康 TOWN
健 HEALTH

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

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

**(Stock Code: 3886)**

# ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

## FINANCIAL HIGHLIGHTS – INCREASE IN PROFIT AND OPERATING PROFIT

For the six months ended 30 June 2026:

– The Group recorded revenue of approximately HK$876,385,000 (2025: HK$900,923,000).

– The Group recorded a profit of approximately HK$37,240,000 (2025: HK$35,593,000), including a profit attributable to owners of the Company of approximately HK$12,903,000 (2025: HK$12,727,000).

– If the "other gains and losses, net", which comprise the gains and losses incurred outside the Group's ordinary course of business, as shown in the condensed consolidated statement of profit or loss are excluded, the Group would have recorded an operating profit of approximately HK$42,366,000 (2025: HK$38,919,000), including an operating profit attributable to owners of the Company of approximately HK$18,029,000 (2025: HK$16,053,000) with respect to its business operations.

As at 30 June 2026:

– The Group had net assets of approximately HK$3,443,054,000 (31 December 2025: HK$3,398,824,000), including net current assets of approximately HK$1,399,306,000 (31 December 2025: HK$1,329,944,000).

– The Group had a current ratio (defined as total current assets divided by total current liabilities) of 3.65 (31 December 2025: 3.64) and a gearing ratio (defined as total bank borrowings divided by equity attributable to owners of the Company) of 0.33% (31 December 2025: 0.36%).

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2026 (2025: nil).

## RESULTS

The Board hereby reports the unaudited interim condensed consolidated results of the Company and its subsidiaries for the six months ended 30 June 2026, together with the comparative unaudited figures for the six months ended 30 June 2025, as follows:

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

*For the six months ended 30 June 2026*

| | | **Six months ended 30 June** | |
|---|---|---|---|
| | | **2026** | 2025 |
| | | **(unaudited)** | (unaudited) |
| | *Notes* | ***HK$'000*** | *HK$'000* |
| Revenue | *4* | **876,385** | 900,923 |
| Cost of sales | | **(649,112)** | (670,744) |
| Gross profit | | **227,273** | 230,179 |
| Other income | *6* | **17,795** | 19,377 |
| Administrative expenses | | **(192,212)** | (192,421) |
| Other gains and losses, net | *7* | **(5,126)** | (3,326) |
| Finance costs | *8* | **(2,035)** | (7,957) |
| Share of results of associates | | **6,947** | 7,264 |
| Profit before tax | | **52,642** | 53,116 |
| Income tax expenses | *9* | **(15,402)** | (17,523) |
| Profit for the period | *10* | **37,240** | 35,593 |

| | Note | Six months ended 30 June **2026** **(unaudited)** ***HK$'000*** | 2025 (unaudited) *HK$'000* |
|---|---|---|---|
| **Other comprehensive income (expense) for the period** | | | |
| *Items that will not be reclassified subsequently to profit or loss:* | | | |
| Fair value changes in equity instruments at fair value through other comprehensive income | | **(418)** | (1,106) |
| Fair value changes in revaluation of properties upon transfer from "property, plant and equipment" to "investment properties" | | **–** | 5,720 |
| *Items that may be reclassified subsequently to profit or loss:* | | | |
| Exchange differences on foreign currency translation | | **45,442** | 34,696 |
| Other comprehensive income for the period | | **45,024** | 39,310 |
| Total comprehensive income for the period | | **82,264** | 74,903 |
| Profit for the period attributable to: | | | |
| Owners of the Company | | **12,903** | 12,727 |
| Non-controlling interests | | **24,337** | 22,866 |
| | | **37,240** | 35,593 |
| Total comprehensive income attributable to: | | | |
| Owners of the Company | | **46,119** | 40,522 |
| Non-controlling interests | | **36,145** | 34,381 |
| | | **82,264** | 74,903 |
| Earnings per share (HK cent(s)) | | | |
| Basic and diluted | *12* | **0.19** | 0.19 |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*At 30 June 2026*

| | Note | **30 June 2026 (unaudited)** *HK$'000* | 31 December 2025 (audited) *HK$'000* |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Investment properties | | **460,247** | 466,834 |
| Property, plant and equipment | | **303,918** | 320,329 |
| Right-of-use assets | | **80,510** | 72,168 |
| Loans receivable | | **516** | 8,196 |
| Goodwill | | **613,682** | 603,202 |
| Intangible assets | | **395,191** | 392,179 |
| Interests in associates | | **170,293** | 170,702 |
| Equity instruments at fair value through other comprehensive income | | **2,335** | 1,599 |
| Deferred tax assets | | **5,740** | 5,210 |
| Fixed bank deposits | | **80,759** | 79,840 |
| | | **2,113,191** | 2,120,259 |
| **CURRENT ASSETS** | | | |
| Inventories | | **50,824** | 47,968 |
| Trade and other receivables | *13* | **472,191** | 480,534 |
| Loans receivable | | **15,000** | 20,300 |
| Amounts due from associates | | **182** | 580 |
| Tax recoverable | | **160** | 638 |
| Pledged bank deposits | | **1,038** | 1,024 |
| Fixed bank deposits | | **184,406** | 96,226 |
| Bank balances and cash | | **1,204,334** | 1,187,068 |
| | | **1,928,135** | 1,834,338 |

| | Notes | **30 June 2026 (unaudited)** *HK$'000* | 31 December 2025 (audited) *HK$'000* |
|---|---|---|---|
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | *14* | **335,952** | 305,612 |
| Contract liabilities | | **14,928** | 8,043 |
| Amounts due to non-controlling interests | | **34,834** | 36,854 |
| Bank borrowings | *15* | **10,110** | 10,774 |
| Lease liabilities | | **44,033** | 53,535 |
| Convertible bonds | | **64,694** | 64,694 |
| Tax payable | | **24,278** | 24,882 |
| | | **528,829** | 504,394 |
| **NET CURRENT ASSETS** | | **1,399,306** | 1,329,944 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **3,512,497** | 3,450,203 |
| **NON-CURRENT LIABILITIES** | | | |
| Lease liabilities | | **35,898** | 18,626 |
| Deferred tax liabilities | | **33,545** | 32,753 |
| | | **69,443** | 51,379 |
| | | **3,443,054** | 3,398,824 |
| **CAPITAL AND RESERVES** | | | |
| Share capital | *16* | **67,735** | 67,735 |
| Reserves | | **2,965,622** | 2,929,746 |
| Equity attributable to owners of the Company | | **3,033,357** | 2,997,481 |
| Non-controlling interests | | **409,697** | 401,343 |
| Total equity | | **3,443,054** | 3,398,824 |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2026*

## 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 was Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda until 2 August 2026 and is Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, Bermuda with effect from 3 August 2026. The address of the principal place of business of the Company is 6th Floor, Town Health Medical Group Centre, 10-12 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong.

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

## 2. BASIS OF PREPARATION

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

The condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

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

Other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

**Application of amendments to HKFRS Accounting Standards**

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2026 for the preparation of the condensed consolidated financial statements:

| | |
|---|---|
| Amendments to HKFRS 9 and HKFRS 7 | Classification and Measurement of Financial Instruments |
| Amendments to HKFRS 9 and HKFRS 7 | Contracts Referencing Nature-dependent Electricity |
| Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 | Annual Improvements to HKFRS Accounting Standards – Volume 11 |
| Amendments to HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 | Disclosures about Uncertainties in the Financial Statements |

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

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

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

| | |
|---|---|
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1] |
| HKFRS 18 | Presentation and Disclosure in Financial Statements[2] |
| Amendments to HKAS 21 | Translation to a Hyperinflationary Presentation Currency[2] |

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

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

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

## 4. REVENUE

Revenue represents the aggregate of the net amounts received and receivable from third parties for the period. There is no seasonality and cyclicality of the operations of the Group. The performance 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:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(unaudited)** | (unaudited) |
| | ***HK$'000*** | *HK$'000* |
| **Revenue recognised under HKFRS 15** | | |
| Hong Kong medical services | | |
| – Medical services (Non-dental) | **321,306** | 348,690 |
| – Dental services | **19,345** | 28,856 |
| | **340,651** | 377,546 |
| Hong Kong managed medical network business | **220,667** | 233,162 |
| Mainland hospital management and medical services | **311,296** | 285,985 |
| | **872,614** | 896,693 |
| **Revenue recognised under other accounting standard** | | |
| Others | | |
| – Rental income | **3,771** | 4,230 |
| Total | **876,385** | 900,923 |
| **Revenue recognised under HKFRS 15** | | |
| **Timing of revenue recognition** | | |
| At a point in time | **826,510** | 859,712 |
| Over time | **46,104** | 36,981 |
| | **872,614** | 896,693 |

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

## 5. SEGMENT INFORMATION

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

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

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

**Six months ended 30 June 2026**

| | **Hong Kong medical services (unaudited)** *HK$'000* | **Hong Kong managed medical network business (unaudited)** *HK$'000* | **Mainland hospital management and medical services (unaudited)** *HK$'000* | **Others (unaudited)** *HK$'000* | **Elimination (unaudited)** *HK$'000* | **Total (unaudited)** *HK$'000* |
|---|---|---|---|---|---|---|
| Revenue | | | | | | |
| External sales | **340,651** | **220,667** | **311,296** | **3,771** | **–** | **876,385** |
| Inter-segment sales | **10,902** | **–** | **–** | **–** | **(10,902)** | **–** |
| | **351,553** | **220,667** | **311,296** | **3,771** | **(10,902)** | **876,385** |
| Segment results | **19,931** | **16,236** | **41,238** | **9,495** | **–** | **86,900** |
| Unallocated other income | | | | | | **3,804** |
| Unallocated corporate expenses | | | | | | **(38,062)** |
| Profit before tax | | | | | | **52,642** |

Six months ended 30 June 2025

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

**Geographical information**

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

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(unaudited)** | (unaudited) |
| | ***HK$'000*** | *HK$'000* |
| Hong Kong | **565,089** | 614,938 |
| Other regions of the PRC | **311,296** | 285,985 |
| | **876,385** | 900,923 |

## 6. OTHER INCOME

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(unaudited)** | (unaudited) |
| | ***HK$'000*** | *HK$'000* |
| Dividend income from equity instruments at fair value through other comprehensive income – relating to investments held at the end of the reporting period | **870** | 1,135 |
| Interest income | **13,121** | 14,900 |
| Rental income | **1,871** | 1,505 |
| Sundry income | **1,933** | 1,837 |
| | **17,795** | 19,377 |

## 7. OTHER GAINS AND LOSSES, NET

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(unaudited)** | (unaudited) |
| | ***HK$'000*** | *HK$'000* |
| Fair value changes on investment properties | **(6,587)** | (2,546) |
| Fair value changes on financial assets at fair value through profit or loss | **–** | (552) |
| Impairment loss recognised on right-of-use assets | **–** | (399) |
| Gain on disposal of a subsidiary (Note 17) | **1,218** | – |
| Gain on disposal/written off of property, plant and equipment | **137** | 63 |
| Others | **106** | 108 |
| | **(5,126)** | (3,326) |

## 8. FINANCE COSTS

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(unaudited)** | (unaudited) |
| | ***HK$'000*** | *HK$'000* |
| Interest on bank borrowings | **276** | 2,060 |
| Interest on lease liabilities | **1,759** | 3,143 |
| Interest on convertible bonds | **–** | 2,754 |
| | **2,035** | 7,957 |

## 9. INCOME TAX EXPENSES

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(unaudited)** | (unaudited) |
| | ***HK$'000*** | *HK$'000* |
| Current tax | | |
| – Hong Kong Profits Tax | **7,274** | 8,556 |
| – PRC Enterprise Income Tax | **9,133** | 9,602 |
| | **16,407** | 18,158 |
| Deferred Tax | **(1,005)** | (635) |
| | **15,402** | 17,523 |

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

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

A subsidiary in the Chinese Mainland is a High and New Technology Enterprise up to 2028, and was subject to a preferential corporate income tax rate of 15% for the six months ended 30 June 2026 (2025: nil).

## 10. PROFIT FOR THE PERIOD

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(unaudited)** | (unaudited) |
| | ***HK$'000*** | *HK$'000* |
| Profit for the period has been arrived at after charging: | | |
| Staff costs | | |
| – Directors' emoluments | **7,347** | 6,834 |
| – Other staff's salaries, bonus and other benefits | **330,189** | 350,065 |
| – Other staff's retirement benefits scheme contributions | **7,127** | 6,883 |
| | **344,663** | 363,782 |
| Amortisation of intangible assets | **2,057** | 1,966 |
| Depreciation of property, plant and equipment | **25,324** | 28,434 |
| Depreciation of right-of-use assets | **32,442** | 35,878 |

## 11. DIVIDENDS

During the current interim period, a final dividend of Hong Kong 0.18 cent per Share for the year ended 31 December 2025 (2025: a final dividend of Hong Kong 0.12 cent per Share for the year ended 31 December 2024) was declared to the owners of the Company. The aggregate amount of final dividend declared during the interim period amounted to approximately HK$12,192,000 (2025: HK$8,128,000).

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2026 (2025: nil).

## 12. EARNINGS PER SHARE

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

**Profit for the purposes of basic and diluted earnings per Share**

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | **(unaudited)** | (unaudited) |
| | ***HK$'000*** | *HK$'000* |
| Profit for the period attributable to owners of the Company | **12,903** | 12,727 |

**Number of Shares**

| | **30 June 2026** | 30 June 2025 |
|---|---|---|
| | **(unaudited)** | (unaudited) |
| Weighted average number of Shares for the purposes of basic and diluted earnings per Share | **6,773,522,452** | 6,773,522,452 |

There were no potential ordinary shares in issue during the six months ended 30 June 2026, and therefore the diluted earnings per share was presented as the same as the basic earnings per share.

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

## 13. TRADE AND OTHER RECEIVABLES

| | **30 June 2026 (unaudited)** *HK$'000* | 31 December 2025 (audited) *HK$'000* |
|---|---|---|
| Trade receivables | **405,104** | 359,407 |
| Bills receivables | **–** | 62,796 |
| | **405,104** | 422,203 |
| Deposits | **33,827** | 35,317 |
| Other receivables | **16,523** | 11,658 |
| Prepayments | **16,737** | 11,356 |
| | **472,191** | 480,534 |

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

| | **30 June 2026 (unaudited)** *HK$'000* | 31 December 2025 (audited) *HK$'000* |
|---|---|---|
| 0 – 60 days | **187,752** | 199,410 |
| 61 – 120 days | **116,131** | 164,729 |
| 121 – 180 days | **55,971** | 47,159 |
| 181 – 240 days | **29,365** | 5,949 |
| Over 240 days | **15,885** | 4,956 |
| | **405,104** | 422,203 |

Most of the patients of the medical and dental practices settle in cash. Payments arising from use of medical cards by patients will normally be settled within 180 to 240 days (31 December 2025: 180 to 240 days) whilst settlement by corporate customers for the Group's managed medical network operation is from 60 to 180 days (31 December 2025: 60 to 180 days). The Group allows credit period of 180 to 270 days (31 December 2025: 180 to 270 days) and 60 to 240 days (31 December 2025: 60 to 240 days) to its customers under mainland hospital management services and related services and trade customers under other business activities, respectively.

## 14. TRADE AND OTHER PAYABLES

| | **30 June 2026 (unaudited)** | 31 December 2025 (audited) |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Trade payables | **183,520** | 154,731 |
| Other payables | **45,879** | 36,634 |
| Deposits received | **5,853** | 4,497 |
| Accruals | **100,700** | 109,750 |
| | **335,952** | 305,612 |

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

| | **30 June 2026 (unaudited)** | 31 December 2025 (audited) |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| 0 – 60 days | **103,734** | 85,322 |
| 61 – 120 days | **23,589** | 23,786 |
| Over 120 days | **56,197** | 45,623 |
| | **183,520** | 154,731 |

The average credit period on purchase of goods is 60 to 120 days (31 December 2025: 60 to 120 days).

## 15. BANK BORROWINGS

| | 30 June 2026 (unaudited) HK$'000 | 31 December 2025 (audited) HK$'000 |
|---|---|---|
| Secured: | | |
| Mortgage loans | **10,110** | 10,774 |
| The bank borrowings are repayable as follows: | | |
| On demand and within one year | **1,375** | 1,326 |
| In more than one year but not more than two years | **1,444** | 1,397 |
| In more than two years but not more than three years | **1,517** | 1,472 |
| In more than three years but not more than four years | **1,592** | 1,553 |
| In more than four years but not more than five years | **1,671** | 1,637 |
| Over five years | **2,511** | 3,389 |
| | **10,110** | 10,774 |
| *Less:* Amounts due within one year shown under current liabilities | **(1,375)** | (1,326) |
| 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) | **(8,735)** | (9,448) |
| Non-current portion | **–** | – |

As at 30 June 2026 and 31 December 2025, the bank borrowings of the Group carried variable interest rate of Hong Kong Interbank Offered Rate ("**HIBOR**") +2.25% per annum.

As at 30 June 2026 and 31 December 2025, the Group's mortgage loans were secured by the Group's leasehold land and building with carrying value of approximately HK$25,755,000 (31 December 2025: HK$27,316,000) and supported by personal guarantee provided by non-controlling interests of the Company's non-wholly owned subsidiary which will be released upon repayment of the mortgage.

## 16. SHARE CAPITAL

| | Number of Shares | Amount *HK$'000* |
|---|---|---|
| Shares of HK$0.01 each | | |
| Authorised: | | |
| At 1 January 2025, 31 December 2025 and 30 June 2026 | 30,000,000,000 | 300,000 |
| Issued and fully paid: | | |
| At 1 January 2025, 31 December 2025 and 30 June 2026 | 6,773,522,452 | 67,735 |

## 17. DISPOSAL OF A SUBSIDIARY

On 24 June 2026, Town Health Dental Limited, an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Sea Dental Limited, an independent third party, to dispose of its entire 51% equity interest in Care Dental Limited ("Care Dental") for a cash consideration of HK$2,000,000. The principal activity of Care Dental is provision of dental services in Hong Kong. The aggregate amounts of the assets and liabilities attributable to Care Dental as at the date of disposal were as follows:

| | *HK$'000* |
|---|---|
| Property, plant and equipment | 183 |
| Inventories | 26 |
| Trade and other receivables | 2,441 |
| Cash and cash equivalents | 622 |
| Trade and other payables | (1,328) |
| Tax payable | (413) |
| Net assets disposed of | 1,531 |
| Less: Non-controlling interests derecognised | (749) |
| Gain on disposal of a subsidiary | 1,218 |
| Consideration | 2,000 |

| | *HK$'000* |
|---|---|
| Net cash inflow arising from disposal | |
| Net cash disposed of by the subsidiary | (622) |
| Consideration received | 2,000 |
| | 1,378 |

Note: Upon the disposal of Care Dental, other reserves of the Group in relation to the capital contribution derecognised amounting to HK$228,000 has been transferred to accumulated profits.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

The Company hereby reports the results of the Group for the six months ended 30 June 2026.

During the period under review, the Group recorded an unaudited profit of approximately HK$37,240,000 (2025: HK$35,593,000), including an unaudited profit attributable to owners of the Company of approximately HK$12,903,000 (2025: HK$12,727,000). If the "other gains and losses, net", which comprise the gains and losses incurred outside the Group's ordinary course of business, as shown in the condensed consolidated statement of profit or loss are excluded, the Group would have recorded an unaudited operating profit of approximately HK$42,366,000 (2025: HK$38,919,000), including an unaudited operating profit attributable to owners of the Company of approximately HK$18,029,000 (2025: HK$16,053,000) with respect to its business operations for the six months ended 30 June 2026. The overall results of the Group were mainly affected by the following factors:

### Increase in Fair Value Losses on Investment Properties

The Group recorded fair value losses on the Group's investment properties of approximately HK$6,587,000 for the six months ended 30 June 2026 (2025: HK$2,546,000). The increase in fair value losses on investment properties was mainly due to the continuing contraction in the Hong Kong property market during the period under review.

### Decrease in Finance Costs

The Group recorded finance costs of approximately HK$2,035,000 for the six months ended 30 June 2026 (2025: HK$7,957,000). The decrease in finance costs was mainly due to the repayment of bank borrowings in May 2025 and the redemption of convertible bonds in September 2025 by the Group.

## BUSINESS REVIEW

The Group is one of the largest listed healthcare groups with the longest history in Hong Kong and one of the few local comprehensive medical institutions that provides healthcare services in both Hong Kong and the Chinese Mainland. Leveraging its extensive medical resources and professional teams, the Group's business covers four core areas, including medical services and managed medical network in Hong Kong; hospital management and health management in the Chinese Mainland. In addition, the Group is engaged in aesthetic medical and beauty and wellness services in Hong Kong and the Chinese Mainland through its associate, The Beauty Medical Group (TBMG).

In the first half of 2026, the macroeconomic environment remained complex and volatile. The weak global growth momentum and continued cautious local consumer sentiment, as well as the sustained trend of cross-border consumption and cross-border medical treatment among residents, imposed certain pressures on the operating environment of the private healthcare sector in Hong Kong. Medical demand gradually shifted toward more cost-effective and diversified options and the penetration of digitalised services continued to increase, leading to intensified competition across the sector. Against this backdrop, the Group continued to comprehensively review its operational strategies and optimise the network layout of its medical services in Hong Kong, striving to improve operational efficiency and the efficiency of resource allocation, so as to deliver high-quality, affordable and value-for-money comprehensive medical services to customers.

With regard to the market in the Chinese Mainland, medical system reform continued to deepen, while policy environment and regulatory requirements became more standardized and professional, imposing higher standards on non-public medical institutions in terms of clinical quality, brand development and refined management capabilities. The Group manages and operates a non-public Grade III Level A general hospital as well as health management institutions in the Chinese Mainland. Faced with multiple challenges including medical resource integration, cost control and service upgrading, the Group keeps optimising its management structure and lifting operational efficiency so as to bolster medical service quality and brand competitiveness.

Against this overall backdrop, the Group adopts a prudent and pragmatic business strategy for its medical services and managed medical network businesses in Hong Kong, as well as its hospital management and health management businesses in the Chinese Mainland. The management team will further consolidate core strengths on the solid foundation and enhance operational resilience and resource efficiency, to promote long-term steady growth and deliver greater returns to the Shareholders.

## Healthcare Service Network of the Group

As of 30 June 2026, the Group had 415 healthcare service points covering multiple practices, including 248 general practice service points, 58 specialist service points, 15 dental service points and 94 auxiliary service points. As of 30 June 2026, the Group had a total of 792 doctors, dentists and auxiliary service staff (including 415 general practitioners, 206 specialists, 29 dentists and 142 auxiliary service staff), all of whom provided healthcare services via the Group's network of self-operated and affiliated medical service centres.

### *Businesses 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. In Hong Kong, the Group has established 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 tiered positioning and a multi-brand layout, the Group keeps expanding its market coverage and service scope.

During the period under review, the Group conducted a comprehensive review of its operating strategies with a view to enhancing operational efficiency and the efficiency of resource allocation. The Group introduced a new operating model by extending the opening hours of certain medical centres to provide round-the-clock services, adding general practice video consultation services, establishing and renovating integrated medical centres with multiple consultation rooms, and bringing specialist services into local communities. The new operating model helped expand the service capacity and improve its cost structure, enabling the provision of high-quality, affordable and value-for-money comprehensive medical services for customers, and also effectively enhanced the revenue and profitability of the Group's medical services business. Meanwhile, the Group continued to optimise the layout of its medical services network in Hong Kong, including closing medical centres with suboptimal operating efficiency or those recording losses.

As a proactive response to the government's primary healthcare development strategy, the Group strengthened public-private partnership to enhance the accessibility of private medical services. The Group's medical centres of general practice services and integrated medical centres have participated 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 Scheme, Hepatitis B Co-care Scheme, Colorectal Cancer Screening Programme, Vaccination Subsidy Scheme, Elderly Health Care Voucher Programme, etc., actively safeguarding the health of the public.

In the first half of 2026, the revenue from the Group's medical services in Hong Kong was approximately HK$340,651,000 (2025: HK$377,546,000), accounting for approximately 38.87% (2025: 41.91%) of the Group's revenue for the six months ended 30 June 2026.

**In respect of general practice services**, the Group's medical centres of general practice services, located in densely populated communities, provide consultation, vaccination, health check and chronic disease management services to cater for the primary healthcare needs of nearby residents and workers.

During the period under review, the Group continued to establish medical centres with multiple consultation rooms at convenient transport hubs in densely populated residential districts. In April 2026, Town Health Integrated Medical Centre (Island East) was officially opened. The new centre is situated at Shop 8, Ground Floor, Roca Centre, Nos. 460-470 King's Road, a prime location in North Point and is directly accessible via Exit B3 of North Point MTR Station. The centre delivers convenient and efficient one-stop medical services for local residents and office workers, helping the Group raise service density and market penetration in Hong Kong Island East. In July 2026, Town Health Integrated Medical Centre (Tseung Kwan O), located at Shop L2-088, Metro Town (Exit B of Tiu Keng Leng MTR Station), resumed operation upon the completion of renovation works. In addition to general practice services, specialist services have been newly introduced to cater to the healthcare needs of residents in Tseung Kwan O and neighbouring communities. Both Town Health Integrated Medical Centre (Island East) and Town Health Integrated Medical Centre (Tseung Kwan O) adopt a multi-consultation-room layout, allowing multiple doctors to attend patients concurrently, which effectively expands service capacity, cuts waiting times and boosts overall operational efficiency.

Meanwhile, a number of the Group's medical centres of general practice services have been upgraded and transformed into integrated medical centres, with specialist medical services including otorhinolaryngology, respiratory medicine as well as gastroenterology and hepatology successively launched. The Group aims to bring specialist medical services from central business districts to residential communities, lowering patients' travelling fatigue, time expenditure and economic costs incurred by seeking medical treatment across districts. These integrated medical centres fully reflect the two-way referral mechanism between general practice and specialist services of the Group, allowing patients to receive appropriate referrals and follow-up treatments within the same medical centre, which improves service continuity and customer retention rate.

In addition, many of the Group's medical centres have extended their service hours to 8:30 a.m. to 8:30 p.m. every day including weekends and public holidays, operating all year round. The Group also provides round-the-clock general practice video consultation service available from Monday to Sunday as well as on public holidays, and the "Town Health Medical" mobile application to supplement the 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. The aforesaid operational strategies enable working people and families to arrange medical consultations flexibly. Meanwhile, such strategies improve service accessibility, optimise customer experience, and enhance overall operational efficiency and the ability to amortise fixed costs.

**In respect of specialist 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 allied health professionals and currently provides over 20 types of specialist services and allied health services. Its major facilities are primarily located in the core area of Central, including the Integrated Medical Centre, the Oncology Day Centre, the Paediatric Centre, the Orthopaedics and Sports Medicine Centre, the Dental & Maxillofacial Centre, the Speech and Swallowing Therapy Centre in Central 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 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" effectively boosts the efficiency of cross-specialty collaboration, streamlines diagnosis and treatment process, eliminates the need for patients to travel between separate locations and improves the overall medical consultation experience. During the period under review, "Hong Kong Medical Consultants" maintained stable business operations and continuously consolidated its positioning in the high-end specialist services market.

The Group's cardiology department continues to operate medical centres and medical imaging and diagnostic centres across Hong Kong Island, Kowloon and the New Territories under the "Hong Kong Cardiac Centre" and "Hong Kong Cardiac Diagnostic Centre". The orthopaedics and traumatology department of the Group runs medical centres across various districts in Kowloon and the New Territories under the "Hong Kong Traumatology & Orthopaedics Institute" brand, and has established two sub-brands, including "TOI Physiotherapy Centre" which specialises in providing physiotherapy services and "Elite Physiotherapy and Sports Rehabilitation" which is dedicated to offering sport injury rehabilitation. The Group's cardiology and orthopaedics and traumatology departments are staffed with professional medical teams offering comprehensive specialist consultation, check and rehabilitation services. During the period under review, all specialist businesses of the Group maintained steady development with stable service networks and professional teams in place. The Group has kept optimising referral, diagnosis and treatment process, and strengthened connectivity with primary healthcare services, so as to lift overall service efficiency and customer experience.

**In respect of dental services**, the Group pays close attention to the development trend of the local dental services market and changes in residents' oral health demands, and flexibly adjusts operational strategies and service portfolios in response to changes in the marketing environment and consumption patterns. By optimising the layout of its dental centre network, tightening cost control and elevating service quality, the Group is committed to improving operational efficiency and customer experience, while actively capturing development opportunities arising from the demand for preventive and specialist dental services.

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. In May 2026, the Group signed a Memorandum of Understanding with Viatris Healthcare Hong Kong Limited to jointly promote community health. Leveraging their respective expertise and resources, both parties enhanced public understanding of illnesses and jointly conducted a local questionnaire survey to gain in-depth insights into the prevalence of pain and cardiovascular risks among working populations. In response to the questionnaire survey results, the Group launched pain and cardiovascular health programmes for members of teachers' associations, offering them professional diagnosis and advice to address the health challenges faced by working populations.

In accordance with the regulatory requirements under the Private Healthcare Facilities Ordinance (Chapter 633), the Group has submitted applications for clinic licences for its medical centres. The Group will refine internal management and facility configurations on an ongoing basis to comply with the licensing requirements.

*Managed Medical Network—Vio*

Dr. Vio & Partners Ltd. (Vio) is responsible for operating the Group's managed medical network business in Hong Kong and provides outpatient consultations and health check-up services through its four self-operated medical centres located in Central, Tsim Sha Tsui, Tsuen Wan and Sha Tin. Leveraging over 78 years of industry experience and a comprehensive medical service network comprising 575 affiliated healthcare service providers, Vio has established a service platform covering primary care and a broad spectrum of specialist and allied health disciplines. It provides medical consultations, health check-ups and/or healthcare scheme management services to blue-chip corporations, insurance companies, government departments and statutory bodies. 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 built a solid foundation in service quality and information security.

In the first half of 2026, the global and Hong Kong economic environments remained subdued. Local consumption sentiment was cautious, and the continued trend of cross-border consumption and medical treatment diverted part of the demand for private healthcare services in Hong Kong. These factors posed challenges to Vio's revenue and profitability, and overall business performance remained under pressure. The Group's managed medical network business in Hong Kong recorded revenue of approximately HK$220,667,000 (2025: HK$233,162,000), accounting for approximately 25.18% (2025: 25.88%) of the Group's revenue for the six months ended 30 June 2026.

Despite the unfavourable macroeconomic environment, Vio successfully renewed contracts with almost all its key clients. This reflects the trust and recognition of corporate clients and insurance companies in Vio's service quality, network coverage and internationally recognised management standards. Its stable client base provides a predictable source of revenue and reinforces Vio's core position in Hong Kong's managed medical network market.

To address market competition and the increasing demand for more specialised healthcare services, Vio continued to recruit additional affiliated general practitioners and specialists to further enhance the structure of its medical network and meet clients' demand for more comprehensive medical services. Through closer collaboration with the Group's self-operated medical centres, Vio continued to broaden service coverage and scope, thereby improving the overall patient experience. Meanwhile, the upgrade of Vio's proprietary Clinic Management System (web-CMS) is on schedule and is expected to be completed in 2027, which will enhance operational efficiency and service stability.

In respect of human resources and service quality management, Vio continued to strengthen staff retention and engagement through a mentorship programme and a family-friendly corporate culture, supplemented by regular training to reinforce customer service standards and information security awareness.

In compliance with the regulatory requirements under the Private Healthcare Facilities Ordinance (Cap. 633), Vio was successful in obtaining full licences quickly for all its core clinics in 1H2026. This is a demonstration of execution capability of the team, and the process has upgraded staff competence according to updated protocols as set out under the latest regulatory framework.

***Business 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 period under review, Nanyang Xiangrui continued to provide professional hospital management and consulting services to Nanshi Hospital in Nanyang City, Henan Province, a non-public Grade III Level A general hospital, and deeply promoted its "general hospital + branches" operating model. This model helps optimise the allocation of medical resources and enhance service synergy and operational efficiency, supporting Nanshi Hospital in steadily advancing towards its strategic positioning as a regional comprehensive medical and rehabilitation centre. During the period under review, the general hospital and branches of Nanshi Hospital maintained stable operation with sound overall development momentum, demonstrating the sustained effectiveness of Nanyang Xiangrui's management output.

In terms of smart healthcare construction, Nanshi Hospital has continuously rolled out digital and intelligent applications. From its launch to June 2026, the internet hospital of Nanshi Hospital has recorded over 1,680,000 visits in aggregate, and has effectively expanded the coverage of medical services, improved healthcare accessibility and optimised patient consultation procedures. The comprehensive management platform of the Nanshi Hospital has started the "AI + Pre-diagnosis Assessment System" trial since February 2025, forming a full-process data sharing model covering pre-diagnosis assessment, AI examination suggestions, doctor's diagnosis, automatic retrieval of examination results, AI diagnosis and treatment suggestions and doctor's treatment programme. The diagnosis and treatment method is gradually shifting from sole empirical judgment to "clinical experience and intelligent analysis". The application of AI system has raised the standardisation of diagnosis and treatment as well as the operational efficiency, and improved patients' medical experience.

In terms of specialty construction, Nanshi Hospital kept strengthening the layout of its specialty platform and multidisciplinary collaboration. During the period under review, the Comprehensive Oncology Diagnosis and Treatment Centre was officially put into operation. It adopts a one-stop diagnosis and treatment model integrating medical and surgical oncology services to build a benchmark for regional oncology diagnosis and treatment. The Cognitive Impairment Diagnosis and Treatment Centre and the Traditional Chinese Medicine Characteristic Treatment Clinic were successively inaugurated, further improving the service system for neurological disorders and integrated traditional Chinese medicine and western medicine. Nanshi Hospital was also approved to establish the Nanyang Cerebrovascular Disease Diagnosis and Treatment Centre as well as the Nanyang Sleep Disorder Diagnosis and Treatment Centre. In addition, the Department of Medical Imaging was accredited as a municipal key clinical specialty, and the Clinical Pharmacy was selected as a municipal key nurtured clinical specialty. Nanshi Hospital's specialty influence and service capacity have been improved continuously.

The Brain-Computer Interface Ward was formally established, positioning Nanshi Hospital to capture first-mover opportunities in the neurological healthcare market in central China and offering promising prospects for future development. In support of this initiative, the therapeutic division of the Department of Rehabilitation Medicine completed its full relocation and upgrade, with its diagnostic and treatment areas and equipment comprehensively optimised. A Brain-Computer Interface and Neuromodulation Centre was established concurrently to serve as the Ward's core operating platform. The establishment of the Brain-Computer Interface Ward and the relocation and upgrade of the therapeutic division of the Department of Rehabilitation Medicine represent important initiatives undertaken by Nanshi Hospital to align with the strategic direction of the "Outline of the 15th Five-Year Plan for the National Economic and Social Development of the People's Republic of China" and promote the deeper integration of artificial intelligence and cutting-edge brain science technologies into healthcare. Through the Brain-Computer Interface and Neuromodulation Centre, Nanshi Hospital became one of the first Grade III Level A hospitals in the region to systematically introduce brain-computer interface technology into clinical rehabilitation, filling a technological gap in advanced intelligent neurological rehabilitation in Nanyang and south-western Henan Province. By pooling multidisciplinary resources across neurology, neurosurgery and rehabilitation medicine, the Centre has built a high-level integrated platform covering clinical treatment, technological research and development, achievement transformation as well as personnel training. It will provide new diagnostic and treatment pathways for patients with neurological impairments arising from stroke, spinal cord injury, Parkinson's disease and other conditions.

In the field of scientific research and innovation, during the period under review, the "Scar Softening Liquid and Its Preparation Method" independently developed by Nanshi Hospital was granted a national invention patent, demonstrating Nanshi Hospital's research strength in the prevention and treatment of burns, traumas and scars. This achievement lays a solid foundation for the subsequent clinical application and industrial transformation of Nanshi Hospital.

Overall, in light of the industry's shift from scale-oriented development to quality and efficiency-oriented development, Nanyang Xiangrui continued to promote management efficiency and medical service quality of Nanshi Hospital by advancing smart healthcare, deepening specialty development and strengthening scientific research and innovation, thereby consolidating its competitive advantages in the medical service market of Henan Province.

*Health Management Business*

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

In Guangdong Province, leveraging its geographical advantage of being adjacent to hospitals and reproductive medicine centres, Guangzhou Integrated Clinic provided clients with peripheral supporting services for assisted reproductive services and life cycle healthcare services for female, and is set with a pharmacy. During the period under review, Guangzhou Integrated Clinic continuously optimised supporting services covering pre-pregnancy care, antenatal management and foetal protection treatment. On this basis, building on its established integrated medical service platform, Guangzhou Integrated Clinic has expanded its service portfolio beyond existing gynaecology, andrology, cardiovascular and cerebrovascular health management as well as electrophysiological examinations by introducing traditional Chinese medicine gynaecology and urology services, which deepened its specialty layout and differentiated positioning and further diversified revenue streams. Meanwhile, Guangzhou Integrated Clinic and its pharmacy adopted integrated management and integrated personnel configuration and process, to boost operational efficiency and effectively control cost, thus to further improve the overall profitability.

Shenzhen Ganghe Clinic prioritises service innovation and cross-border collaboration as its core development directions. During the period under review, the weight management service was upgraded from traditional weight management model to doctor-led scientific weight-loss solution. The customised personalised programmes for clients, as well as exercise and nutrition guidance, traditional Chinese medicine conditioning, medicinal diet therapy and other auxiliary services, enhanced effectiveness and customer retention rate. During the period under review, Shenzhen Ganghe Clinic also launched cardiopulmonary exercise testing services and established partnership with a public Grade III Level A general hospital in Shenzhen to expand professional technical backing and revenue streams. Benefiting from its geographic proximity to Hong Kong, Shenzhen Ganghe Clinic acted as a vital bridge linking the Group's businesses in Hong Kong and Shenzhen, deepened cooperation with insurance companies and medical institutions, and provided support services for Hong Kong patients seeking medical treatment in Chinese Mainland, thereby enhancing the cross-border medical integration capability.

In Shandong Province, the Town Health International Health Management Centre, located in China Life Building in Jinan City, continued to focus on high-end health check and delivered one-stop health management services. Its primary clients fall into two categories, i.e. CLIS and its prefecture-level city branches, and regional corporate clients. During the period under review, the centre further deepened development of the "healthcare + insurance" service scenario, proactively catered to the health management demands of the clients of CLIS and consolidated the foundation for business collaboration of both parties. While maintaining stable existing partnerships, the Town Health International Health Management Centre continuously optimised its customer mix and market layout, stepped up efforts to acquire corporate clients, and achieved steady growth in the number of health check clients and revenue. In terms of service, in addition to high-end health check, the centre joined hands with high-quality medical institutions and experts across the province to deliver a diverse range of health management services, including imaging examinations, remote consultation, dental care, traditional Chinese medicine health management and chronic disease management, enhancing its service extension capability and overall competitiveness.

## OUTLOOK

Overall, the Group maintains a prudent yet positive outlook on the long-term development of the healthcare markets in Hong Kong and the Chinese Mainland. In the future, on the premise of rigorous risk management, the Group will upgrade its healthcare service portfolio and network, and seize opportunities arising from the coordinated development of the Guangdong-Hong Kong-Macao Greater Bay Area, to continuously consolidate core competitiveness, drive steady business expansion, achieve high-quality and sustainable long-term growth, and generate greater returns for the Shareholders.

The Group stands ready to integrate existing healthcare resources across its various business segments in Hong Kong and the Chinese Mainland. To meet the health needs of more than 88 million residents in the Guangdong-Hong Kong-Macao Greater Bay Area, it will connect its medical centre chain, medical imaging and diagnostic centres, health management centres, hospitals and internet hospital to build a full-cycle, integrated and one-stop healthcare service ecosystem.

## Hong Kong

In respect of medical services, the Group proactively supports the government in implementing Public Healthcare Fees and Charges Reform and the Primary Healthcare Blueprint, further consolidating its position as a key participant in Hong Kong's private primary care sector. Supported by one of the largest and most extensive chained medical centre networks in Hong Kong, the Group consistently delivers comprehensive medical services featuring high quality, affordability and value-for-money for citizens. The Group also takes part in government-funded and public-private partnership programmes for primary healthcare, to promote the development of primary healthcare towards prevention-focused and community-based model. Looking ahead, the Group aims to enhance the accessibility and coverage density of its healthcare services, strategically optimise its medical network layout, and prudently open integrated medical centres with multiple consultation rooms in densely populated and transportation hubs. Meanwhile, the Group plans to extend more specialty services, including otorhinolaryngology, respiratory medicine, gastroenterology and hepatology, from core business districts to residential communities, to bring specialist services closer to residents' daily lives and reduce the time and economic costs incurred by cross-district medical visits. Meanwhile, the Group will keep expanding its general practice and specialist medical teams, refine the two-way referral and follow-up mechanisms, and establish a more closely linked service model covering primary healthcare to specialist services as well as diagnosis to treatment, so as to improve the consistency and continuity of medical experience. In terms of smart healthcare, the Group will accelerate digital transformation. It will expand the application scenarios of video consultation on one hand, and upgrade the functions of the "Town Health Medical" website and mobile application on the other hand to realise seamless integration of online and offline medical resources, thereby boosting service convenience and operational efficiency. Meanwhile, the Group will deepen strategic cooperation with insurance companies and corporate clients to capture customer groups with medical security demands and further consolidate its steady revenue base. By adopting a three-pronged approach consisting of optimising the layout of medical centre network, expanding professional teams and boosting technological adoption, the Group will continuously improve resource utilisation efficiency, cut patient waiting times and optimise cost structures, to provide more convenient, coherent and valuable medical service experience for citizens, elevating the flagship business of medical services in Hong Kong to a stage of higher-quality and more sustainable development.

In terms of medical network management, Vio will continue to uphold high management standards and delivery of quality service as its core development principles, reinforcing its market position as Hong Kong's only medical network operator with double ISO certifications in Quality Management and Information Security. It will further strengthen long-term healthcare partnership with blue-chip corporations, insurance companies, government departments and statutory bodies. Drawing on its well-established medical network management expertise, Vio will continue to provide flexible and cost-effective healthcare solutions and value-added services, assisting corporate clients in controlling medical costs while enhancing employee medical benefits and overall health management outcomes. We anticipate the publication of the ISO 9001:2026 revision in Quality Management System (QMS). The 2026 update introduces several focused adjustments to align QMS with modern business needs. Vio will review the key changes, perform a gap assessment and train leadership and staff in preparation to meet the new requirements. In addition, Vio will further deepen collaboration with the Group's self-operated medical centres, strengthen referral coordination and resource-sharing mechanisms, and enhance market coverage and overall operational efficiency.

**Chinese Mainland**

In terms of hospital management, Nanyang Xiangrui will closely follow the theme of high-quality development in the medical industry. Centering on the dual pillars of improvement of medical quality and refined management, it will continuously optimise the operating system and disciplinary layout of Nanshi Hospital. While consolidating Nanshi Hospital's existing strengths in specialist services, it will further press ahead with the development of key specialties and multidisciplinary collaboration mechanism, bolster the building of specialty brands and expand the regional influence. Meanwhile, Nanshi Hospital will improve the construction of talent team, step up the cultivation of young medical staff and core scientific research personnel, and establish more scientific mechanisms for talent recruitment, training and incentives to lay a solid foundation for long-term development. Adhering to the development strategy of "revitalising the hospital through science and technology", Nanshi Hospital will increase investment in scientific research funds and platform development efforts, promote in-depth integration between clinical treatment and basic research, and advance integration of medicine and engineering as well as the achievement transformation, to incubate more pharmaceutical products and technical achievements with independent intellectual property rights. At the same time, Nanshi Hospital will deepen the application of smart healthcare and optimise service process to improve patients' overall medical experience throughout the treatment process and realise coordinated improvements in medical quality and operational efficiency. Within the Group's overall strategic framework, Nanyang Xiangrui will continue to strengthen its management output and resource integration capabilities, support Nanshi Hospital in boosting its core competitiveness and sustainable development capacity, and drive steady growth for the Group's hospital management business in the Chinese Mainland.

As to health management, the Group's health management business will stick to the development direction of "improvement of quality and efficiency, intensive regional development", and constantly enhance service capacity and professional service level of each local institution, to drive sustainable growth in customer size and per capita consumption and consolidate revenue base and profitability. Each local institution will adjust its product portfolio in light of local market characteristics and launch differentiated, targeted health management services to enhance customer appeal and market penetration rate. In Guangdong Province, Guangzhou Integrated Clinic will keep capitalising on its geographical proximity to hospitals and reproductive medicine centres to deepen its gynaecology and andrology service layout, and will also further expand services related to foetus protection as well as cardiovascular and cerebrovascular health management to amplify synergies among specialty services. Shenzhen Ganghe Clinic will focus on the development of weight management and chronic disease management services to steadily expand its customer base and strengthen partnerships with insurance companies. In the meantime, it will offer concierge support services for Hong Kong patients seeking medical treatment in the Chinese Mainland so as to upgrade its cross-border service capabilities. In Shandong Province, the Town Health International Health Management Centre will further deepen cooperation with CLIS and its branches and strengthen resource integration and business synergy. Leveraging its existing advantageous and characteristic products and professional team, the Town Health International Health Management Centre will design more targeted and personalised health check solutions for clients, and proactively develop regional corporate clients to gradually expand market coverage and promote steady and sustainable business development.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts a prudent cash and financial management policy. As at 30 June 2026, the Group held total bank balances and deposits of approximately HK$1,470,537,000 (31 December 2025: HK$1,364,158,000), including fixed bank deposits of approximately HK$265,165,000 (31 December 2025: HK$176,066,000), pledged bank deposits of approximately HK$1,038,000 (31 December 2025: HK$1,024,000) and bank balances and cash of approximately HK$1,204,334,000 (31 December 2025: HK$1,187,068,000). The majority of the Group's bank balances and cash are deposited with banks in Hong Kong and the Chinese Mainland and denominated mostly in HK$, 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 30 June 2026, the Group had bank borrowings of approximately HK$10,110,000 (31 December 2025: HK$10,774,000) of which approximately HK$1,375,000 (31 December 2025: HK$1,326,000) are repayable within one year. The Group's loans were arranged on a floating interest rate basis and denominated in HK$. As at 30 June 2026, the Group had available unutilised banking facilities of HK$20,000,000 (31 December 2025: HK$20,000,000). Details of the bank borrowings of the Group are set out in note 15 to the condensed consolidated financial statements for the six months ended 30 June 2026 set out in this announcement.

As at 30 June 2026, the Group's net current assets amounted to approximately HK$1,399,306,000 (31 December 2025: HK$1,329,944,000) and the Group had a current ratio (defined as total current assets divided by total current liabilities) of 3.65 (31 December 2025: 3.64). As at 30 June 2026, the Group's gearing ratio (defined as total bank borrowings divided by equity attributable to owners of the Company) was 0.33% (31 December 2025: 0.36%). The Group considers the level of liabilities of a company reflects its financial health. The Group strives to keep the level of borrowings at a minimum and to maintain ample internal resources to support its business operations, not only to reduce interest burden, but also to enable the Group to respond to changes and capture business opportunities in a timely manner when they arise. As such, both current ratio and gearing ratio are useful in assessing the Group's financial positions. While higher current ratio reflects sufficiency of the Group's assets and the capability of the Group to meet its debt repayment obligations, lower gearing ratio represents lesser reliance on debt financing and greater financial stability of the Group. During the period under review, the Group's liquidity position was well-managed and the Group's financial resources were sufficient to support its business operations. Where necessary, the Group may also consider other fund raising activities when opportunity arises under favourable market conditions.

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

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

## CAPITAL STRUCTURE

As at 30 June 2026, the Group had equity attributable to owners of the Company of approximately HK$3,033,357,000 (31 December 2025: HK$2,997,481,000).

## SHARE CAPITAL

Details of movements in the share capital of the Company during the period under review are set out in note 16 to the condensed consolidated financial statements for the six months ended 30 June 2026 set out in this announcement.

## SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL

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

## PLEDGE OF ASSETS

As at 30 June 2026, the Group pledged certain assets of approximately HK$26,793,000 (31 December 2025: HK$28,340,000), among which (i) leasehold land and building of approximately HK$25,755,000 (31 December 2025: HK$27,316,000) was pledged for the mortgage loans while (ii) bank deposits of approximately HK$1,038,000 (31 December 2025: HK$1,024,000) were pledged for the general banking facilities.

## CONTINGENT LIABILITIES

As at 30 June 2026, the Group had no significant contingent liabilities (31 December 2025: nil).

## LITIGATION

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

**2023 Profit Guarantee**

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

On 23 April 2024, the Buyer served a notice in accordance with the Share Purchase Agreement to the Seller, Central Healthcare Group Limited, Dr. Tsang Wah Tak, Kenneth and Mr. Shiu Shu Ming (the "**Respondents**") to demand them, along with the other Seller Parties, to pay to the Buyer the Claim Amount on or before 30 April 2024. Notwithstanding the lapse of 30 April 2024, the Respondents have failed to pay the Claim Amount. Due to the failure to pay the Claim Amount, after taking legal advice, on 4 June 2024, the Buyer has initiated proceedings against the Respondents claiming, among others, the Claim Amount, the related interest, the legal fees and costs.

During the course of the proceedings, the Company has identified certain transactions of Central Medical Group in the total sum of HK$5,000,000 that may not be directly attributable to Central Medical Group's operational activities for the financial year ended 31 March 2023. As advised by the Company's legal adviser, for the purposes of the performance target and the Profit Guarantee pursuant to the Share Purchase Agreement, such amount (which would overstate Central Medical Group's profit from operation for the financial year ended 31 March 2023 by HK$5,000,000) should be excluded in the determination of the Adjusted Net Profit for the financial year ended 31 March 2023 (the "**2023 Excluded Amount**").

According to the legal advice, the Buyer is therefore legally entitled to claim a further sum of HK$75,000,000 (being the 2023 Excluded Amount of HK$5,000,000 x 15) for the Seller Parties' non-satisfaction of the performance target for the financial year ended 31 March 2023.

Consequently, on 8 September 2025, the Buyer took steps in the proceedings to amend the original Claim Amount of HK$97,956,690 to HK$172,956,690 (the "**Revised FY2023 Claim Amount**").

**2024 Profit Guarantee**

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

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

The Seller Parties have failed to meet the Profit Guarantee for the financial year ended 31 March 2024. After taking legal advice, on 29 August 2025, the Buyer served notices in accordance with the Share Purchase Agreement to the Respondents to demand them, along with the other Seller Parties, to pay to the Buyer on or before 5 September 2025 an amount in the sum of HK$234,070,695 (i.e. (HK$30,000,000 – HK$14,395,287) x 15) (the "**FY2024 Claim Amount**"), being the Buyer's legal entitlement under the Share Purchase Agreement pursuant to the legal advice. Notwithstanding the lapse of 5 September 2025, the Respondents have failed to pay the FY2024 Claim Amount. Therefore, on 8 September 2025, the Buyer initiated proceedings against the Respondents claiming, among others, the FY2024 Claim Amount, the related interest, the legal fees and costs.

After taking legal advice, the Company has withheld payment of the principal amount in the total sum of HK$64,694,000 to two holders of Tranche C Convertible Bonds, Peak Summit Development Limited and Wealth Basin Limited, which, based on the information available to the Company, have been at all material times controlled and owned by two of the Respondents Dr. Tsang Wah Tak, Kenneth and Mr. Shiu Shu Ming respectively. The Company has also sought for declaratory relief in the proceedings to, among other things, set off the liabilities under the abovementioned Tranche C Convertible Bonds against the liabilities owed by Dr. Tsang and Mr. Shiu to the Buyer under the Share Purchase Agreement, including but not limited to the Revised FY2023 Claim Amount and FY2024 Claim Amount.

The proceedings related to the Profit Guarantee are still ongoing and no award has been handed down. Due to the confidential nature of those proceedings, the Company is not able to disclose further information at this time. The Company will issue further announcement(s) to update the development of the above matter, as and when appropriate, in accordance with the Listing Rules.

## EVENTS AFTER REPORTING PERIOD

Save as disclosed in this announcement, there was no important event affecting the Group which has occurred since 30 June 2026.

## HUMAN RESOURCES AND TRAINING SCHEME

As at 30 June 2026, the Group employed 1,327 staff (31 December 2025: 1,345 staff). Total employee costs for the six months ended 30 June 2026 amounted to approximately HK$344,663,000 (2025: HK$363,782,000), including directors' emoluments of approximately HK$7,347,000 (2025: HK$6,834,000). The salary and benefit levels of the employees of the Group are competitive and individual performance is rewarded through the Group's salary and bonus system. Remuneration packages are reviewed annually. Training is valued as essential to the personal growth of employees, which also ensures and improves the Group's customer services. Apart from the strict code of conduct that all employees shall follow, employees are also provided with customised trainings and handbooks with respect to their specialities.

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

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

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

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

## REVIEW OF INTERIM RESULTS

The condensed consolidated financial information of the Group for the six months ended 30 June 2026 has not been audited, but has been reviewed by the audit committee of the Board. Moore CPA Limited, as the Company's auditors, has reviewed the condensed consolidated interim financial statements of the Group for the six months ended 30 June 2026 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

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

Hong Kong, 26 August 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

| | |
|---|---|
| Board | the board of Directors |
| Central Medical | Central Medical Holdings Limited, a company incorporated under the laws of the British Virgin Islands |
| China or PRC | the People's Republic of China |
| 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 Macao 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 |

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| Guangzhou Integrated Clinic | Guangzhou Integrated Clinic is a clinic under the operation of 廣州宜康醫療管理有限公司 (in English, for identification purpose only, Guangzhou Yikang Medical Management Co., Ltd.) (a company established in the PRC with limited liability and a subsidiary of the Company) in Guangzhou City, Guangdong Province in the PRC |
| HK$ | Hong Kong dollars, the lawful currency of Hong Kong |
| HKICPA | Hong Kong Institute of Certified Public Accountants |
| Hong Kong | Hong Kong Special Administrative Region of the PRC |
| Hong Kong Medical Consultants | Hong Kong Medical Consultants Limited, a company incorporated in Hong Kong with limited liability, which is a wholly-owned subsidiary of the Company |
| Listing Rules | the Rules Governing the Listing of Securities on the Stock Exchange |
| Nanshi Hospital | 南陽南石醫院 (in English, for identification purpose only, Nanshi Hospital of Nanyang) |
| Nanyang Xiangrui | 南陽祥瑞醫院管理諮詢有限公司 (in English, for identification purpose only, Nanyang Xiangrui Hospital Management Advisory Co., Ltd.), a subsidiary of the Company |
| period under review | the six months ended 30 June 2026 |
| RMB | Renminbi, the lawful currency of the PRC |
| Share(s) | ordinary share(s) of HK$0.01 each in the share capital of the Company |
| Shareholders | holders of the Share(s) |

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