award scheme on 11 January 2012 which was subsequently terminated on 6 March 2014.

A new share option scheme was approved and adopted by the shareholders of the Company pursuant to an ordinary resolution passed on 22 September 2014 (“**2014 Share Option Scheme**”). The 2014 Share Option Scheme was set up for the purpose to provide rewards and incentives to eligible participants for their contribution to the Group. The exercise price is to be determined by the Board and shall not be less than the highest of (i) the closing price of the shares as stated in the Stock Exchange’s daily quotation sheet on the date of grant of such a share option; (ii) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding to the day of offer of such a share option; and (iii) the nominal value of the shares. A nominal consideration of HK\$1 is payable on acceptance of the share option within 21 days from the date of making such offer.

The maximum number of shares in respect of which options may be granted under the 2014 Share Option Scheme and any other share option schemes of the Company may not exceed 10% of the issued share capital of the Company at the date of approval of the 2014 Share Option Scheme. The maximum number of shares issuable under 2014 Share Option Scheme to each eligible participant within any 12-month period is limited to 1% of the issued share capital of the Company from time to time. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

14. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

Share option schemes (Continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of each grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting. The options under the 2014 Share Option Scheme vest after one to three years from the date of grant are exercisable for a period of ten years following the date of grant.

(a) The terms and conditions of the grants (after modification)

Date	Number of options	Vesting conditions	Exercise period
Options granted to directors: – 15 January 2015	8,000,000	Vesting of the options is conditional upon the performance of the participant. Options granted are vested in 3 equal tranches from 1 January each year from 2016 to 2018	On or prior to 14 January 2025
	8,000,000		
Options granted to employees: – 10 November 2014	487,500	Immediate from the date of grant	On or prior to 9 November 2024
– 10 November 2014	1,462,500	Exercisable in 3 equal tranches from 10 November each year from 2015 to 2017	On or prior to 9 November 2024
– 10 November 2014	850,000	Vesting of the options is conditional upon the performance of the participants. Options granted are vested in 3 equal tranches from 10 November each year from 2015 to 2017	On or prior to 9 November 2024
– 15 January 2015	1,200,000	Vesting of the option is conditional upon the performance of the participants	On or prior to 14 January 2025
	4,000,000		
Options granted to consultants (as quasi-employee): – 15 January 2015	9,000,000	Vesting of the option is conditional upon the performance of the participant	On or prior to 14 January 2025
	21,000,000		

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

14. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

Share option schemes (Continued)

(b) The number and weighted average exercise prices of share options

	30 June 2025		31 December 2024	
	Weighted average exercise price	Weighted Number of options	Weighted average exercise price	Weighted Number of options
Outstanding at the beginning of the period/year	US\$0.16	1,740,000	US\$0.16	2,029,000
Outstanding at the end of the period/year	–	–	US\$0.16	1,740,000
Exercisable at the end of the period/year	–	–	US\$0.16	1,740,000

The share options outstanding as at 31 December 2024, which were granted under 2014 Share Option Scheme, had exercise price of US\$0.16 and weighted average remaining contractual life of 0.52 years.

No share options outstanding as at 30 June 2025 which were granted under 2014 Share Option Scheme.

(c) Fair value of share options and assumptions

No share option was granted during the six months ended 30 June 2025 and 2024.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

15. MATERIAL RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2025, transactions with the following parties were considered to be related party transactions:

Name of related party	Relationship with the Group
Mr. Ng Andy Ching Kit	Son of Mr. Ng Tit and Ms. Chin Yu
Annie Investment Co., Ltd.	Wholly-owned by the substantial shareholders of the Company, Ms. Shum Ming and Mr. Ieong Chong Mang

Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and certain of the highest paid employees, is as follows:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Short-term employee benefits	878	891

Balances with related parties

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Other borrowings		
– Golden Base	8,768	77,843
– Annie Investment Co., Ltd.	219,216	225,671
– Ms. Ng Anna Ching Mei	13,701	9,403
– Mr. Ng Andy Ching Kit	868	893
	242,553	313,810