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)

INTERIM REPORT 2026

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Choi Ka Tsan Karson, *GBS, JP*
(Chairman and Chief Executive Officer)
Dr. Fok Siu Wing Dominic
Ms. Zhang Xiaoxue
Mr. Huang Yu

Non-executive Directors

Ms. Lee Wai Ling Linda
Ms. Lau Suk Hing Clara
Mr. Liu Yang
Ms. Zhang Leidi

Independent Non-executive Directors

Mr. Yu Xuezhong
Dr. Xu Weiguo
Mr. Han Wenxin
Mr. Chan Wai Kan
Mr. Cheung Ka Ming
Mr. Tsui Wing Cheong Sammy

BOARD COMMITTEES

Audit Committee

Mr. Chan Wai Kan *(Chairman)*
Mr. Liu Yang
Dr. Xu Weiguo
Mr. Cheung Ka Ming

Remuneration Committee

Mr. Cheung Ka Ming *(Chairman)*
Mr. Liu Yang
Mr. Yu Xuezhong
Mr. Chan Wai Kan

Nomination Committee

Mr. Choi Ka Tsan Karson, *GBS, JP*
(Chairman)
Ms. Lau Suk Hing Clara
Mr. Yu Xuezhong
Dr. Xu Weiguo
Mr. Tsui Wing Cheong Sammy

COMPANY SECRETARY

Mr. Lo Wai Keung Eric

AUDITORS

Moore CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

REGISTERED OFFICE

(With effect from 3 August 2026)
Richmond House
12 Par-la-Ville Road
Hamilton HM 08
Bermuda

(Until 2 August 2026)
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

CORPORATE INFORMATION

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

6th Floor, Town Health Medical Group Centre
10-12 Yuen Shun Circuit
Siu Lek Yuen
Shatin, New Territories
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd.
BNP Paribas, Hong Kong Branch
China CITIC Bank International Limited
China Guangfa Bank Co., Ltd., Hong Kong Branch
Dah Sing Bank, Limited
Hang Seng Bank Limited
Nanyang Commercial Bank, Limited
Standard Chartered Bank (Hong Kong) Limited
UBS AG, Hong Kong Branch

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

(With effect from 3 August 2026)
Conyers Corporate Services (Bermuda) Limited
Richmond House
12 Par-la-Ville Road
Hamilton HM 08
Bermuda

(Until 2 August 2026)
Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

WEBSITE

www.townhealth.com

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).

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

BUSINESS REVIEW *(CONTINUED)*

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.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW *(CONTINUED)*

Businesses in Hong Kong *(Continued)*

Medical Services (Continued)

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.

BUSINESS REVIEW *(CONTINUED)*

Businesses in Hong Kong *(Continued)*

Medical Services (Continued)

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.

BUSINESS REVIEW *(CONTINUED)*

Businesses in Hong Kong *(Continued)*

Medical Services (Continued)

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.

BUSINESS REVIEW *(CONTINUED)*

Businesses in Hong Kong *(Continued)*

Medical Services (Continued)

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.

BUSINESS REVIEW *(CONTINUED)*

Businesses in Hong Kong *(Continued)*

Managed Medical Network—Vio (Continued)

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 REVIEW *(CONTINUED)*

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.

BUSINESS REVIEW *(CONTINUED)*

Business in Chinese Mainland *(Continued)*

Hospital Management Business (Continued)

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.

BUSINESS REVIEW *(CONTINUED)*

Business in Chinese Mainland *(Continued)*

Hospital Management Business (Continued)

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.

BUSINESS REVIEW *(CONTINUED)*

Business in Chinese Mainland *(Continued)*

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.

BUSINESS REVIEW *(CONTINUED)*

Business in Chinese Mainland *(Continued)*

Health Management Business (Continued)

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.

OUTLOOK *(CONTINUED)*

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.

OUTLOOK *(CONTINUED)*

Hong Kong *(Continued)*

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.

OUTLOOK *(CONTINUED)*

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.

OUTLOOK *(CONTINUED)*

Chinese Mainland *(Continued)*

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 20 to the condensed consolidated financial statements for the six months ended 30 June 2026 set out in this interim report.

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.

LIQUIDITY AND FINANCIAL RESOURCES *(CONTINUED)*

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 22 to the condensed consolidated financial statements for the six months ended 30 June 2026 set out in this interim report.

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 the Share Purchase Agreement to purchase 100% of the issued shares in Central Medical from 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").

LITIGATION *(CONTINUED)*

2023 Profit Guarantee *(Continued)*

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.

LITIGATION *(CONTINUED)*

2024 Profit Guarantee *(Continued)*

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 report, 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.

USE OF NET PROCEEDS FROM ISSUE OF SHARES

Issue of subscription shares and convertible preference shares

Pursuant to the CPS Subscription Agreement and agreement for Ordinary Shares Subscription both dated 31 October 2014 and entered into among the Company, Fubon Life, Fubon Insurance and Broad Idea, on 29 December 2014, the Company allotted and issued (i) 459,183,673 Shares at HK$0.98 per Share (with its net price as approximately HK$0.96 per Share); and (ii) 374,999,999 Convertible Preference Shares at HK$1.2 per Share (with its net price as approximately HK$1.17 per Share). The closing share price per Share on 30 October 2014 as quoted on the Stock Exchange was HK$1.20, being the trading day preceding the date of the CPS Subscription Agreement and the agreement for Ordinary Shares Subscription. The aggregate nominal value of the Ordinary Shares Subscription was approximately HK$4,591,837. Each of the net proceeds from the Ordinary Shares Subscription and the CPS Subscription amounted to approximately HK$440 million. The aggregate net proceeds from the Ordinary Shares Subscription and the CPS Subscription amounted to approximately HK$880 million (collectively, the "First Net Proceeds"). The reasons for the entry of both agreements were to facilitate the Group's business expansion into the healthcare market in the Chinese Mainland and the Group's development of a "one-stop, IT O2O platform" for the integration of the Group's growing variety of healthcare and well-being business.

Details on the use of the First Net Proceeds, which should have been utilised by the end of 2023, are set out as follows:

Use of the First Net Proceeds	**Amount** (HK$ million)	**Total utilisation up to 31 December 2023** (HK$ million)	**Unutilised balance as at 31 December 2023** (HK$ million)	**Original timeline for utilisation**
Acquisition, investment and development of hospitals and medical institutions in the Chinese Mainland, and medical or healthcare related business in Hong Kong	650	602	48	End of 2023
Investment and development of several medical specialty centres in Hong Kong and one dental chain in the Chinese Mainland	150	13	137	End of 2023
Developing a "one-stop, IT O2O platform" to integrate the Group's growing variety of healthcare and well-being business segments	80	18	62	End of 2023
Total	880	633	247	

USE OF NET PROCEEDS FROM ISSUE OF SHARES *(CONTINUED)*

Issue of subscription shares and convertible preference shares *(Continued)*

On 1 January 2024, the Board announced that it has resolved to extend the timeline for the utilization of the unutilized balances of the First Net Proceeds from the end of 2023 to the end of 2026, in view of the adverse impacts of COVID-19 and the post-pandemic slow-down in the global economic growth on the medical and healthcare industry.

On 12 January 2024, the Board further announced that it has resolved to change the intended uses of the First Net Proceeds. One of the original intended uses of "Developing a "one-stop, IT O2O platform" (the "Platform") to integrate the Group's growing variety of healthcare and well-being business segments" has been terminated as the original objectives of developing the Platform to integrate the Group's growing variety of healthcare and well-being business segments were considered not able to be achieved within the original budget. The Board has therefore decided not to inject further fund into such investment. The remaining unused balance of around HK$62 million originally allocated to the use for development of the Platform has therefore been reallocated to the use for "Acquisition, investment and development of hospitals and medical institutions, and medical or healthcare related business", which was expected to generate a reasonable return to the Group. The geographical restrictions to the Chinese Mainland and Hong Kong have been removed from such use, which provides the Group with a greater degree of flexibility and enables the Group to seize any global opportunities for the acquisition, investment or development of businesses in the medical and healthcare industry that may arise as long as they are aligned with the goals and needs of the Group.

Through the above change of use of the First Net Proceeds, the Group has been able to deploy its financial resources to better cope with the business environment in a more efficient and flexible manner that meets the Group's business and operational needs and aligns with the Group's strategy to seize any global opportunities for the acquisition, investment or development of businesses in the medical and healthcare industry to create long-term sustainable growth of the Group.

USE OF NET PROCEEDS FROM ISSUE OF SHARES *(CONTINUED)*

Issue of subscription shares and convertible preference shares *(Continued)*

Details on the use of the remaining First Net Proceeds and the utilisation are set out as follows:

Use of the remaining First Net Proceeds	Unutilised balance as at 31 December 2023 (HK$ million)	Unutilised balance as at 31 December 2024 (HK$ million)	Unutilised balance as at 31 December 2025 (HK$ million)	Utilisation during the period under review (HK$ million)	Unutilised balance as at 30 June 2026 (HK$ million)	Timeline for utilisation
Acquisition, investment and development of hospitals and medical institutions, and medical or healthcare related business	110	110	59	0	59	End of 2026
Investment and development of medical specialty centres and dental chains	137	17	17	0	17	End of 2026
Total	247	127	76	0	76	

As at 30 June 2026, the unutilised First Net Proceeds amounted to approximately HK$76 million.

USE OF NET PROCEEDS FROM ISSUE OF SHARES *(CONTINUED)*

Issue of shares to China Life Insurance

On 5 January 2015, the Company entered into an investment agreement with China Life Insurance, pursuant to which China Life Insurance has agreed to subscribe for 1,785,098,644 Shares. The closing share price per Share on 2 January 2015 as quoted on the Stock Exchange was HK$1.22, being the last trading day before the date of the investment agreement. The aggregate nominal value of the Shares subscribed was approximately HK$17,850,986.44. Upon completion of the CLG Subscription which took place on 29 May 2015, 1,785,098,644 Shares were allotted and issued to China Life Insurance at HK$0.98 per Share (with its net price as approximately HK$0.978 per Share). The net proceeds from the issue of Shares to China Life Insurance amounted to approximately HK$1,746 million (the "Second Net Proceeds"). The reasons for the entry of the investment agreement were to explore and develop the insurance market in the Chinese Mainland, acquire mainland hospitals and invest in the development of related healthcare businesses and offer other insurance related services such as health check or laboratory testing services in the Chinese Mainland.

Details of the use of the Second Net Proceeds, which should have been utilised by the end of 2023, are set out as follows:

Use of the Second Net Proceeds	Amount (HK$ million)	Utilisation up to 31 December 2023 (HK$ million)	Unutilised balance as at 31 December 2023 (HK$ million)	Original timeline for utilisation
Developing a dental chain in the Chinese Mainland and investing in or acquiring dental clinics and/or hospitals in the Chinese Mainland; developing or acquiring medical clinics in the Chinese Mainland; developing hospitals, investing in or acquiring public or private hospitals in the Chinese Mainland; and developing or acquiring rehabilitation hospitals and where appropriate in conjunction with nursing and/or aged care homes in the Chinese Mainland	1,500	646	854	End of 2023
Developing or acquiring business in provision of health check, laboratory testing and medical diagnostic services in the Chinese Mainland	150	104	46	End of 2023
Developing managed care business in the Chinese Mainland and cross border healthcare platform for medical tourism business	96	0	96	End of 2023
Total	1,746	750	996	

USE OF NET PROCEEDS FROM ISSUE OF SHARES *(CONTINUED)*

Issue of shares to China Life Insurance *(Continued)*

On 1 January 2024, the Board announced that it has resolved to extend the timeline for the utilization of the unutilized balances of the Second Net Proceeds from the end of 2023 to the end of 2026, in view of the adverse impacts of COVID-19 and the post-pandemic slow-down in the global economic growth on the medical and healthcare industry. On 12 January 2024, the Board further announced that it has resolved to change the intended uses of the Second Net Proceeds. To enable the Group to better cope with the business environment, the original allocation of the unutilized balance of the Second Net Proceeds has been changed to allow the unutilized balance of such net proceeds in the amount of HK$996 million in aggregate to be used in the "Acquisition, investment and development of medical and healthcare related business in the provision of medical, dental, rehabilitation, nursing, aged care, health check, laboratory testing, medical diagnostic, managed care and medical tourism services", so that the Group may deploy the funds in a more efficient and flexible manner. No geographical restrictions to the Chinese Mainland and Hong Kong have been imposed on the utilization of the Second Net Proceeds, in order to provide the Group with a greater degree of flexibility when it uses the net proceeds.

Details on the use of the remaining Second Net Proceeds and the utilisation are set out as follows:

Use of the remaining Second Net Proceeds	Unutilised balance as at 31 December 2023 (HK$ million)	Unutilised balance as at 31 December 2024 (HK$ million)	Unutilised balance as at 31 December 2025 (HK$ million)	Utilisation during the period under review (HK$ million)	Unutilised balance as at 30 June 2026 (HK$ million)	Timeline for utilisation
Acquisition, investment and development of medical and healthcare related business in the provision of medical, dental, rehabilitation, nursing, aged care, health check, laboratory testing, medical diagnostic, managed care and medical tourism services	996	977	906	2	904	End of 2026
Total	996	977	906	2	904	

As at 30 June 2026, the unutilised Second Net Proceeds amounted to approximately HK$904 million.

ISSUE OF THE CONVERTIBLE BONDS

According to the Share Purchase Agreement in relation to the Acquisition at the consideration of HK$476,000,000, the Company had paid HK$120,000,000 in cash to the Seller and issued the 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 (in integral multiples of 1,000,000 Shares) at the conversion price of HK$0.76 per Conversion Share.

Redemption of the Convertible Bonds

Up to 30 June 2026, 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. In respect of the outstanding principal amount of the Convertible Bonds (i.e. the remaining Tranche C Convertible Bonds) of HK$64,694,000, the Company has received redemption notices from the holders of such convertible bonds. However, the Company has withheld payment of the principal amount to such holders. For details, please refer to the above section under the headline of "LITIGATION".

Taking into account that as at 30 June 2026, the Group had total net assets of approximately HK$3,443,054,000 and total net current assets of approximately HK$1,399,306,000 and the measures taken by the Group to maintain its financial position, the Company expects that it will be able to meet its redemption obligations under the outstanding Convertible Bonds.

DISCLOSURE OF INTERESTS

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions in the Shares

Name of Director	Capacity	Number of Shares held	Total number of Shares held	Approximate% of shareholding of the Company (Note 1)
Choi Ka Tsan Karson	Interest of a controlled corporation	1,418,576,764 (Note 2)	1,911,136,764	28.21%
	Beneficial owner	492,560,000		

Notes:

1. The total number of Shares as at 30 June 2026 (i.e. 6,773,522,452 Shares) has been used for the calculation of the approximate percentage.

2. Such 1,418,576,764 Shares were held by Broad Idea. Broad Idea is owned as to 100% by Mr. Choi Ka Tsan Karson. As such, Mr. Choi Ka Tsan Karson is deemed to be interested in the 1,418,576,764 Shares held by Broad Idea under Part XV of the SFO.

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DISCLOSURE OF INTERESTS

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 June 2026 was the Company, its subsidiaries, its fellow subsidiaries or its holding companies, a party to any arrangement to enable the Directors or chief executives of the Company or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Substantial Shareholders' long positions in the Shares

Name of Shareholder	Capacity	Number of Shares held	Total number of Shares held	Approximate% of shareholding of the Company (Note 1)
China Life Insurance	Beneficial owner	1,785,098,644	1,785,098,644	26.35%
Broad Idea	Beneficial owner	1,418,576,764 (Note 2)	1,418,576,764	20.94%
Choi Ka Tsan Karson	Interest of a controlled corporation	1,418,576,764 (Note 2)	1,911,136,764	28.21%
	Beneficial owner	492,560,000		
Classictime	Beneficial owner	830,742,000 (Note 3)	830,742,000	12.26%
Minerva Group	Interest of a controlled corporation	830,742,000 (Note 3)	830,742,000	12.26%
Kwok Wai King Pinki	Beneficial owner	356,164,000	357,874,000	5.28%
	Interests held jointly with another person	1,710,000		

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES *(CONTINUED)*

Substantial shareholders' long positions in the Shares *(Continued)*

Notes:

1. The total number of Shares as at 30 June 2026 (i.e. 6,773,522,452 Shares) has been used for the calculation of the approximate percentage figure.

2. Such 1,418,576,764 Shares were held by Broad Idea. Broad Idea is owned as to 100% by Mr. Choi Ka Tsan Karson. As such, Mr. Choi Ka Tsan Karson is deemed to be interested in the 1,418,576,764 Shares held by Broad Idea under Part XV of the SFO.

3. Such 830,742,000 Shares were held by Classictime, a wholly-owned subsidiary of Minerva Group. Accordingly, Minerva Group was deemed to be interested in the 830,742,000 Shares held by Classictime under Part XV of the SFO.

Save as disclosed above, as at 30 June 2026, the Company has not been notified by any persons (other than the Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

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.

CORPORATE GOVERNANCE

With the aim of creating long-term sustainable growth for the Shareholders and delivering long-term values to all stakeholders, the Board is committed to maintaining a good corporate governance standard. The Board believes that a good corporate governance standard will provide a framework for the Group to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and manage the associated risks through effective internal control procedures. It will also enhance the transparency of the Group and strengthen the accountability to the Shareholders and creditors.

AUDITORS

Moore CPA Limited has been the auditors of the Group with effect from 15 February 2018. Moore CPA Limited was re-appointed as the auditors of the Company in the annual general meetings of the Company held on 29 June 2018, 27 June 2019, 29 June 2020, 28 June 2021, 28 June 2022, 20 June 2023, 12 June 2024, 6 June 2025 and 18 June 2026.

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.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code contained in Appendix C3 to the Listing Rules as the code of conduct regarding the Directors' securities transactions. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2026.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this interim report, there was a sufficient public float of the Company as required under the Listing Rules.

AUDIT COMMITTEE

As at 30 June 2026, the Audit Committee comprised three independent non-executive Directors, namely Mr. Chan Wai Kan as the chairman of the Audit Committee, Dr. Xu Weiguo and Mr. Cheung Ka Ming, and one non-executive Director, namely Mr. Liu Yang. The Audit Committee together with the management of the Company have reviewed the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters, including the review of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2026 and this interim report.

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. 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

INDEPENDENT AUDITOR'S REVIEW REPORT

MOORE

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大華馬施雲
會計師事務所有限公司

Independent Auditor's Review Report to the Board of Directors of
Town Health International Medical Group Limited
(Incorporated in Cayman Islands and continued in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Town Health International Medical Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 40 to 79, which comprise the condensed consolidated statement of financial position as of 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the interim financial statements, including material accounting policy information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard ("HKAS") 34 *"Interim Financial Reporting" ("HKAS 34")*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34.

Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

INDEPENDENT AUDITOR'S REVIEW REPORT

SCOPE OF REVIEW

We conducted our review 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. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements as at 30 June 2026 are not prepared, in all material respects, in accordance with HKAS 34.

Moore CPA Limited
Certified Public Accountants

Chan King Keung
Practising Certificate Number: P06057

Hong Kong, 26 August 2026

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	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

	Notes	**30 June 2026 (unaudited) HK$'000**	31 December 2025 (audited) HK$'000
NON-CURRENT ASSETS			
Investment properties	13	**460,247**	466,834
Property, plant and equipment	13	**303,918**	320,329
Right-of-use assets	13	**80,510**	72,168
Loans receivable	14	**516**	8,196
Goodwill	15	**613,682**	603,202
Intangible assets		**395,191**	392,179
Interests in associates	16	**170,293**	170,702
Equity instruments at fair value through other comprehensive income	17	**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	18	**472,191**	480,534
Loans receivable	14	**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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	30 June 2026 (unaudited) HK$'000	31 December 2025 (audited) HK$'000
CURRENT LIABILITIES			
Trade and other payables	19	**335,952**	305,612
Contract liabilities		**14,928**	8,043
Amounts due to non-controlling interests		**34,834**	36,854
Bank borrowings	20	**10,110**	10,774
Lease liabilities		**44,033**	53,535
Convertible bonds	21	**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	22	**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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company													
	Share capital- Shares HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Capital reserve HK$'000	Distributable reserve HK$'000	Other reserves HK$'000	Property revaluation reserve HK$'000	Investment revaluation reserves HK$'000	Convertible bonds reserve HK$'000	Translation reserve HK$'000	Accumulated profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 January 2026 (audited)	67,735	3,023,852	9,020	10,033	62,677	(49,484)	113,154	(161,588)	11,653	(72,484)	(17,087)	2,997,481	401,343	3,398,824
Profit for the period	-	-	-	-	-	-	-	-	-	-	12,903	12,903	24,337	37,240
Exchange differences on foreign currency translation	-	-	-	-	-	-	-	-	-	33,634	-	33,634	11,808	45,442
Fair value changes in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(418)	-	-	-	(418)	-	(418)
Other comprehensive income (expense) for the period	-	-	-	-	-	-	-	(418)	-	33,634	-	33,216	11,808	45,024
Total comprehensive income (expense) for the period	-	-	-	-	-	-	-	(418)	-	33,634	12,903	46,119	36,145	82,264
Acquisition of non-controlling interests of a subsidiary (note 25)	-	-	-	-	-	1,949	-	-	-	-	-	1,949	(14,850)	(12,901)
Disposal of a subsidiary (note 26)	-	-	-	-	-	(228)	-	-	-	-	228	-	(749)	(749)
Dividends declared	-	-	-	-	-	-	-	-	-	-	(12,192)	(12,192)	-	(12,192)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(12,192)	(12,192)
At 30 June 2026 (unaudited)	67,735	3,023,852	9,020	10,033	62,677	(47,763)	113,154	(162,006)	11,653	(38,850)	(16,148)	3,033,357	409,697	3,443,054

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company													
	Share capital-Shares HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Capital reserve HK$'000	Distributable reserve HK$'000	Other reserves HK$'000	Property revaluation reserve HK$'000	Investment revaluation reserves HK$'000	Convertible bonds reserve HK$'000	Translation reserve HK$'000	Accumulated profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 January 2025 (audited)	67,735	3,023,852	9,020	10,033	62,677	(53,733)	107,434	(138,743)	20,895	(103,927)	(28,329)	2,976,914	403,433	3,380,347
Profit for the period	–	–	–	–	–	–	–	–	–	–	12,727	12,727	22,866	35,593
Exchange differences on foreign currency translation	–	–	–	–	–	–	–	–	–	23,181	–	23,181	11,515	34,696
Fair value changes in revaluation of properties upon transfer from "property, plant and equipment" to "investment properties"	–	–	–	–	–	–	5,720	–	–	–	–	5,720	–	5,720
Fair value changes in equity instruments at fair value through other comprehensive income	–	–	–	–	–	–	–	(1,106)	–	–	–	(1,106)	–	(1,106)
Other comprehensive income (expense) for the period	–	–	–	–	–	–	5,720	(1,106)	–	23,181	–	27,795	11,515	39,310
Total comprehensive income (expense) for the period	–	–	–	–	–	–	5,720	(1,106)	–	23,181	12,727	40,522	34,381	74,903
Dividends declared	–	–	–	–	–	–	–	–	–	–	(8,128)	(8,128)	–	(8,128)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	(10,222)	(10,222)
At 30 June 2025 (unaudited)	67,735	3,023,852	9,020	10,033	62,677	(53,733)	113,154	(139,849)	20,895	(80,746)	(23,730)	3,009,308	427,592	3,436,900

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	HK$'000
NET CASH GENERATED FROM OPERATING ACTIVITIES	**115,172**	78,478
INVESTING ACTIVITIES		
Repayment of loans receivable	**12,980**	8,328
Interest received	**13,121**	14,900
Dividend received from associates	**7,356**	502
Dividend received from equity instruments at fair value through other comprehensive income	**870**	1,135
Repayment from (advance to) associates	**398**	(103)
Proceeds from disposal of property, plant and equipment	**–**	179
Proceeds from disposal of an associate	**–**	1,222
Net cash inflow arising from disposal of a subsidiary	**1,378**	–
Purchase of equity instruments at fair value through other comprehensive income	**(1,154)**	–
Purchase of property, plant and equipment	**(5,746)**	(9,368)
(Increase) decrease in fixed bank deposits	**(81,816)**	77,586
(Increase) decrease in pledged bank deposits	**(14)**	91
NET CASH (USED IN) GENERATED FROM INVESTING ACTIVITIES	**(52,627)**	94,472

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	HK$'000
FINANCING ACTIVITIES		
Repayment to non-controlling interests	**(2,020)**	(2,418)
Acquisition of non-controlling interests of a subsidiary	**(12,901)**	–
Interest paid for bank borrowings	**(276)**	(2,060)
Repayment of lease liabilities	**(32,881)**	(36,146)
Interest paid for lease liabilities	**(1,759)**	(3,143)
Dividends paid to non-controlling interests	**(12,192)**	(10,222)
Repayment of bank borrowings	**(664)**	(69,247)
NET CASH USED IN FINANCING ACTIVITIES	**(62,693)**	(123,236)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(148)**	49,714
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**1,187,068**	1,191,397
EFFECT OF FOREIGN EXCHANGE RATES CHANGES	**17,414**	12,524
CASH AND CASH EQUIVALENTS AT 30 JUNE representing bank balances and cash	**1,204,334**	1,253,635

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

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

4. REVENUE *(CONTINUED)*

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.

5. SEGMENT INFORMATION *(CONTINUED)*

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

5. SEGMENT INFORMATION *(CONTINUED)*

***Segment revenue and results** (Continued)*

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

5. SEGMENT INFORMATION *(CONTINUED)*

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 26)	**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 (unaudited)	30 June 2025 (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. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INVESTMENT PROPERTIES

During the six months ended 30 June 2026, the Group acquired property, plant and equipment of approximately HK$5,746,000 (2025: HK$9,368,000).

During the six months ended 30 June 2026, the Group entered into new lease agreements for the use of retails shops and office for average of 3.10 years (2025: 1.91 years). The Group is required to make fixed monthly payments during the contract period. On lease commencement, the Group recognised approximately HK$44,840,000 (2025: HK$12,369,000) of right-of-use assets and approximately HK$41,530,000 (2025: HK$11,248,000) of lease liabilities.

During the six months ended 30 June 2025, the use of two premises situated in Hong Kong which were previously self-used premises had been changed to leasing out for rental income. The investment properties with fair value of HK$12,480,000 had been transferred from property, plant and equipment.

During the six months ended 30 June 2025, the use of two premises situated in Hong Kong which were previously leased out for rental income had been changed to self-used premises. The investment properties with fair value of HK$57,961,000 had been transferred to property, plant and equipment.

The Group's investment properties as at the end of the current interim period were valued by Ascent Partners Valuation Service Limited, an independent professional qualified valuer not connected with the Group. The fair value of all investment properties located in Hong Kong was derived using the market comparable approach based on the price per square feet observed in recent market transactions and adjusting the observed prices per square feet with certain unobservable inputs including the adjustments of the building age, location, fair market rent and people flows to reflect different locations and conditions. The resulting decrease in fair value of investment properties of approximately HK$6,587,000 (2025: HK$2,546,000) has been recognised directly in profit or loss for the six months ended 30 June 2026.

13. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INVESTMENT PROPERTIES *(CONTINUED)*

During the six months ended 30 June 2026, the management assessed that there were no indications that property, plant and equipment and right-of-use assets of the Group's cash generating units ("CGUs") may be impaired.

During the six months ended 30 June 2025, the management performed impairment testing on property, plant and equipment and right-of-use assets of CGUs which represented medical centres that have been suffering from continuous losses. The recoverable amounts of these assets were lower than carrying amounts of the CGUs. Based on the results of the impairment assessments, impairment loss of approximately HK$399,000 have been recognised related to right-of-use assets and no impairment loss have been recognised related to property, plant and equipment in the profit or loss during the six months ended 30 June 2025.

During the six months ended 30 June 2025, the recoverable amount of the medical centres CGUs has been determined based on a value-in-use calculation. Such calculation uses cash flow projections based on forecasts approved by the management of the Group covering the remaining lease term period which are all less than 5 years with a pre-tax discount rate of 13.40% per annum as at 30 June 2025. The revenue growth rates and gross profit margins used were with reference to the market development and past performance of the medical centres.

14. LOANS RECEIVABLE

	30 June 2026 (unaudited) HK$'000	31 December 2025 (audited) HK$'000
Fixed-rate loans receivable (unsecured)	**18,816**	26,496
Less: Allowance for expected credit loss	**(3,300)**	(3,300)
Variable-rate loan receivable (unsecured)	**–**	5,300
	15,516	28,496
Analysed for reporting purposes as:		
Non-current portion	**516**	8,196
Current portion	**15,000**	20,300
	15,516	28,496

Included in the balance, an amount of HK$15,000,000 (31 December 2025: HK$22,500,000) represented the loan to an associate, bearing fixed-rate interest of 5% per annum and due for repayment in instalments in 1 year from the end of the reporting period; and an amount of RMB3,000,000 (equivalent to HK$3,300,000) (31 December 2025: RMB3,000,000 (equivalent to HK$3,300,000)) represented the loan to a joint venture, bearing fixed-rate interest of 4.35% per annum and due for repayment in 1 year from the end of the reporting period, which was fully impaired as at 30 June 2026 and 31 December 2025.

15. GOODWILL

For the purposes of impairment testing, goodwill have been allocated to groups of individual cash generating units ("CGUs") in 4 (31 December 2025: 4) divisions of the Group, namely, Hong Kong medical services, Hong Kong managed medical network business, Mainland hospital management and medical services and Hong Kong specialist medical services. The carrying amounts of goodwill (net of accumulated impairment losses) as at 30 June 2026 and 31 December 2025 allocated to these units are as follows:

	30 June 2026 (unaudited) HK$'000	31 December 2025 (audited) HK$'000
Hong Kong medical services:		
Town Health Medical & Dental Services Limited	**1,639**	1,639
Hong Kong Traumatology and Orthopaedics Institute Limited	**3,544**	3,544
Healthy Base Limited	**2,224**	2,224
	7,407	7,407
Hong Kong managed medical network business:		
Dr. Vio & Partners Limited	**198,199**	198,199
Mainland hospital management and medical services:		
Nanyang Xiangrui Hospital Management Advisory Co., Ltd.	**269,881**	259,401
Hong Kong specialist medical services:		
Central Medical Holdings Limited ("CMHL Group")	**138,195**	138,195
	613,682	603,202

15. GOODWILL *(CONTINUED)*

During the six months ended 30 June 2026, the Group has performed impairment assessment on the goodwill of CMHL Group.

The basis of calculation of the recoverable amount of the CGU of CMHL Group and its major underlying assumptions are summarised below:

For the impairment testing, customer relationship and trade name of intangible assets, property, plant and equipment, and right-of-use assets that generate cash flows together with the related goodwill are also included in the CGU of CMHL Group for the purpose of impairment testing.

The recoverable amount of the CGU of CMHL Group as at 30 June 2026 was based on its value in use and was determined with the assistance of Ascent Partners Valuation Service Limited, an independent professional qualified valuer not connected with the Group. The calculation used cash flow projections based on financial budgets approved by management covering a five-year period and at a pre-tax discount rate of 13.81% (31 December 2025: 14.02%). Average annual revenue growth rate of 2.27% (31 December 2025: 4.33%) and average net profit margin of 6.75% (31 December 2025: 7.43%) were used in the financial budgets. Cash flows after the five-year period were extrapolated using a growth rate of 1.83% (31 December 2025: 1.83%) per annum, which was determined after taking into consideration the economic conditions of the market. Other key assumptions for the value-in-use calculations related to the estimation of cash inflows/outflows include budgeted revenue, gross margin and other related expenses. Such estimation was based on historical performance and future plans of CMHL Group, and also management's expectations for the market development.

As at 30 June 2026, the recoverable amount of the CGU of CMHL Group calculated based on its value in use is higher than the carrying amount of the CGU of CMHL Group, with a headroom of HK$3,680,000 (31 December 2025: HK$28,269,000). Accordingly, no impairment loss on goodwill was recognised in profit or loss for the six months ended 30 June 2026 on the CGU of CMHL Group.

The Group has performed a sensitivity analysis on key assumptions used for the impairment test. A reasonably possible change in key assumptions used in the impairment test would not cause the carrying amount of the CGU of CMHL Group to exceed its respective recoverable amount.

15. GOODWILL *(CONTINUED)*

There was no change in both the valuation methods and the key assumptions compared to those applied as at 31 December 2025.

16. INTERESTS IN ASSOCIATES

During the six months ended 30 June 2026 and 2025, there was no objective evidence which indicated that the interests in associates may be impaired.

17. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Listed investments:		
– Equity securities	**31**	35
Unlisted investments:		
– Equity securities	**2,304**	1,564
	2,335	1,599

Note:

All listed investments are stated at fair value which is determined based on the quoted market bid prices available on the Stock Exchange. During the six months ended 30 June 2026, fair value loss on listed securities amounting to approximately HK$4,000 (2025: HK$22,000) was recognised in other comprehensive expense.

The above unlisted equity investments represent the Group's interest in private entities established in Hong Kong, PRC, Cayman Islands and British Virgin Islands. The directors of the Company have elected to designate these investments in equity instruments at fair value through other comprehensive income ("FVTOCI") as they believe that these investments are held for long-term purposes and for realising their performance potential in the long run.

During the six months ended 30 June 2026, a fair value loss of approximately HK$414,000 (2025: HK$1,084,000) of the above unlisted investments was recognised in other comprehensive expense.

18. 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

18. TRADE AND OTHER RECEIVABLES *(CONTINUED)*

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.

19. TRADE AND OTHER PAYABLES

	30 June 2026 (unaudited) HK$'000	31 December 2025 (audited) HK$'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) HK$'000	31 December 2025 (audited) HK$'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).

20. 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	**–**	–

20. BANK BORROWINGS *(CONTINUED)*

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.

21. CONVERTIBLE BONDS

On 11 July 2022, Speedy Light International Limited, the indirect wholly-owned subsidiary of the Company, ("Speedy Light") and Hong Kong Medical Consultants Holdings Limited ("HKMCHL") and the seller guarantors as defined in the share purchase agreements (collectively the "Seller Parties") entered into a share purchase agreement, pursuant to which Speedy Light agreed to acquire the entire equity interests in CMHL Group at a consideration of HK$476,000,000, of which HK$356,000,000 was settled by non-interest bearing convertible bonds (the "CBs"). The initial conversion price was HK$0.76 per share. The CBs holders have the right to convert the whole or any part of the outstanding principal amount of the CBs into fully-paid ordinary shares of the Company at any time during the period beginning on, and including, the issue date and ending on the respective maturity dates. The CBs holders have the right to request the Company to repay 100% of the outstanding principal amount of the CBs, unless previously converted into Shares or repaid in accordance with the terms and conditions of the CBs by providing written notices to the Company during the redemption period.

21. CONVERTIBLE BONDS *(CONTINUED)*

The CBs are denominated in HKD and issued in three tranches:

Tranche A CBs amounted to HK$120,000,000 with maturity date being 12 months from 26 August 2022. Redemption period is from and including the date falling 3 months from the issue date of the CBs to and including the date falling 12 months from the issue date of the Tranche A CBs. The Tranche A CBs have been fully redeemed during the year ended 31 December 2023.

Tranche B CBs amounted to HK$120,000,000 with maturity date being 24 months from 26 August 2022. Redemption period is from and including the date falling 18 months from the issue date of the CBs to and including the date falling 24 months from the issue date of the Tranche B CBs. The Tranche B CBs have been fully redeemed during the year ended 31 December 2024.

Tranche C CBs amounted to HK$116,000,000 with maturity date being 36 months from 26 August 2022. Redemption period is from and including the date falling 36 months from the issue date of the CBs to and including the date falling 12 months after maturity date. The Tranche C CBs in the sum of HK$51,306,000 have been redeemed during the year ended 31 December 2025.

The CBs cannot be redeemed at the option of the Company before the maturity date.

The CBs contains two components, liability and equity components. The equity component is presented in equity heading "convertible bonds reserve". The early redemption option is considered as closely related to the host debt. The effective interest rate of the liability component is 2.83%-4.89% per annum at the date of initial recognition.

22. 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

23. RELATED PARTY TRANSACTIONS

Transactions with related parties

Name of related party	Nature of transactions	Six months ended 30 June **2026 (unaudited) HK$'000**	 2025 (unaudited) HK$'000
Advance Bond Limited[1]	Rental income	**492**	492
China Life Insurance (Overseas) Company Limited[2]	Medical related services income	**446**	370
	Insurance expenses	**(284)**	(356)
China Life Insurance Company Limited[2]	Medical related services income	**1,797**	3,476
	Property management income	**52**	49
	Insurance expenses	**(34)**	(43)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

23. RELATED PARTY TRANSACTIONS *(CONTINUED)*

Transactions with related parties *(Continued)*

Name of related party	Nature of transactions	Six months ended 30 June **2026 (unaudited) HK$'000**	 2025 (unaudited) HK$'000
China Life Insurance Company Limited, Shandong Branch[3]	Repayment of lease liabilities	**(1,382)**	(2,606)
C.T. Scan Diagnostic Centre[1]	Laboratory fee expense	**(5)**	(81)
Early Light International (Holdings) Limited	Medical related services income	**61**	59
Hillwood MRI Centre Limited[1]	Laboratory fee expense	**(1,781)**	(2,080)
Hong Kong Health Check and Medical Diagnostic Centre Limited[1]	Rental income	**2,120**	2,111
	Laboratory fee income	**694**	785
	Laboratory fee expense	**(3,325)**	(3,374)
	Staff welfare	**(62)**	(6)

23. RELATED PARTY TRANSACTIONS *(CONTINUED)*

Transactions with related parties *(Continued)*

Name of related party	Nature of transactions	Six months ended 30 June 2026 (unaudited) HK$'000	Six months ended 30 June 2025 (unaudited) HK$'000
My Beauty Company Limited[4]	Rental income	–	757
My Beauty Salon Company Limited[4]	Interest income	**516**	903
Yuen Foong Medical Diagnostic Centre[1]	Laboratory fee expense	**(4)**	(14)

Notes:

1. The related parties are the associates of the Company, which are not individually material, during the six months ended 30 June 2026 and 2025.

2. The related parties are the subsidiaries of China Life Insurance (Group) Company Limited, one of the substantial shareholders of the Company.

3. China Life Insurance Company Limited, Shandong Branch is a branch office of China Life Insurance Company Limited.

4. The related parties are the subsidiaries of Auspicious Idea, a principal associate of the Company.

24. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how fair values of these financial assets are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable:

1. Level 1 fair value measurements are those derived from quoted process (unadjusted) in active market for identical assets or liabilities;

2. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Fair value hierarchy as at 30 June 2026

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Equity instruments at FVTOCI				
– Listed equity securities	31	–	–	31
– Unlisted equity securities	–	–	2,304	2,304
	31	–	2,304	2,335

24. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(CONTINUED)*

Fair value of the Group's financial assets that are measured at fair value on a recurring basis *(Continued)*

Fair value hierarchy as at 31 December 2025

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Equity instruments at FVTOCI				
– Listed equity securities	35	–	–	35
– Unlisted equity securities	–	–	1,564	1,564
	35	–	1,564	1,599

There were no transfers of financial assets between different levels of the fair value hierarchy in the current period and prior year.

The quantitative information of significant unobservable inputs used in arriving at the Level 3 fair value measurement are set out above.

The directors of the Company consider that except for financial assets as disclosed in the above table, the carrying amounts of remaining financial assets and financial liabilities recognised in the condensed consolidated financial statements approximate their fair values.

24. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(CONTINUED)*

Reconciliation of Level 3 fair value measurements of financial assets

	Financial assets at fair value through profit or loss HK$'000	Equity instruments at fair value through other comprehensive income HK$'000
At 1 January 2025 (audited)	2,012	24,337
Fair value changes	(552)	(1,084)
At 30 June 2025 (unaudited)	1,460	23,253
At 1 January 2026 (audited)	–	1,564
Additions	–	1,154
Fair value changes	–	(414)
At 30 June 2026 (unaudited)	–	**2,304**

The fair value loss for the six months ended 30 June 2025 of approximately HK$552,000 included in profit or loss related to derivatives held at the end of the reporting period and are reported as changes of "fair value change in financial assets at fair value through profit or loss".

The fair value loss for the six months ended 30 June 2026 of approximately HK$414,000 (2025: HK$1,084,000) included in other comprehensive income related to equity instruments at fair value through other comprehensive income held at the end of the reporting period and are reported as changes of "investment revaluation reserves".

25. ACQUISITION OF NON-CONTROLLING INTERESTS OF A SUBSIDIARY

On 26 February 2026, the Group further acquired the equity interests in an indirectly owned subsidiary, 南陽南石眼科醫院有限公司 (formerly known as 南陽瑞視眼科醫院有限公司), increasing its effective interest from 36.72% to 60.20%, at a consideration of RMB11,395,000 (equivalents to HK$12,901,000). Non-controlling interests of HK$14,850,000 (being the proportionate share of the carrying amount of the net assets of 南陽南石眼科醫院有限公司) has been derecognised and the difference of HK$1,949,000 between the decrease in the non-controlling interests and the consideration paid has been credited to other reserve.

26. 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

26. DISPOSAL OF A SUBSIDIARY *(CONTINUED)*

	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.

27. CONTINGENCIES

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 Holdings Limited ("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").

The Adjusted Net Profit have failed to meet the Profit Guarantee for the financial years ended 31 March 2023 and 2024. 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 (the "Claim Amounts").

27. CONTINGENCIES *(CONTINUED)*

Accordingly, the Buyer has served notices in accordance with the Share Purchase Agreement to the Seller, Central Healthcare Group Limited, Dr. Tsang Wah Tak, Kenneth and Mr. Shiu Shu Ming (the "Respondents") to demand them, along with the other Seller Parties, to pay to the Buyer the Claim Amounts. However, the Respondents have failed to pay the Claim Amounts.

After taking legal advice, on 8 September 2025, the Buyer has initiated certain proceedings (the "Proceedings") against the Respondents claiming, among others, the Claim Amounts, the related interest, the legal fees and costs.

Meanwhile, the Company has also 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 ("Peak Summit") and Wealth Basin Limited ("Wealth Basin"), 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 further 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 Claim Amounts. Peak Summit and Wealth Basin have in the Proceedings counterclaimed, among others, repayment of the principal amount, the related interest, legal fees and costs.

The Proceedings are still ongoing and the outcomes are subject to uncertainties. It is therefore not practicable for the Group to estimate the financial effect at this moment.

GLOSSARY

Acquisition	the acquisition of 100% of the issued share capital of Central Medical by the Buyer from the Seller pursuant to the Share Purchase Agreement
Audit Committee	the audit committee of the Board
Board	the board of Directors
Broad Idea	Broad Idea International Limited
Buyer	Speedy Light International Limited, a company incorporated under the laws of the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
Central Medical	Central Medical Holdings Limited, a company incorporated under the laws of the British Virgin Islands
Chief Executive Officer	the chief executive officer of the Company
China Life Insurance	中國人壽保險(集團)公司 (in English, for identification purpose only, China Life Insurance (Group) Company)
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)
China or PRC	the People's Republic of China
Chinese Mainland	for the purpose of this report, 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

GLOSSARY

Classictime	Classictime Investments Limited
CLG Subscription	the subscription for 1,785,098,644 Shares by China Life Insurance pursuant to an investment agreement dated 5 January 2015 entered into between the Company and China Life Insurance
Company	Town Health International Medical Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange
Conversion Rights	the conversion rights attaching to the Convertible Bonds to convert the principal amount or a part thereof into the Conversion Shares
Conversion Share(s)	new ordinary share(s) of the Company which may fall to be allotted and issued by the Company upon exercise of the Conversion Rights
Convertible Bonds	the convertible bonds in the aggregate amount of HK$356,000,000 issued by the Company pursuant to the Share Purchase Agreement
Convertible Preference Shares	perpetual non-voting redeemable convertible preference shares of HK$0.01 each in the share capital of the Company subscribed by Fubon Life, Fubon Insurance and Broad Idea pursuant to the CPS Subscription Agreement
CPS Subscription	the subscription for 212,121,212 Convertible Preference Shares by Fubon Life, 79,545,454 Convertible Preference Shares by Fubon Insurance and 83,333,333 Convertible Preference Shares by Broad Idea, pursuant to the CPS Subscription Agreement

GLOSSARY

CPS Subscription Agreement	the perpetual non-voting redeemable convertible preference shares subscription agreement dated 31 October 2014 entered into between the Company, Fubon Life, Fubon Insurance and Broad Idea
Director(s)	the director(s) of the Company
Fubon Insurance	Fubon Insurance Co., Ltd.
Fubon Life	Fubon Life Insurance Co., Ltd.
Ganghe Clinic	深圳港和診所 (in English, for identification purpose only, Shenzhen Ganghe Clinic)
Group	the Company and its subsidiaries
Guangzhou Integrated Clinic	Guangzhou Integrated Clinic is a clinic under the operation of 廣州宜康醫療管理有限公司 (in English, for identification purpose only, Guangzhou Yikang Medical Management Co., Ltd.) (a company established in the PRC with limited liability and a subsidiary of the Company) in Guangzhou City, Guangdong Province in the PRC
HK$	Hong Kong dollars, the lawful currency of Hong Kong
HKICPA	Hong Kong Institute of Certified Public Accountants
Hong Kong	Hong Kong Special Administrative Region of the PRC
Hong Kong Medical Consultants	Hong Kong Medical Consultants Limited, a company incorporated in Hong Kong with limited liability, which is a wholly-owned subsidiary of the Company
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange

GLOSSARY

Minerva Group	Minerva Group Holding Limited (Formerly known as Power Financial Group Limited)
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
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
Nomination Committee	the nomination committee of the Board
Ordinary Shares Subscription	the subscription of 459,183,673 Shares by Fubon Life, Fubon Insurance and Broad Idea and the allotment and issue of the subscription shares
period under review	the six months ended 30 June 2026
Remuneration Committee	the remuneration committee of the Board
RMB	Renminbi, the lawful currency of the PRC
Seller	Hong Kong Medical Consultants Holdings Limited, a company incorporated under the laws of the Cayman Islands

GLOSSARY

SFO	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
Share(s)	ordinary share(s) of HK$0.01 each in the share capital of the Company
Shareholders	holders of the Share(s)
Share Purchase Agreement	the share purchase agreement dated 11 July 2022 entered into between the Company, the Buyer, 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
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