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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 ANNUAL RESULTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**FINANCIAL HIGHLIGHTS**

For the Year:

- The Group recorded revenue of approximately HK\$1,785,563,000 (2024: HK\$1,833,795,000).
- The Group recorded a net profit of approximately HK\$64,800,000 (2024: net loss of approximately HK\$158,207,000), including a profit attributable to owners of the Company of approximately HK\$14,377,000 (2024: loss of approximately HK\$203,703,000).
- 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 consolidated statement of profit or loss are excluded, the Group would have recorded an operating profit of approximately HK\$87,501,000 (2024: HK\$70,855,000), including an operating profit attributable to owners of the Company of approximately HK\$37,078,000 (2024: HK\$25,359,000) with respect to its business operations.

As at 31 December 2025:

- The Group had net assets of approximately HK\$3,398,824,000 (2024: HK\$3,380,347,000), including net current assets of approximately HK\$1,329,944,000 (2024: HK\$1,300,647,000).
- The Group had a current ratio (defined as total current assets divided by total current liabilities) of 3.64 (2024: 3.19) and a gearing ratio (defined as total bank borrowings divided by equity attributable to owners of the Company) of 0.36% (2024: 2.71%).

The Board recommended the payment of a final dividend of Hong Kong 0.18 cent per Share for the Year (2024: Hong Kong 0.12 cent per Share).

## FINAL RESULTS

The Board hereby reports the audited consolidated results of the Company and its subsidiaries for the Year, together with the comparative figures for the previous year, as follows:

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

*For the year ended 31 December 2025*

		<b>2025</b>	2024
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Revenue	3	<b>1,785,563</b>	1,833,795
Cost of sales		<b><u>(1,321,410)</u></b>	<u>(1,346,406)</u>
Gross profit		<b>464,153</b>	487,389
Other income	5	<b>41,262</b>	44,415
Administrative expenses		<b>(385,364)</b>	(396,764)
Other gains and losses, net	6	<b>(22,701)</b>	(229,062)
Finance costs	7	<b>(11,511)</b>	(20,514)
Share of results of associates		<b><u>19,159</u></b>	<u>(7,155)</u>
Profit (loss) before tax		<b>104,998</b>	(121,691)
Income tax expenses	8	<b><u>(40,198)</u></b>	<u>(36,516)</u>
Profit (loss) for the year	9	<b><u>64,800</u></b>	<u>(158,207)</u>

	<i>Note</i>	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
<b>Other comprehensive income (expense) for the year</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value changes in equity instruments at fair value through other comprehensive income		<b>(22,845)</b>	(24,318)
Fair value changes in revaluation of properties upon transfer from “property, plant and equipment” to “investment properties”		<b>5,720</b>	–
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on foreign currency translation		<b>48,426</b>	(41,051)
Other comprehensive income (expense) for the year		<b>31,301</b>	(65,369)
Total comprehensive income (expense) for the year		<b>96,101</b>	(223,576)
Profit (loss) for the year attributable to:			
Owners of the Company		<b>14,377</b>	(203,703)
Non-controlling interests		<b>50,423</b>	45,496
		<b>64,800</b>	(158,207)
Total comprehensive income (expense) attributable to:			
Owners of the Company		<b>28,695</b>	(257,087)
Non-controlling interests		<b>67,406</b>	33,511
		<b>96,101</b>	(223,576)
Earnings (loss) per Share ( <i>HK cent(s)</i> )			
Basic and diluted	<i>11</i>	<b>0.21</b>	(3.01)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*At 31 December 2025*

	<i>Notes</i>	<b>2025</b>	2024
		<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Investment properties		<b>466,834</b>	535,621
Property, plant and equipment		<b>320,329</b>	305,417
Right-of-use assets		<b>72,168</b>	122,326
Loans receivable		<b>8,196</b>	23,592
Goodwill	<i>12</i>	<b>603,202</b>	593,253
Intangible assets		<b>392,179</b>	391,003
Interests in associates	<i>13</i>	<b>170,702</b>	168,794
Equity instruments at fair value through other comprehensive income		<b>1,599</b>	24,444
Deferred tax assets		<b>5,210</b>	3,755
Fixed bank deposits		<b>79,840</b>	63,853
		<b><u>2,120,259</u></b>	<u>2,232,058</u>
<b>CURRENT ASSETS</b>			
Inventories		<b>47,968</b>	51,150
Trade and other receivables	<i>14</i>	<b>480,534</b>	462,852
Financial assets at fair value through profit or loss		–	2,012
Loans receivable		<b>20,300</b>	21,500
Amounts due from associates		<b>580</b>	583
Tax recoverable		<b>638</b>	356
Pledged bank deposits		<b>1,024</b>	1,107
Fixed bank deposits		<b>96,226</b>	163,888
Bank balances and cash		<b>1,187,068</b>	1,191,397
		<b><u>1,834,338</u></b>	<u>1,894,845</u>

		2025	2024
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	<i>15</i>	<b>305,612</b>	326,406
Contract liabilities		<b>8,043</b>	7,308
Amounts due to non-controlling interests		<b>36,854</b>	38,040
Bank borrowings	<i>16</i>	<b>10,774</b>	17,594
Lease liabilities		<b>53,535</b>	69,660
Convertible bonds		<b>64,694</b>	112,365
Tax payable		<b>24,882</b>	22,825
		<b><u>504,394</u></b>	<u>594,198</u>
<b>NET CURRENT ASSETS</b>		<b><u>1,329,944</u></b>	<u>1,300,647</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b><u>3,450,203</u></b>	<u>3,532,705</u>
<b>NON-CURRENT LIABILITIES</b>			
Bank borrowings	<i>16</i>	–	63,089
Lease liabilities		<b>18,626</b>	56,870
Deferred tax liabilities		<b>32,753</b>	32,399
		<b><u>51,379</u></b>	<u>152,358</u>
		<b><u>3,398,824</u></b>	<u>3,380,347</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	<i>17</i>	<b>67,735</b>	67,735
Reserves		<b>2,929,746</b>	2,909,179
Equity attributable to owners of the Company		<b>2,997,481</b>	2,976,914
Non-controlling interests		<b>401,343</b>	403,433
Total equity		<b><u>3,398,824</u></b>	<u>3,380,347</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 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 consolidated financial statements are presented in Hong Kong Dollars ("**HK\$**"), which is the same as the functional currency of the Company.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### **Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2025 for the preparation of the 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 year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these 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 <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> 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. Except as described below, the above new and amendments to existing standards are not expected to have a material impact on the consolidated financial statements of the Group. The Group will adopt the new and amendments to existing standards when they become effective.

### **HKFRS 18 Presentation and Disclosure in Financial Statements**

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and the related amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is expected to affect the structure and presentation of the consolidated statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

### 3. REVENUE

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Revenue recognised under HKFRS 15</b>		
<b>Hong Kong medical services</b>		
– Medical services (Non-dental)	681,000	720,968
– Dental services	50,898	66,085
	<u>731,898</u>	<u>787,053</u>
<b>Hong Kong managed medical network business</b>	<b>461,097</b>	489,353
<b>Mainland hospital management and medical services</b>	<b>584,884</b>	546,615
	<u>1,777,879</u>	<u>1,823,021</u>
<b>Revenue recognised under other accounting standard</b>		
<b>Others</b>		
– Rental income	7,684	10,774
<b>Total</b>	<b><u>1,785,563</u></b>	<b><u>1,833,795</u></b>
<b>Revenue recognised under HKFRS 15</b>		
<b>Timing of revenue recognition</b>		
At a point in time	1,682,475	1,744,067
Over time	95,404	78,954
	<u>1,777,879</u>	<u>1,823,021</u>

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.

Mainland hospital management services and related services has 180 to 270 days (2024: 180 to 270 days) credit term upon the services provided.

Revenue for the services recognised on gross basis and net basis for the years ended 31 December 2025 and 2024 are as follows (see note below):

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Gross basis	<b>1,773,165</b>	1,819,007
Net basis	<b>4,714</b>	4,014
Total revenue	<b><u>1,777,879</u></b>	<b><u>1,823,021</u></b>

*Note:*

Revenue recognised on gross basis relates to revenue from contracts whereby the Group acts as principal and revenue recognised on net basis relates to contracts whereby the Group acts as agent in the trading of medical equipment.

#### **4. 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 Chinese Mainland
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

For the year ended 31 December 2025

	Hong Kong medical services <i>HK\$'000</i>	Hong Kong managed medical network business <i>HK\$'000</i>	Mainland hospital management and medical services <i>HK\$'000</i>	Others <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue						
External sales	731,898	461,097	584,884	7,684	-	1,785,563
Inter-segment sales	35,577	-	-	-	(35,577)	-
	<u>767,475</u>	<u>461,097</u>	<u>584,884</u>	<u>7,684</u>	<u>(35,577)</u>	<u>1,785,563</u>
Segment results before impairment losses	<u>37,824</u>	<u>37,542</u>	<u>75,394</u>	<u>20,530</u>	<u>-</u>	<u>171,290</u>
Impairment loss recognised on goodwill	(522)	-	-	-	-	(522)
Impairment loss recognised on interests in associates	(2,500)	-	-	-	-	(2,500)
Impairment loss recognised on right-of-use assets	<u>(399)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(399)</u>
Segment results	<u>34,403</u>	<u>37,542</u>	<u>75,394</u>	<u>20,530</u>	<u>-</u>	<u>167,869</u>
Unallocated finance costs						(3,635)
Unallocated other income						7,348
Unallocated corporate expenses						<u>(66,584)</u>
Profit before tax						<u>104,998</u>

For the year ended 31 December 2024

	Hong Kong medical services <i>HK\$'000</i>	Hong Kong managed medical network business <i>HK\$'000</i>	Mainland hospital management and medical services <i>HK\$'000</i>	Others <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue						
External sales	787,053	489,353	546,615	10,774	–	1,833,795
Inter-segment sales	<u>42,629</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(42,629)</u>	<u>–</u>
	<u>829,682</u>	<u>489,353</u>	<u>546,615</u>	<u>10,774</u>	<u>(42,629)</u>	<u>1,833,795</u>
Segment results before expected credit loss and impairment losses	<u>54,192</u>	<u>41,626</u>	<u>63,732</u>	<u>(55,921)</u>	<u>–</u>	<u>103,629</u>
Expected credit loss recognised on other receivable	–	–	–	(6,704)	–	(6,704)
Impairment loss recognised on goodwill	(70,000)	–	–	–	–	(70,000)
Impairment loss recognised on interests in associates	(18,911)	–	–	(57,851)	–	(76,762)
Impairment loss recognised on right-of-use assets	<u>(1,971)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(1,971)</u>
Segment results	<u>(36,690)</u>	<u>41,626</u>	<u>63,732</u>	<u>(120,476)</u>	<u>–</u>	<u>(51,808)</u>
Unallocated finance costs						(8,609)
Unallocated other income						10,174
Unallocated corporate expenses						<u>(71,448)</u>
Loss before tax						<u>(121,691)</u>

Segment profit or loss represents the profit earned by or loss from each segment without allocation of central administration costs, directors' remuneration, certain finance costs and other income. This is the measure reported to the CEO for the purposes of resources allocation and performance assessment.

### Other segment information

For the year ended 31 December 2025

	Hong Kong managed medical network services HK\$'000	Hong Kong medical business HK\$'000	Mainland hospital management and medical services HK\$'000	Others HK\$'000	Total for segments HK\$'000	Unallocated HK\$'000	Total HK\$'000
Amounts included in the measure of segment results:							
Interest income	-	-	-	(32,439)	(32,439)	-	(32,439)
Dividend income	(1,475)	-	-	-	(1,475)	-	(1,475)
Fair value changes on investment properties	-	-	-	18,306	18,306	-	18,306
Share of results of associates	(5,771)	-	-	(13,388)	(19,159)	-	(19,159)
Depreciation of property, plant and equipment	29,251	4,224	19,370	3,603	56,448	31	56,479
Depreciation of right-of-use assets	52,864	9,535	8,517	-	70,916	-	70,916
Amortisation of intangible assets	920	-	3,039	-	3,959	-	3,959
Gain on disposal of an investment property	-	-	-	(650)	(650)	-	(650)
Loss (gain) on disposal/written off of property, plant and equipment	32	6	(225)	(99)	(286)	-	(286)
Finance costs	4,777	469	450	2,180	7,876	3,635	11,511
Amounts included in the information regularly provided to the CEO:							
Additions to property, plant and equipment	<u>10,023</u>	<u>1,043</u>	<u>6,732</u>	<u>69</u>	<u>17,867</u>	<u>-</u>	<u>17,867</u>

*For the year ended 31 December 2024*

	Hong Kong medical services <i>HK\$'000</i>	Hong Kong managed medical network business <i>HK\$'000</i>	Mainland hospital management and medical services <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total for segments <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment results:							
Interest income	-	-	-	(33,178)	(33,178)	-	(33,178)
Dividend income	(1,063)	-	-	-	(1,063)	-	(1,063)
Fair value changes on investment properties	-	-	-	68,495	68,495	-	68,495
Share of results of associates	(5,140)	-	-	12,295	7,155	-	7,155
Depreciation of property, plant and equipment	28,163	4,181	21,184	3,432	56,960	31	56,991
Depreciation of right-of-use assets	58,160	9,462	4,343	-	71,965	-	71,965
Amortisation of intangible assets	920	3,751	3,035	-	7,706	-	7,706
Loss on disposal/written off of property, plant and equipment	62	4	2	-	68	-	68
Finance costs	5,545	851	248	5,261	11,905	8,609	20,514
Amounts included in the information regularly provided to the CEO:							
Additions to property, plant and equipment	<u>5,296</u>	<u>2,107</u>	<u>21,993</u>	<u>9,321</u>	<u>38,717</u>	<u>-</u>	<u>38,717</u>

## Geographical information

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong	1,200,679	1,287,180
Other regions of the PRC	<u>584,884</u>	<u>546,615</u>
	<u><u>1,785,563</u></u>	<u><u>1,833,795</u></u>

Information about the Group's non-current assets by geographical location of the assets are detailed below:

	Carrying amount of non-current assets	
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong	1,538,694	1,627,596
Other regions of the PRC	<u>486,720</u>	<u>488,818</u>
Non-current assets ( <i>Note</i> )	<u><u>2,025,414</u></u>	<u><u>2,116,414</u></u>

*Note:* Non-current assets shown above exclude deferred tax assets, loans receivable, fixed bank deposits and equity instruments at fair value through other comprehensive income ("FVTOCI").

## Information about a major customer

The major customer which contributed more than 10% of the total revenue for the years ended 31 December 2025 and 2024 is listed as below:

	2025	2024
Customer A	<u><u>23%</u></u>	<u><u>21%</u></u>

## 5. OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest income:		
– Bank balances and fixed bank deposits	30,433	30,969
– Loans receivable	<u>2,006</u>	<u>2,209</u>
	32,439	33,178
Dividend income from equity instruments at FVTOCI:		
– relating to investments held at the end of the reporting period	1,475	1,063
Rental income	3,438	3,410
Sundry income	<u>3,910</u>	<u>6,764</u>
	<u><u>41,262</u></u>	<u><u>44,415</u></u>

## 6. OTHER GAINS AND LOSSES, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Expected credit loss recognised on other receivable	–	(6,704)
Fair value changes on investment properties	(18,306)	(68,495)
Fair value changes on financial assets at fair value through profit or loss	(2,012)	(4,760)
Gain on disposal of an investment property	650	–
Gain (loss) on disposal/written off of property, plant and equipment	286	(68)
Impairment loss recognised on goodwill ( <i>Note 12</i> )	(522)	(70,000)
Impairment loss recognised on interests in associates ( <i>Note 13</i> )	(2,500)	(76,762)
Impairment loss recognised on right-of-use assets	(399)	(1,971)
Others	<u>102</u>	<u>(302)</u>
	<u><u>(22,701)</u></u>	<u><u>(229,062)</u></u>

## 7. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on bank borrowings	2,353	5,261
Interest on lease liabilities	5,523	6,644
Interest on convertible bonds	3,635	8,609
	<u>11,511</u>	<u>20,514</u>

## 8. INCOME TAX EXPENSES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax		
– Hong Kong Profits Tax	17,071	20,406
– PRC Enterprise Income Tax	20,400	18,818
	<u>37,471</u>	<u>39,224</u>
PRC dividend withholding tax	<u>4,005</u>	–
Provision in prior years		
– Under (over) provision of Hong Kong Profits Tax	633	(46)
– Under provision of PRC Enterprise Income Tax	475	61
	<u>42,584</u>	<u>39,239</u>
Deferred tax		
– Current year	<u>(2,386)</u>	<u>(2,723)</u>
	<u>40,198</u>	<u>36,516</u>

Hong Kong Profits Tax is calculated at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the year, 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 Chinese Mainland is 25% for both years.

A subsidiary (2024: nil) in the Chinese Mainland was approved as High and New Technology Enterprise, and was subject to a preferential corporate income tax rate of 15% for the year ended 31 December 2025.

## 9. PROFIT (LOSS) FOR THE YEAR

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit (loss) for the year has been arrived at after charging (crediting):		
Staff costs		
– Directors' emoluments	13,388	11,745
– Other staff's salaries	568,969	598,752
– Other staff's bonus	110,825	119,857
– Other staff's retirement benefits scheme contributions	13,519	13,343
	<u>706,701</u>	<u>743,697</u>
<i>Less:</i> Staff costs recognised in administrative expenses	<u>(151,133)</u>	<u>(153,697)</u>
Staff costs recognised in cost of sales	<u>555,568</u>	<u>590,000</u>
Auditors' remuneration	4,350	4,700
Cost of inventories recognised in cost of sales:		
– Pharmaceutical supplies	359,243	355,036
– Other inventories	1,212	2,398
	<u>360,455</u>	<u>357,434</u>
Depreciation of property, plant and equipment recognised in administrative expenses	41,607	41,596
Depreciation of property, plant and equipment recognised in cost of sales	<u>14,872</u>	<u>15,395</u>
Total depreciation of property, plant and equipment	<u>56,479</u>	<u>56,991</u>
Depreciation of right-of-use assets recognised in administrative expenses	70,916	71,965
Amortisation of intangible assets, recognised in administrative expenses		
– customer relationship	920	4,671
– management services right and consulting services contracts	3,039	3,035
Total amortisation of intangible assets	<u>3,959</u>	<u>7,706</u>
and after crediting:		
Gross rental income from investment properties	7,684	10,774
<i>Less:</i> Direct operating expenses of properties that generated rental income	<u>(1,389)</u>	<u>(1,180)</u>
Net rental income from investment properties	<u>6,295</u>	<u>9,594</u>

## 10. DIVIDENDS

During the year ended 31 December 2025, a final dividend of Hong Kong 0.12 cent per 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 year ended 31 December 2025 amounted to approximately HK\$8,128,000 (2024: HK\$8,128,000).

Subsequent to the end of the reporting period, the Board recommended the payment of a final dividend of Hong Kong 0.18 cent per Share for the year ended 31 December 2025 (2024: Hong Kong 0.12 cent per Share for the year ended 31 December 2024). The proposed dividend is subject to approval by shareholders of the Company in the forthcoming annual general meeting of the Company.

## 11. 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*

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit (loss) for the year attributable to owners of the Company	<u>14,377</u>	<u>(203,703)</u>

### *Number of Shares*

	2025	2024
Weighted average number of Shares for the purposes of basic and diluted earnings (loss) per Share	<u>6,773,522,452</u>	<u>6,773,522,452</u>

The computation of diluted earnings (loss) per Share for the years ended 31 December 2025 and 2024 do not assume the conversion of the Company's outstanding convertible bonds since their assumed conversion would have anti-dilutive effect.

## 12. GOODWILL

	<b>HK\$'000</b>
<b>COST</b>	
At 1 January 2024	1,001,698
Exchange realignment	<u>(8,433)</u>
At 31 December 2024	993,265
Exchange realignment	<u>10,471</u>
<b>At 31 December 2025</b>	<u>1,003,736</u>
<b>IMPAIRMENT</b>	
At 1 January 2024	330,012
Impairment loss recognised during the year ( <i>Note</i> )	<u>70,000</u>
At 31 December 2024	400,012
Impairment loss recognised during the year ( <i>Note</i> )	<u>522</u>
<b>At 31 December 2025</b>	<u>400,534</u>
<b>CARRYING VALUES</b>	
<b>At 31 December 2025</b>	<u><u>603,202</u></u>
At 31 December 2024	<u><u>593,253</u></u>

*Note:*

During the year ended 31 December 2025, the Group has performed impairment assessment on goodwill and an impairment loss on goodwill of approximately HK\$522,000 (2024: HK\$70,000,000) was recognised.

### 13. INTERESTS IN ASSOCIATES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost of unlisted investments in associates, net of impairment losses	195,802	198,302
Share of post-acquisition results and undistributed reserves	<u>(25,100)</u>	<u>(29,508)</u>
	<u><b>170,702</b></u>	<u><b>168,794</b></u>

Movement of interests in associates is analysed as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At 1 January	168,794	260,708
Share of results of associates	19,159	(7,155)
Dividends from associates ( <i>Note i</i> )	(13,530)	(7,997)
Impairment losses ( <i>Note ii</i> )	(2,500)	(76,762)
Disposals	<u>(1,221)</u>	<u>–</u>
At 31 December	<u><b>170,702</b></u>	<u><b>168,794</b></u>

*Notes:*

- (i) As at 31 December 2024, dividend of approximately HK\$2,000,000 (2025: nil) was receivable from an associate.
- (ii) During the year ended 31 December 2025, the Group has performed impairment assessments on interests in associates and impairment losses on interests in associates of approximately HK\$2,500,000 (2024: HK\$76,762,000) were recognised.

#### 14. TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables ( <i>Note</i> )	359,407	381,461
Bills receivables ( <i>Note</i> )	<u>62,796</u>	<u>15,770</u>
	422,203	397,231
Deposits	35,317	41,929
Other receivables	11,658	14,590
Prepayments	<u>11,356</u>	<u>9,102</u>
	<u><u>480,534</u></u>	<u><u>462,852</u></u>

*Note:*

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 (2024: 180 to 240 days) whilst settlement by corporate customers for the Group's managed medical network operation is from 60 to 180 days (2024: 60 to 180 days). The Group allows credit period of 180 to 270 days (2024: 180 to 270 days) and 60 to 240 days (2024: 60 to 240 days) to its customers under mainland hospital management services and related services and trade customers under other business activities, respectively.

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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 – 60 days	199,410	206,289
61 – 120 days	164,729	90,723
121 – 180 days	47,159	71,456
181 – 240 days	5,949	25,249
Over 240 days	<u>4,956</u>	<u>3,514</u>
	<u><u>422,203</u></u>	<u><u>397,231</u></u>

These receivables are related to a number of independent customers that have good repayment history with the Group. The Group does not hold any collateral over these balances.

As at 31 December 2025 and 2024, no trade and bills receivables are past due at the end of the reporting period for which the Group has not provided an allowance for expected credit loss.

## 15. TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables ( <i>Note i</i> )	154,731	172,409
Other payables	36,634	35,279
Deposits received	4,497	5,183
Accruals ( <i>Note ii</i> )	109,750	113,535
	<u>305,612</u>	<u>326,406</u>

*Notes:*

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0-60 days	85,322	89,539
61-120 days	23,786	28,608
Over 120 days	45,623	54,262
	<u>154,731</u>	<u>172,409</u>

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

- (ii) Included in the balance of accruals are the accruals for consultancy service costs payable to affiliated doctors and specialists of approximately HK\$56,487,000 (2024: HK\$57,518,000), accrued staff costs of approximately HK\$16,018,000 (2024: HK\$16,825,000) and provision for bonus of approximately HK\$17,107,000 (2024: HK\$21,362,000).

## 16. BANK BORROWINGS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Unsecured:		
Term loan	–	3,405
Secured:		
Mortgage loans	<u>10,774</u>	<u>77,278</u>
	<u><b>10,774</b></u>	<u><b>80,683</b></u>
The bank borrowings are repayable as follows:		
On demand and within one year	1,326	6,746
In more than one year but not more than two years	1,397	3,856
In more than two years but not more than three years	1,472	4,109
In more than three years but not more than four years	1,553	4,367
In more than four years but not more than five years	1,637	4,664
Over five years	<u>3,389</u>	<u>56,941</u>
	<b>10,774</b>	80,683
<i>Less:</i> Amounts due within one year shown under current liabilities	<b>(1,326)</b>	(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)	<u><b>(9,448)</b></u>	<u>(10,848)</u>
Non-current portion	<u><b>–</b></u>	<u><b>63,089</b></u>

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

The Group’s mortgage loans were secured by the Group’s leasehold land and building with carrying value of approximately HK\$27,316,000 (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\$10,774,000 (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.

## 17. SHARE CAPITAL

	<b>Number of Shares</b>	<b>Amount HK\$’000</b>
Shares of HK\$0.01 each		
Authorised:		
At 1 January 2024, 31 December 2024 and 2025	<u>30,000,000,000</u>	<u>300,000</u>
Issued and fully paid:		
At 1 January 2024, 31 December 2024 and 2025	<u>6,773,522,452</u>	<u>67,735</u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FINANCIAL REVIEW**

The Company hereby reports the results of the Group for the Year.

During the Year, the Group recorded a profit of approximately HK\$64,800,000 (2024: loss of approximately HK\$158,207,000), including a profit attributable to owners of the Company of approximately HK\$14,377,000 (2024: loss of approximately HK\$203,703,000). 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 consolidated statement of profit or loss are excluded, the Group would have recorded an operating profit of approximately HK\$87,501,000 (2024: HK\$70,855,000), including an operating profit attributable to owners of the Company of approximately HK\$37,078,000(2024: HK\$25,359,000) with respect to its business operations for the Year. Such turnaround from loss to profit of the Group was mainly attributable to:

#### **Decrease in Fair Value Losses on Investment Properties**

The Group recorded fair value losses on the Group’s investment properties of approximately HK\$18,306,000 for the Year (2024: HK\$68,495,000), which was mainly due to the continuing contraction in the Hong Kong property market, although to a lesser extent, during the Year.

#### **Decrease in Impairment Losses Recognised on Interests in Associates**

The Group recorded impairment losses recognised on the Group’s interests in associates of approximately HK\$2,500,000 for the Year (2024: HK\$76,762,000).

#### **Decrease in Impairment Losses Recognised on Goodwill**

The Group recorded impairment losses on goodwill of approximately HK\$522,000 for the Year (2024: HK\$70,000,000).

#### **Decrease in Share of Losses of Associates**

The Group recorded share of profits of associates of approximately HK\$19,159,000 for the Year (2024: share of losses of approximately HK\$7,155,000), which was mainly attributable to the cost control measures adopted by the associates.

## **BUSINESS REVIEW**

### **Annual Business Review**

The Group is one of the largest listed healthcare groups with the longest history in Hong Kong. Its business spans five core areas, including medical services and managed medical network in Hong Kong; hospital management and health management in the Chinese Mainland; aesthetic medical and beauty and wellness in both Hong Kong and the Chinese Mainland.

The year 2025 marked a year of transformation for the Group. During the Year, the global macro environment remained highly uncertain, with rising geopolitical tensions and increasing trade barriers exerting pressure on global economic activities and market confidence. Amid an external environment where challenges and opportunities coexist, the Group continued to review its business layout and operational strategies so as to enhance overall resilience and adaptability to market changes.

As a highly open and relatively small economy, Hong Kong is inevitably affected by fluctuations in the external environment. Local private consumption sentiment remains cautious, posing certain challenges to the operating environment of the private healthcare sector. Meanwhile, the structure of healthcare demand is gradually evolving, with affordability, efficiency and quality of medical services becoming key concerns in the market.

In Hong Kong, the Group is principally engaged in the provision of medical services and managed medical network, and is one of the few medical groups in Hong Kong that operates both a self-operated medical centre chain and a large medical network. The Group owns one of the largest and most extensive medical centre chains in Hong Kong, providing general practice services, specialist services and dental services as well as various allied health services. Faced with a challenging economic environment, the Group continued to leverage the strengths of its healthcare service network established in Hong Kong to support the Primary Healthcare Blueprint promoted by the government and align with the policy direction of Public Healthcare Fees and Charges Reform, providing the public with quality, affordable and value-for-money medical services. Meanwhile, the Group remained committed to enhancing the operational efficiency of its medical centres, including optimising service processes, shortening customer waiting time and increasing service capacity, in order to improve operational and resource efficiency while enhancing customers' medical experience, thereby supporting the sustainable development of the Group's medical services in Hong Kong.

In the Chinese Mainland, the healthcare industry is in a phase of profound transformation. In recent years, Grade III Level A hospitals have gradually shifted from expansion in scale to high-quality development, with a focus on allocation of quality medical resources, application of smart healthcare, development of research capabilities, and optimisation of service models. Meanwhile, the “Outline of Healthy China 2030 Plan” has elevated chronic disease management to a national strategic level, and the philosophy of healthcare of the society has gradually shifted from “treatment-centred” to “health-centred”. Rising household healthcare spending has provided long-term support for the development of the health management industry. Driven by accelerated population ageing, advanced technological innovation and an increasingly sound policy system, the Group’s hospital management and health management businesses in the Chinese Mainland achieved steady operations during the Year, and the Group will continue to seize opportunities arising from industry development.

Despite the challenging macroeconomic and geopolitical environment, the management effectively implemented operational strategies and demonstrated a firm commitment to sustainable growth. In 2025, there were no material adverse changes in the Group’s operating performance. During the Year, the Group achieved turnaround from loss to profit.

### Healthcare Service Network of the Group

As of 31 December 2025, the Group had 423 healthcare service points covering multiple practices. Details of the network are as follows:

	As of 31 December 2025			As of 31 December 2024		
	Affiliated	Self-operated	Total	Affiliated	Self-operated	Total
<b>Medical services</b>	<b>245</b>	<b>67</b>	<b>312</b>	<b>248</b>	<b>71</b>	<b>319</b>
General practice services	214	36	250	216	39	255
Specialist services	31	31	62	32	32	64
<b>Dental services</b>	<b>10</b>	<b>9</b>	<b>19</b>	<b>12</b>	<b>14</b>	<b>26</b>
<b>Auxiliary services</b>	<b>68</b>	<b>24</b>	<b>92</b>	<b>65</b>	<b>25</b>	<b>90</b>
Physiotherapy services	41	6	47	39	6	45
Diagnostic imaging and laboratory testing services	11	17	28	13	18	31
Traditional Chinese medicine services	16	–	16	13	–	13
Health management services	–	1	1	–	1	1
<b>Total:</b>	<b>323</b>	<b>100</b>	<b>423</b>	<b>325</b>	<b>110</b>	<b>435</b>

As of 31 December 2025, the number of doctors, dentists and auxiliary service staff who provided healthcare services via the Group’s network of self-operated and affiliated medical service centres is as follows:

	<b>As of 31 December 2025</b>	As of 31 December 2024
<b>Medical services</b>	<b>627</b>	<b>639</b>
General practitioners	412	409
Specialists	215	230
<b>Dentists</b>	<b>31</b>	<b>36</b>
<b>Auxiliary service staff</b>	<b>139</b>	<b>146</b>
<b>Total:</b>	<b><u>797</u></b>	<b><u>821</u></b>

## **Business in Hong Kong**

### ***Medical Services***

Medical services in Hong Kong are the Group’s flagship business and the core platform for implementing its long-term development strategy. 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 as well as specialty brands including “Hong Kong Cardiac Centre” and “Hong Kong Traumatology & Orthopaedics Institute”. Through a multi-level and diversified strategic layout, it continues to strengthen its competitiveness in the industry and expand its market share.

During the Year, the Group conducted a comprehensive review of its operating strategies and restructured its medical centre network with a view to enhancing operational efficiency and optimising resource utilisation. These initiatives aim to provide the public with high-quality and affordable comprehensive medical services while enhancing returns for shareholders, with a view to upholding its corporate social responsibility and optimising shareholder returns.

Guided by the aforesaid operational visions and with the year 2025 being a year of transformation for the Group, the Group continued to conduct a comprehensive review and optimisation of its medical services network in Hong Kong in a prudent and orderly manner during the Year. A number of concrete operational measures were implemented for both general practice and specialist services to enhance operational efficiency and overall service capacity. In 2025, the revenue from the Group's medical services in Hong Kong was approximately HK\$731,898,000 (2024: HK\$787,053,000), accounting for approximately 40.99% (2024: 42.92%) of the Group's revenue for the Year.

**In respect of general practice services**, general practice services represent the Group's core business in supporting Hong Kong's primary healthcare policy and enhancing the accessibility and affordability of medical services. 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, including General Outpatient Clinic Public-Private Partnership Programme, Chronic Disease Co-Care Pilot Scheme, Colorectal Cancer Screening Programme, Vaccination Subsidy Scheme, Elderly Health Care Voucher Programme, etc. The Group's medical centres of general practice services play a key role of primary care in the communities where people live and work. Through standardised and scaled operations, the Group continues to provide high-quality and affordable primary healthcare services to the public, helping to alleviate the service pressure on the public healthcare system.

To deliver on its primary healthcare vision more efficiently, the Group continued to optimise the overall layout of its chained medical centres. On one hand, the Group restructured single-consultation-room medical centres with ageing facilities. On the other hand, it established more large-scale integrated medical centres at convenient transport hubs in densely populated residential districts. These medical centres with multiple consultation rooms enable more than one doctor to provide services simultaneously and can offer services in a wide range of specialties, thus effectively enhancing operational efficiency and resource utilisation, reducing waiting time and serving more patients. In July 2025, the Group opened a new medical centre with multiple consultation rooms, "Town Health Medical Centre", at Infinity Eight, 8 Clear Water Bay Road, connected to Exit A3 of Choi Hung MTR Station. Operating from Monday to Sunday including public holidays, it provides affordable and value-for-money medical services, further strengthening the Group's healthcare service network in East Kowloon.

In respect of enhancement of operational efficiency, the Group continued to implement the strategy of extending service hours. A number of medical centres of general practice have extended their services to Monday to Sunday and public holidays, with individual medical centres also providing evening consultations. In addition to offering convenience for patients in accessing medical consultations with greater flexibility, extended opening hours help dilute certain fixed operating costs and improve resource utilisation. In October 2025, Town Health Medical Centre located at G/F, 98 Yen Chow Street, Sham Shui Po has undergone optimisation, covering spatial design and upgrading of facilities and equipment. With a brand-new setup with multiple consultation rooms, it provides comprehensive general practice services with extended opening hours covering Monday to Sunday and public holidays, delivering an enhanced medical service experience to clients.

In terms of smart healthcare, in response to public demand for more flexible and convenient medical services, the Group launched “General Practice Video Consultation Service” available daily from Monday to Sunday and public holidays, as well as the “Town Health Medical” mobile application, as extensions of its offline medical centre services. Citizens may download the “Town Health Medical” mobile application for free from the Apple App Store (iOS version) and Google Play Store (Android version) to make appointments for “General Practice Video Consultation Service”. Through its round-the-clock general practice video consultations and same-day medicine delivery arrangements (excluding outlying islands and remote areas), the Group ensured that citizens receive comprehensive and continuous care. By leveraging smart healthcare, the Group further enhanced the accessibility and efficiency of medical services, embodying its operational philosophy of supporting primary care and enhancing cost effectiveness of services through innovative models.

In respect of brand building and reputation management, the Group continues to disseminate complimentary medical information and healthcare knowledge through various channels, including its corporate website, newspapers and magazines, as well as major social media platforms, with a view to enhancing public awareness of disease prevention and treatment. During the Year, Town Health, in conjunction with Pfizer Hong Kong, responded to the Primary Healthcare Blueprint by jointly launching a public respiratory health education campaign, promoting a shift in the public’s health management model from “treatment-oriented” to “prevention-focused”. The Group leveraged its network of chained medical centres, one of the largest and most extensive medical centre chains in Hong Kong, to enhance the vaccination convenience and accessibility of the 20-valent pneumococcal conjugate vaccine. Meanwhile, through the Town Health Charity Foundation, the Group donated a batch of 20-valent pneumococcal conjugate vaccines to vulnerable groups served by Tung Wah Group of Hospitals, and formed an alliance with Tung Wah Group of Hospitals as a key community partner to arrange free vaccination for eligible beneficiaries identified at the service units of Tung Wah Group of Hospitals, demonstrating the commitment of medical institutions and social welfare organisations to work together to safeguard community health.

Furthermore, the Group continued to optimise service process. The introduction of WhatsApp appointment services, enhancement of the queuing system and streamlining of administrative processes further shortened customer waiting time and improved service experience. In terms of human resources, the Group actively recruited young and promising doctors, allied health professionals and nurses to join the team to promote continuous professional development of the healthcare team and build a robust talent pipeline for the long-term sustainable development of business. During the Year, a number of doctors joined the Group, further supporting the development of general practice and specialist services.

**In respect of specialist services**, the development of specialist services aims to create synergy with the Group's primary care network. Through effective two-way referrals and concentrated professional resources, the overall efficiency and quality of medical services are enhanced. The Group's specialty brands, including "Hong Kong Medical Consultants", "Hong Kong Cardiac Centre" and "Hong Kong Traumatology & Orthopaedics Institute", adopt a professional, scaled and efficiency-driven development approach. Supported by referral needs from medical centres of general practice services, they provide patients with seamless one-stop medical services.

"Hong Kong Medical Consultants", the premier integrated specialty brand of the Group, integrates medical resources across a wide range of specialties, brings together a team of specialists with extensive clinical experience and is supported by allied health professionals. During the Year, it provided over 20 types of specialist medical and allied health services. The multi-specialty medical centres of "Hong Kong Medical Consultants" are primarily located in the core area of Central, including 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 serve local 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. With consultation, day-care treatment and imaging diagnostic facilities concentrated in the core area of Central, "Hong Kong Medical Consultants" reduces the need for patients to travel between multiple locations and undergo repeated examinations, thereby enhancing overall treatment efficiency and medical experience, and delivers comprehensive, high-quality and efficient multi-specialty medical and clinical services. This centralised and multi-specialty service model enhances the overall efficiency of medical resource utilisation and enables the clients of "Hong Kong Medical Consultants" to enjoy seamless integration between outpatient and imaging diagnostic services in the core area 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. "Hong Kong Cardiac Centre" operated six medical centres in Hong Kong Island, Kowloon, New Territories, located in Central, Jordan, Kwun Tong, Shatin, Tuen Mun and Yuen Long, respectively. 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. During the Year, the opening of the medical centre at Tuen Mun Parklane Square further strengthened the service coverage of "Hong Kong Cardiac Centre" in the West New Territories. "Hong Kong Cardiac Centre" is committed to enhancing the capacity of its specialist services by recruiting additional cardiologists and providing a diverse range of diagnostic and treatment arrangements to meet referral demand from primary care services.

The orthopaedics and traumatology department of the Group continued to develop the "Hong Kong Traumatology & Orthopaedics Institute" brand. 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. "Hong Kong Traumatology & Orthopaedics Institute" continued to invite new orthopaedic specialists to join and prudently expanded its professional team to support the steady development of specialist services. Through effective integration between general practice and specialist services, the Group aims to enhance overall service efficiency and further deliver on the overall operational vision for medical services in Hong Kong.

**In respect of dental services**, the Group pays close attention to the changes in the local dental services market and citizens' demands, and flexibly adjusts its business strategy. Since July 2023, the Group's self-operated dental centres have participated in the Pilot Scheme on Dental Services (Dental Scaling) for Civil Service Eligible Persons, which helped reducing the waiting time for public dental services for civil servants. During the Year, the Group's self-operated dental centres also joined the Primary Dental Co-care Pilot Scheme for Adolescents, further expanding the coverage of primary dental care services. These initiatives fully demonstrate the Group's operational direction of providing quality dental services to the citizens through public-private partnership.

### ***Managed Medical Network – Vio***

Dr. Vio & Partners Ltd. (Vio) is responsible for operating the Group's managed medical network business in Hong Kong. Drawing on 78 years of accumulated industry experience and a well-established foundation of collaborations, Vio has developed a comprehensive medical service network covering primary care and a wide range of specialist disciplines, comprising more than 600 affiliated service providers. As the first and only medical network operator in Hong Kong to obtain certifications in Quality Management Systems (ISO 9001:2015) and Information Security Management Systems (ISO 27001:2022), Vio has established robust systems and laid a sound foundation in service quality management and information security.

During the Year, emigration moderated but most new immigrants were not yet our clients and the continued weakness in the global and Hong Kong economies placed pressure on Vio's profitability. In response to challenges including the ongoing trend of cross-border consumption and rising operating costs, Vio continued to invest in upgrading its information technology systems and optimising operational processes. This included enhancements to its proprietary Clinic Management System (web-CMS), with a view to improving operational efficiency and service stability.

Through continuous enhancement of its information technology systems and service quality, Vio remained committed to providing efficient and sustainable health check and healthcare scheme management services to blue-chip corporations, insurance companies, government departments and statutory bodies. In 2025, the Group's managed medical network business in Hong Kong recorded revenue of approximately HK\$461,097,000 (2024: HK\$489,353,000), accounting for approximately 25.82% (2024: 26.69%) of the Group's revenue for the Year.

Vio continued to strengthen and enhance its core operational capabilities. Its competitive advantages are underpinned by an experienced management team, a stable client base, and synergies with the Group's diverse medical services in Hong Kong. Through its self-operated medical centres in Central, Tsim Sha Tsui, Tsuen Wan and Sha Tin, together with its expanding affiliated medical service network, Vio continued to provide convenient consultations and health check services in densely populated districts to meet market demand.

In terms of service capability enhancement, Vio continued to engage additional affiliated general practitioners and specialists to further strengthen its medical service network to meet clients' increasing demand for professional healthcare services and enhance the overall patient experience. The upgrade of its proprietary Clinic Management System (web-CMS) is still in progress and is expected to be completed in 2027. The system enhancements will improve operational efficiency and service coordination. Recruitment of additional headcount was suspended during the Year for better cost control. Meanwhile, performance management and staff productivity monitoring mechanisms were reviewed, alongside optimisation of staff incentive arrangements, with the aim of enhancing overall team effectiveness.

In respect of human resources and service quality management, Vio continued to enhance staff stability and sense of belonging through a mentorship programme and a family-friendly corporate culture, complemented by regular training to strengthen customer service standards and information security awareness. On the other hand, customer satisfaction survey results indicated that waiting times had lengthened at peak hours. In response, Vio is reviewing and optimising patient consultation workflows to identify operational bottlenecks and implement improvement measures, with a view to delivering a more seamless and coordinated healthcare service experience.

## **Businesses in Chinese Mainland**

### ***Hospital Management Business***

Nanyang Xiangrui, a subsidiary of the Company, is mainly engaged in hospital management business in the Chinese Mainland. During the Year, Nanyang Xiangrui continued to provide professional hospital management and consulting services to Nanshi Hospital, a national Grade III Level A hospital, and promoted its “general hospital + branches” operating model. This model helps optimise the allocation of medical resources and enhance service synergy, supporting the steady development of Nanshi Hospital towards its strategic positioning as a regional comprehensive medical and rehabilitation centre.

During the Year, the general hospital of Nanshi Hospital, Nanshi Hospital's Youtian Branch, Nanyang Ruishi Ophthalmology Hospital, Nanshi Chinese Medicine Rehabilitation Hospital, Henan Youtian Nanyang Community Health Service Station and several community family clinics maintained steady momentum of development, which exemplified the effectiveness of the “general hospital + branches” operating model exported by Nanyang Xiangrui to Nanshi Hospital.

In terms of smart healthcare construction, 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 Nanyang Health and Sports Commission in March 2022. It has recorded over 1,500,000 visits since it was put into service from March 2022 to December 2025. The internet hospital has helped extend the coverage of medical services of Nanshi Hospital, improved healthcare accessibility, and optimised the patient consultation process.

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 full-process data sharing and knowledge base support model 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” to gradually upgrade the traditional experience-driven examination and medication to a new diagnosis and treatment model that integrates “clinical experience and intelligent analysis”. The application of the system helps enhance the standardisation of diagnosis and treatment, improve operational efficiency, and enhance the medical experience of patients.

In terms of specialty construction, Nanshi Hospital continued to build its distinctive specialist brands. Its Gamma Knife programme successfully passed the on-site acceptance by the expert team of the Health Commission of Henan Province, filling the gap in high-end radiotherapy technology in southwestern Henan and providing non-invasive treatment options for cancer patients. Nanshi Hospital also successfully introduced the first “Intelligent Pressure-Controlled Lithotripsy and Stone Extraction System” in Henan Province and put it into clinical use, driving technological upgrading in minimally invasive stone treatment for urology department. In March 2025, the Nanyang Health and Sports Commission approved the establishment of the “Nanyang Burn Medical Quality Control Centre” at Nanshi Hospital; in December of the same year, Nanshi Hospital was further approved to set up the “Nanyang Cerebrovascular Disease Diagnosis and Treatment Centre” and “Nanyang Sleep Disorder Diagnosis and Treatment Centre”, further enhancing its influence and service coverage in regional specialty healthcare.

In optimising medical experience, Nanshi Hospital established a joint weight management clinic in April 2025. Through multidisciplinary collaboration, it built a full-cycle health management system covering “prevention – treatment – rehabilitation”, to promote upgrading the chronic disease management model. 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 facility has an area nearly 50% larger than the original site, with six standardised operating rooms, equipped with internationally advanced minimally invasive surgical equipment and digital anesthesia systems. Meanwhile, a pre-operative assessment area and a post-operative recovery area were added to enhance the capacity of day surgery and the efficiency of workflow coordination.

Overall, in light of the industry’s shift from scale-oriented development to quality-oriented development, Nanyang Xiangrui continued to support Nanshi Hospital in enhancing medical service quality and management efficiency by advancing smart healthcare construction, upgrading specialty capabilities and optimising operational processes, thereby consolidating its competitive position in the medical service market of Henan Province.

### ***Health Management Business***

During the Year, 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 in Guangzhou City continued its strategic cooperation with nearby hospitals and reproductive medicine centres to provide clients with peripheral supporting services for assisted reproductive services and life cycle healthcare services for female. During the Year, Guangzhou Integrated Clinic increased pre-conception and antenatal health management services, and resumed electrophysiological study, to further expand its scope of services and source of income. Meanwhile, Guangzhou Integrated Clinic continued to introduce whole life cycle health management programmes including traditional Chinese medicine, rehabilitation and chronic disease management, and integrated specialty diagnosis and treatment, digital medical monitoring and pharmacy services to further improve its comprehensive healthcare service platform, so as to enhance the overall service capacity. Located in Shenzhen City, Guangdong Province, Ganghe Clinic leverages its geographical advantage adjacent to Hong Kong to play as a bridge connecting the Group’s operations in Hong Kong and the Chinese Mainland, and maintains business cooperation with a number of medical institutions in Hong Kong and the Chinese Mainland. During the Year, Ganghe Clinic implemented various measures for cost control and operational efficiency improvement, relocated to a new premise with more controllable rental costs and adjusted human resource allocation in line with business needs. Meanwhile, Ganghe Clinic started arranging employees of corporate clients in Hong Kong to accept health check services in the Chinese Mainland, and launched distinctive products and services including capsule gastroscopy, colorectal cancer self-sampling testing, weight management and gastrointestinal management, diversifying its service offerings to meet market demands.

In Shandong Province, the Town Health International Health Management Centre, located in China Life Building in Jinan City, mainly provides comprehensive health management services centred on high-end health check. The Town Health International Health Management Centre primarily serves two core customer groups: CLIS and its prefecture-level city branches, and regional corporate clients. During the Year, the Town Health International Health Management Centre continued to advance the development of the “healthcare + insurance” service scenario and was deeply involved in the health management of CLIS’s customers. It co-organised over 550 meetings and activities throughout the Year, further strengthening business synergy and mutually beneficial cooperation between the two parties. During the Year, the Town Health International Health Management Centre recorded steady growth in both the number of health check clients and per capita spending. While consolidating existing client relationships, the Town Health International Health Management Centre further strengthened marketing efforts to actively expand and attract more high-quality corporate clients, so as to continuously optimise its client mix and expand business scale. 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 clients 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, further broadening its scope of services and overall competitiveness.

### **Other Businesses**

During the Year, TBMG, which was engaged in aesthetic medical and beauty and wellness businesses, employed 14 full-time or part-time doctors (2024: 13 doctors), and operated 11, 9, 8 and 3 centres in Hong Kong, Shenzhen, Shanghai and Guangzhou, respectively (2024: 12, 9, 8 and 3 centres).

Against a market environment characterised by sluggish retail market, low consumer confidence, continuous changes in consumer behaviour and increasingly prudent overall consumer sentiment, the beauty service industry was facing more complex operational challenges. Confronted with competitive pressures brought by the sustained trend of Hong Kong residents’ consumption in the Chinese Mainland and the trend of consumption downgrade in the Chinese Mainland, TBMG proactively adjusted its business strategy to enhance overall operational resilience through more forward-looking resource allocation and operational management.

During the Year, TBMG continued to optimise its centre network and seized the opportunity of lease expirations to integrate overlapping centres or centres in synergistic operation. In the second half of 2025, TBMG selected a ground-floor shop on San Fat Street, Sheung Shui, to launch a new conceptual centre. In addition, TBMG reorganised its resource allocation and operational process in line with business development needs to improve operational efficiency and cost effectiveness. TBMG also actively increased investment in upgrading its customer relationship management system, invested in introducing advanced beauty equipment, and implemented more prudent marketing budget management and efficient artificial intelligence, to further enhance customer service experience and market competitiveness.

By leveraging artificial intelligence, supported by data analysis and precision marketing, TBMG gained deeper insights into customer needs and consumption patterns, thereby enhancing service quality and customer loyalty. These measures not only helped stabilise the existing customer base but also supported the sustainable development of the business, and further strengthened TBMG's market positioning and brand image in the aesthetic medical and beauty and wellness market.

## **OUTLOOK**

In 2026, the external environment remains complex and volatile. The uneven pace of global economic recovery, as well as shifts in geopolitical situations and regional trade patterns, continue to affect business confidence. Meanwhile, operating costs, competition for healthcare professionals, and the growing number of cross-border medical options for citizens present structural challenges to the private healthcare market. Nevertheless, with the progressive implementation of Public Healthcare Fees and Charges Reform and the continued roll-out of various primary healthcare policies, citizens' demand for large-scale and reputable medical institutions with comprehensive service networks has become increasingly evident. Benefiting from its healthcare service network throughout Hong Kong, mature operational management system and solid customer base, the Group maintains a competitive edge amid industry consolidation and intensifying market competition. Overall, the Group maintains prudent and steady confidence in the medium-to-long-term development of Hong Kong's private healthcare market.

In the long run, the acceleration in population ageing, the prevalence of chronic diseases and rising health awareness of citizens will continue to drive demand for primary care, specialty treatment, health management and rehabilitation services, which is conducive to the Group's business development in both Hong Kong and the Chinese Mainland. Meanwhile, the medical cooperation mechanism in the Guangdong-Hong Kong-Macao Greater Bay Area is gradually deepening, with cross-border medical services becoming more institutionalised and standardised, creating a clearer development framework for regional healthcare service providers. With the structural growth in per capita disposable income and rising penetration of medical insurance, the market demand for quality-assured and value-for-money private healthcare services will continue to grow. On the premise of prudent risk management, the Group will seize the opportunities brought by the upgrading and transformation of healthcare services and regional synergistic development to consolidate its core competitive advantages and drive steady business expansion, striving to achieve sustainable and high-quality long-term development.

## **Hong Kong**

In terms of medical services, on one hand, in support of the Hong Kong Government's promotion of Public Healthcare Fees and Charges Reform and the Primary Healthcare Blueprint, the Group, with one of the largest and most extensive chained medical centre networks in Hong Kong, will provide value-for-money and high-quality medical services at affordable prices. On the other hand, by enhancing operational efficiency, optimising resource allocation and reducing customer waiting time, the Group will serve more citizens while enhancing service quality, thereby lowering healthcare costs and improving the overall medical experience. To this end, the Group will continue to review and improve the layout of its healthcare service network, and prudently establish more integrated medical centres with multiple consultation rooms in densely populated and easily accessible locations, to strengthen economies of scale and community coverage. Looking ahead to the second quarter of 2026, the Group will establish the "Town Health Integrated Medical Centre" on Hong Kong Island East, located at Shop 8, Ground Floor, Roca Centre, Nos. 460-470 King's Road, North Point (next to Exit B3 of North Point MTR Station). The new centre is designed with multiple consultation rooms and will provide general practice, otorhinolaryngology and respiratory medicine services. It will operate from Monday to Sunday and on public holidays, with a view to offering convenient, efficient and one-stop medical services to the residents and the working population in the district, thereby further strengthening the Group's medical network coverage on Hong Kong Island. Meanwhile, the Group will continue to participate in government-funded and public-private partnership programmes for primary healthcare, further develop its specialty brands, and strengthen the two-way referral system between general practice and specialist services, to enhance one-stop service capability and resource efficiency. In respect of smart healthcare, the Group will continue to develop video consultation services, improve website and mobile application functions, and strengthen online-offline integration of medical resources to enhance service accessibility and convenience. Furthermore, the Group will strengthen business cooperation with insurance companies and actively expand corporate clients with healthcare needs, to diversify revenue streams and consolidate a stable customer base to support the long-term and sustainable development of medical services in Hong Kong as its flagship business.

In terms of medical network management, Vio will continue to adopt prudent and sustainable development as its core strategic focus. Building upon its established business platform, Vio will capitalise on its competitive strength as the only medical network operator in Hong Kong holding dual ISO certifications in quality management and information security management, and will further consolidate its long-standing relationships with corporate clients, insurance companies, as well as government departments and statutory bodies. Within a disciplined and controllable cost framework, Vio is committed to addressing clients' rising expectations in respect of healthcare quality, service standards and evidence-based medicine through more flexible service configurations and value-added solutions. Concurrently, in response to the latest developments in industry regulation and accreditation standards, Vio will continue to review and refine its service workflows and operating model. This includes preparing for the new requirements under ISO 9001:2026 update and the implementation of the polyclinics licensing system under the Private Healthcare Facilities Ordinance, with a view to enhancing service consistency and further elevating the overall client experience. Meanwhile, Vio will deepen collaboration with the Group's self-operated medical centres to enhance market coverage and operational synergies, thereby underpinning the long-term and stable development of its managed medical network business.

## **Chinese Mainland**

In terms of hospital management, against the backdrop of the high-quality development and refined management of the medical industry in the Chinese Mainland, Nanyang Xiangrui will continue to deepen management output and resource support to Nanshi Hospital and enhance the operational efficiency and clinical service level by improving systems, optimising processes and upgrading technologies. Centering on the coordinated development of "medical treatment, education and research", it will strengthen specialty construction and the introduction of advanced equipment, to consolidate its positioning as a regional comprehensive medical and rehabilitation centre. Faced with an environment characterised by both differentiated competition in private medical care and cost pressures, Nanyang Xiangrui will adopt multi-dimensional measures such as technological innovation, cost control and service upgrading. With the synergistic support of its medical technologies and services, sales and delivery of medical devices, property management, extended services for home care and other fields, it will improve overall operational efficiency and sustainable development capacity. Meanwhile, Nanshi Hospital will continue to advance smart healthcare construction and upgrade specialty capabilities, including improving integrated traditional Chinese and Western medicine services, expanding traditional Chinese medicine characteristic treatment clinics, and promoting the construction of specialty platforms such as the Cognitive Impairment Diagnosis and Treatment Centre, so as to respond to population ageing and diverse medical needs and to support the steady development of the Group's hospital management business in the Chinese Mainland.

As to health management, the Group's health management institutions in various places will continue to enhance service capacity and service quality, striving for steady growth in both client numbers and per capita spending, so as to improve overall revenue and profitability. The health management institutions in various places will also enrich their product mix according to market characteristics in different regions and appropriately introduce distinctive products and services to enhance customer appeal. In Guangdong Province, the Guangzhou Integrated Clinic in Guangzhou City will continue to leverage its geographical advantage adjacent to hospitals and reproductive medicine centres to further expand gynaecology, andrology and related medical services, and further develop business channels and markets for miscarriage prevention services. Ganghe Clinic in Shenzhen City will continue to expand its customer base for weight management services. Meanwhile, Ganghe Clinic will strengthen cooperation with insurance companies and provide gastrointestinal management, diabetes management, vascular plaque regression management and other chronic disease management services to their clients in line with their marketing strategies. Ganghe Clinic will also offer concierge support services for Hong Kong clients seeking medical treatment in the Chinese Mainland. In Shandong Province, the Town Health International Health Management Centre will further enhance business cooperation with CLIS and its prefecture-level city branches, to promote resource complementarity and synergistic development to strengthen overall market competitiveness. Meanwhile, leveraging its existing competitive featured products and services, the Town Health International Health Management Centre will assist clients in designing more rational and personalised health check plans, and continue to expand corporate clients in the region to gradually increase market coverage to support steady business development.

## **Others**

With respect to other businesses, against the backdrop of intensifying competition in the retail and beauty service industry and structural changes in the consumer healthcare market, TBMG will advance business development with a diversified and flexible strategy. TBMG will continue to optimise its network layout of centres, and enhance performance of individual centre and overall operational efficiency through orderly integration and resource reallocation. Meanwhile, TBMG will improve its customer relationship management system, and strengthen artificial intelligence and data analysis construction to deepen customer insights, enhance customer retention, and drive customer conversion between beauty and wellness and aesthetic medical services. In addition, TBMG will prudently evaluate merger and acquisition as well as strategic cooperation opportunities in the markets in Hong Kong and the Chinese Mainland, and explore cross-border business synergies. Through a dual development strategy of organic growth and external expansion, TBMG is committed to continuously enhancing its market competitiveness and long-term profitability.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts a prudent cash and financial management policy. As at 31 December 2025, the Group held total bank balances and deposits of approximately HK\$1,364,158,000 (2024: HK\$1,420,245,000), including fixed bank deposits of approximately HK\$176,066,000 (2024: HK\$227,741,000), pledged bank deposits of approximately HK\$1,024,000 (2024: HK\$1,107,000) and bank balances and cash of approximately HK\$1,187,068,000 (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 Chinese Mainland and denominated mostly in HK\$, RMB and US\$. 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 31 December 2025, the Group had bank borrowings of approximately HK\$10,774,000 (2024: HK\$80,683,000) of which approximately HK\$1,326,000 (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 31 December 2025, the Group had available unutilised banking facilities of HK\$20,000,000 (2024: HK\$20,000,000). Details of the bank borrowings of the Group are set out in note 16 to the consolidated financial statements for the Year set out in this announcement.

As at 31 December 2025, the Group's net current assets amounted to approximately HK\$1,329,944,000 (2024: HK\$1,300,647,000) and the Group had a current ratio (defined as total current assets divided by total current liabilities) of 3.64 (2024: 3.19). As at 31 December 2025, the Group's gearing ratio (defined as total bank borrowings divided by equity attributable to owners of the Company) was 0.36% (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 Year, 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\$, RMB and US\$. As HK\$ is pegged to the US\$ and the fiscal policy of the Central Government of the PRC in relation to RMB was stable throughout the Year, 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 Year, the Group did not use any financial instruments for hedging activities.

## **CAPITAL STRUCTURE**

As at 31 December 2025, the Group had equity attributable to owners of the Company of approximately HK\$2,997,481,000 (2024: HK\$2,976,914,000).

## **HUMAN RESOURCES AND TRAINING SCHEME**

As at 31 December 2025, the Group employed 1,345 staff (2024: 1,441 staff). Total employee costs for the Year amounted to approximately HK\$706,701,000 (2024: HK\$743,697,000), including directors' emoluments of approximately HK\$13,388,000 (2024: HK\$11,745,000). 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.

## **CONTINGENT LIABILITIES**

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

## **PLEDGE OF ASSETS**

As at 31 December 2025, the Group pledged certain assets of approximately HK\$28,340,000 (2024: HK\$120,545,000), among which (i) leasehold land and building of approximately HK\$27,316,000 (2024: leasehold land and building of approximately HK\$30,438,000 and an investment property of approximately HK\$89,000,000) was pledged for the mortgage loans while (ii) bank deposits of approximately HK\$1,024,000 (2024: HK\$1,107,000) were pledged for the general banking facilities.

## CAPITAL COMMITMENTS

As at 31 December 2025, the Group did not have capital expenditure contracted for but not provided in the financial statements in respect of the acquisition of property, plant and equipment (2024: Nil).

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

According to the share purchase agreement dated 11 July 2022 entered into between the Company, Speedy Light International Limited, Hong Kong Medical Consultants Holdings Limited (the “**Seller**”) and the guarantors of the Seller namely, Central Healthcare Group Limited, Dr. Tsang Wah Tak, Kenneth, Dr. Leung Wing Hung, Dr. Fong Ka Yeung, Mr. Shiu Shu Ming and Dr. Chu Leung Wing, in relation to the acquisition of 100% of the issued shares of Central Medical Holdings Limited at the consideration of HK\$476,000,000, the Company had paid HK\$120,000,000 in cash to the Seller and issued convertible bonds to the nominees of the Seller in three tranches on 26 August 2022 as follows:

- (i) Tranche A in the sum of HK\$120,000,000, with maturity date falling on 12 months from the date of issue of the convertible bonds;
- (ii) Tranche B in the sum of HK\$120,000,000, with maturity date falling on 24 months from the date of issue of the convertible bonds; and
- (iii) Tranche C in the sum of HK\$116,000,000, with maturity date falling on 36 months from the date of issue of the convertible bonds.

The convertible bonds do not bear any interest. The convertible bonds carry the conversion rights to convert the outstanding principal amount of the convertible bonds into the conversion shares at the conversion price of HK\$0.76 per conversion share.

As at 31 December 2025, Tranche A and Tranche B convertible bonds have been fully redeemed and Tranche C convertible bonds in the sum of HK\$51,306,000 have been redeemed. The outstanding principal amount of the convertible bonds (i.e. the remaining Tranche C convertible bonds) is HK\$64,694,000.

Save as disclosed above, during the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

During the Year, the Company did not have any material acquisition or disposal.

## **EVENTS AFTER THE YEAR**

There was no significant event that happened after the Year.

## **DIVIDEND**

The Board recommended the payment of a final dividend (“**Final Dividend**”) of Hong Kong 0.18 cent per Share for the Year (2024: Hong Kong 0.12 cent per Share) to the Shareholders which is subject to Shareholders’ approval at the forthcoming AGM.

The payment of the Final Dividend will be made to the Shareholders whose names appear on the register of members of the Company on a record date which will be announced by the Company in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

The date and notice of the forthcoming AGM, the book closure date for eligibility to attend and vote at the forthcoming AGM and the book closure date for eligibility of entitlement to the Final Dividend will be announced by the Company in due course.

## **COMPLIANCE WITH THE CG CODE**

The Company adopted its own code of corporate governance based on the principles and code provisions as set out in the CG Code during the Year.

During the Year, the Company complied with the respective code provisions of the CG Code save for the deviation set out in the below paragraph.

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 Year, Mr. Choi Ka Tsan Karson, *GBS, JP*, 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 strategy 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 of 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 and the Board will review its compositions from time to time.

## **COMPLIANCE WITH THE MODEL CODE**

The Company has adopted the Model Code as the Company's code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, all the Directors have complied with the required standard set out in the Model Code throughout the Year.

## **AUDITORS**

Moore CPA Limited has been the auditors of the Group since 15 February 2018. Moore CPA Limited was re-appointed as the auditors of the Company in the AGMs held on 29 June 2018, 27 June 2019, 29 June 2020, 28 June 2021, 28 June 2022, 20 June 2023, 12 June 2024 and 6 June 2025.

A resolution will be submitted to the forthcoming AGM to re-appoint Moore CPA Limited as the auditors of the Company until the conclusion of the next AGM.

## **REVIEW BY AUDIT COMMITTEE**

The audited consolidated financial statements of the Group for the Year have been reviewed by the Audit Committee.

## **SCOPE OF WORK OF MOORE CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group's auditor, Moore CPA Limited, to the amounts set out in the audited consolidated financial statements of the Group for the Year. The work performed by Moore CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by Moore CPA Limited on the preliminary announcement.

## **ACKNOWLEDGEMENT**

The Company would like to thank the Board, the management and all of its staff for their hard work and dedication, as well as the Shareholders and customers for their support to the Group.

By Order of the Board

**Town Health International Medical Group Limited**

**Choi Ka Tsan Karson, GBS, JP**

*Chairman and Chief Executive Officer*

Hong Kong, 27 March 2026

*As at the date of this announcement, the executive Directors are Mr. Choi Ka Tsan Karson, GBS, JP (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

AGM	annual general meeting of the Company
Audit Committee	audit committee of the Board
Board	the board of Directors
CG Code	Corporate Governance Code as set out in Appendix C1 to the Listing Rules then in force during the Year
Chairman	the chairman of the Board
China or PRC	the People's Republic of China
Chinese Mainland	For the purpose of this announcement, Chinese Mainland refers to the People's Republic of China, excluding the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan region of 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)
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
Ganghe Clinic	深圳港和診所 (in English, for identification purpose only, Shenzhen Ganghe Clinic)
Group	the Company and its subsidiaries
HK\$	Hong Kong dollars, the lawful currency of Hong Kong

Hong Kong	the 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
Jinan Likang	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 Chinese Mainland with limited liability and an indirect non wholly-owned subsidiary of the Company
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules then in force during the Year
Nanshi Chinese Medicine Rehabilitation Hospital	南陽南石康復中醫院有限公司 (in English, for identification purpose only, Nanyang Nanshi Chinese Medicine Rehabilitation Hospital Co., Ltd.), a subsidiary of the Company
Nanshi Hospital	南陽南石醫院 (in English, for identification purpose only, Nanshi Hospital of Nanyang)
Nanyang Ruishi Ophthalmology Hospital	南陽瑞視眼科醫院有限公司 (in English, for identification purpose only, Nanyang Ruishi Ophthalmology Hospital Co., Ltd.), a subsidiary of the Company
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 Chinese Mainland

Share(s)	ordinary share(s) of HK\$0.01 each in the share capital of the Company
Shareholders	holders of the Shares
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 Jinan Likang in Jinan City, Shandong Province in the PRC
US\$	United States dollars, the lawful currency of the United States of America
Vio	Dr. Vio & Partners Limited, a subsidiary of the Company
Year	year ended 31 December 2025