



TIAN YUAN HEALTHCARE

天 元 医 疗

CHINA TIAN YUAN HEALTHCARE GROUP LIMITED

中國天元醫療集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 557)

2026

**Interim financial report
for the six months ended 30 June 2026**

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue	4	20,047	8,436
Cost of sales		(2,988)	(303)
Gross profit		17,059	8,133
(Recognised of expected credit loss)/			
Reversal of expected credit loss		(976)	2,496
Other gains, net	5	2,992	2,826
Administrative expenses	6	(15,932)	(17,350)
Profit/(loss) from operating activities		3,143	(3,895)
Share of losses of associates		(56)	(106)
Finance costs	7	(1,396)	(1,537)
Profit/(loss) before taxation		1,691	(5,538)
Income tax expense	8	–	–
Profit/(loss) for the period	9	1,691	(5,538)
Profit/(loss) for the period attributable to:			
Equity shareholders of the Company		4,200	(3,065)
Non-controlling interests		(2,509)	(2,473)
Profit/(loss) for the period		1,691	(5,538)
		HK cents	HK cents
Earnings/(loss) per share			
Basic earnings/(loss) per share	10	1.05	(0.77)
Diluted earnings/(loss) per share	10	1.05	(0.77)

The notes on pages 9 to 27 form part of this interim financial statements.

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
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit/(loss) for the period	1,691	(5,538)
Other comprehensive income for the period (after taxation):		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations	687	2,087
Total other comprehensive income for the period	687	2,087
Total comprehensive income/(loss) for the period	2,378	(3,451)
Attributable to:		
Equity shareholders of the Company	2,870	(698)
Non-controlling interests	(492)	(2,753)
Total comprehensive income/(loss) for the period	2,378	(3,451)

The notes on pages 9 to 27 form part of this interim financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2026

		As at 30 June 2026	As at 31 December 2025
	Notes	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment		33,925	33,077
Intangible assets		2,337	3,727
Goodwill		11,669	6,668
Interests in associates		6,530	6,331
Trade and other receivables	12	2,309	2,238
Deferred tax assets		2,294	2,294
		59,064	54,335
Current assets			
Trade and other receivables	12	19,353	19,931
Inventories		4,449	1,559
Financial assets at fair value through profit or loss	17(a)	826	1,774
Loan receivables	13	117,151	119,645
Cash and cash equivalents	14	41,802	27,733
		183,581	170,642
Current liabilities			
Trade and other payables	15	(50,762)	(49,484)
Lease liabilities		(4,489)	(4,927)
Provision for taxation		(163)	(163)
		(55,414)	(54,574)
Net current assets		128,167	116,068
Total assets less current liabilities		187,231	170,403

CONSOLIDATED STATEMENT OF FINANCIAL POSITION **(CONTINUED)**

as at 30 June 2026

	As at 30 June 2026	As at 31 December 2025
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Non-current liabilities		
Lease liabilities	(32,973)	(33,789)
	<u>(32,973)</u>	<u>(33,789)</u>
NET ASSETS	<u>154,258</u>	<u>136,614</u>
CAPITAL AND RESERVES		
Share capital	398,980	398,980
Share premium	20,663	20,663
Reserves	(255,554)	(258,424)
	<u>(255,554)</u>	<u>(258,424)</u>
Equity attributable to equity shareholders of the Company	164,089	161,219
Non-controlling interests	<u>(9,831)</u>	<u>(24,605)</u>
TOTAL EQUITY	<u>154,258</u>	<u>136,614</u>

The notes on pages 9 to 27 form part of this interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2026 – unaudited

	Attributable to equity shareholders of the Company						Non-Controlling Interests HK\$'000	Total Equity HK\$'000
	Share Capital HK\$'000	Share Premium HK\$'000	Capital Redemption Reserve HK\$'000	Exchange Reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000		
Balance at 1 January 2025 (audited)	398,980	20,663	676	1,449	(227,086)	194,682	(18,731)	175,951
Changes in equity for the six months ended 30 June 2025:								
Loss for the period	-	-	-	-	(3,065)	(3,065)	(2,473)	(5,538)
Other comprehensive income								
Exchange differences on translation of financial statements of foreign operations	-	-	-	2,367	-	2,367	(280)	2,087
Total comprehensive loss for the period	-	-	-	2,367	(3,065)	(698)	(2,753)	(3,451)
Balance at 30 June 2025 (unaudited)	398,980	20,663	676	3,816	(230,151)	193,984	(21,484)	172,500
Balance at 1 January 2026 (audited)	398,980	20,663	676	2,000	(261,100)	161,219	(24,605)	136,614
Changes in equity for the six months ended 30 June 2026:								
Profit for the period	-	-	-	-	4,200	4,200	(2,509)	1,691
Other comprehensive income								
Exchange differences on translation of financial statements of foreign operations	-	-	-	(1,330)	-	(1,330)	2,017	687
Total comprehensive income for the period	-	-	-	(1,330)	4,200	2,870	(492)	2,378
Capital injection from non-controlling interests	-	-	-	-	-	-	15,266	15,266
Balance at 30 June 2026 (unaudited)	398,980	20,663	676	670	(256,900)	164,089	(9,831)	154,258

The notes on pages 9 to 27 form part of this interim financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2026 – unaudited

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Operating activities		
Cash used in operations	(919)	(2,439)
Interest received	6,631	7,196
Net cash generated from operating activities	5,712	4,757
Investing activities		
Acquisition of interest in a subsidiary	(2,720)	–
Purchase of property, plant and equipment	(1,491)	–
Net cash used in investing activities	(4,211)	–
Financing activities		
Capital injection from non-controlling interests	15,266	–
Payment for lease liabilities	(2,698)	(2,599)
Net cash generated from/(used in) financing activities	12,658	(2,599)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

for the six months ended 30 June 2026 – unaudited

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net increase in cash and cash equivalents	14,069	2,158
Cash and cash equivalents at 1 January	27,733	24,314
Effect of foreign exchange rates changes	—	—
Cash and cash equivalents at 30 June (Note)	<u>41,802</u>	<u>26,472</u>

Note:

Cash and cash equivalents at 30 June 2026 and 30 June 2025 comprise:

	As at 30 June 2026	As at 30 June 2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cash at bank and in hand	<u>41,802</u>	<u>26,472</u>
Cash and cash equivalents per condensed consolidated cash flow statement	<u>41,802</u>	<u>26,472</u>

The notes on pages 9 to 27 form part of this interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issuance on 28 August 2026.

The condensed consolidated interim financial statements has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial statements in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This condensed consolidated interim financial statements contains condensed consolidated financial statements and selected explanatory notes. The notes included an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of China Tian Yuan Healthcare Group Limited (the “Company”), its subsidiaries and associates (the “Group”) since the 2025 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The condensed consolidated interim financial statements have not been audited, but have been reviewed by the Company’s audit committee.

2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time, which are mandatorily effective for the Group’s financial annual period beginning on or after 1 January 2026, to the condensed financial statements for the current accounting period:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Annual improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

The Group has not applied any new standard or amendment that is not yet effective for the current accounting period. The application of the amendments to HKFRS Accounting Standards in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and on the disclosures set out in these condensed consolidated interim financial statements.

3. REVENUE AND SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by products and services. The Group has identified the following four reportable segments based on the information that is reported internally to the Group’s most senior executive management for the purposes of resource allocation and performance assessment. No operating segments have been aggregated to form the following reportable segments.

- Investment holding: This segment relates to investments in listed equity investments held as financial assets at fair value through profit or loss (“FVTPL”). Currently, the Group’s equity investment portfolio includes equity securities listed on The Philippines Stock Exchange, Inc., The Stock Exchange of Hong Kong and The New York Stock Exchange.

- Healthcare:

This segment primarily derives the revenue from the provision of procurement, marketing and management services to the medical industry, royalty fees from the licensing of trademarks, and revenue from providing plastic surgery services, sales of skincare products including cosmetics products (make-up and skincare products) and mechanical products (medical device products) and revenue from healthcare examination centre in the People's Republic of China (the "PRC"). Currently, the Group's activities in this segment are carried out in the PRC, Hong Kong and Korea.
- Money lending and related business:

This segment primarily derives the revenue from the interests earned from the provision of loans to third parties, as well as referral and handling fees receivable for the provision of loan related services and the introduction of prospective lenders and borrowers. Currently, the Group's activities in this segment are carried out in the PRC and Hong Kong.
- Hospitality:

This segment primarily derives the revenue from provision of procurement services relating to hospitality industry.

(a) Segment results, assets and liabilities

In accordance with HKFRS 8, segment information disclosed in the interim financial statements has been prepared in a manner consistent with the information used by the Group's most senior executive management for the purposes of assessing segment performance and allocating resources between segments. In this regard, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all current and non-current assets with the exception of current and deferred tax assets. Segment liabilities include all current and non-current liabilities, with the exception of current and deferred tax liabilities.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by and expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment revenue and expenses include the Group's share of revenue and expense arising from the activities of the Group's associates.

The measure used for reporting segment profit is "profit from operations". In addition to receiving segment information concerning profit from operations, management is provided with segment information concerning revenue, interest income, depreciation and amortisation, foreign exchange gain/loss, gain/loss on financial assets at FVTPL and additions to non-current segment assets used by the segments in their operations.

(b) Information about profit or loss, assets and liabilities

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below:

	Investment Holding		Healthcare		Money Lending and Related Business		Hospitality		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
For the six months ended 30 June:										
Disaggregated by timing of revenue recognition										
Point in time	-	-	12,204	522	-	-	-	-	12,204	522
Over time	-	-	-	-	-	-	-	-	-	-
Revenue from external customers	-	-	12,204	522	-	-	-	-	12,204	522
Interest income	-	-	-	-	7,843	7,914	-	-	7,843	7,914
Reportable segment revenue	-	-	12,204	522	7,843	7,914	-	-	20,047	8,436
Reportable segment profit/(loss) before taxation	(3,218)	(7,644)	(1,162)	(8,273)	6,118	10,410	(47)	(31)	1,691	(5,538)
Interest income	270	299	-	-	-	-	-	-	270	299
Depreciation and amortisation	(526)	(526)	(4,131)	(3,921)	-	-	-	-	(4,657)	(4,447)
Net realised and unrealised valuation loss on trading securities	(950)	(786)	-	-	-	-	-	-	(950)	(786)
Net realised and unrealised foreign exchange gain/(loss)	3,872	3,567	(879)	(899)	-	-	39	55	3,032	2,723
As at 30 June/31 December:										
Reportable segment assets	71,489	68,805	43,456	26,791	125,312	126,900	94	187	240,351	222,683
Reportable segment liabilities	13,697	13,276	73,917	74,319	100	100	510	505	88,224	88,200

(c) Reconciliations of reportable segment assets and liabilities

	As at 30 June 2026 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2025 <i>HK\$'000</i> <i>(Audited)</i>
Assets		
Reportable segment assets	240,351	222,683
Deferred tax assets	2,294	2,294
Consolidated total assets	242,645	224,977
Liabilities		
Reportable segment liabilities	88,224	88,200
Provision for taxation	163	163
Consolidated total liabilities	88,387	88,363

4. REVENUE

Revenue of the Group comprises revenue from the provision of healthcare related services and money lending and related business activities. Disaggregation of revenue recognised during the periods by category is as follows:

	Six months ended 30 June 2026 <i>HK\$'000</i> <i>(Unaudited)</i>	2025 <i>HK\$'000</i> <i>(Unaudited)</i>
Revenue from contracts within the scope of HKFRS 15		
Healthcare related services		
– Healthcare income	12,204	522
	12,204	522

	Six months ended 30 June	
	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue from contracts not within the scope of HKFRS 15		
Money lending and related business activities		
– Interest income on third party loans	7,843	7,914
	<u>7,843</u>	<u>7,914</u>
Timing of revenue recognition within the scope of HKFRS 15		
A point in time		
– Healthcare related services	12,204	522
	<u>12,204</u>	<u>522</u>

All revenue contracts with customers within the scope of HKFRS 15 have performance obligations with duration of one year or less. As permitted under HKFRS 15, the transaction price allocated to these contracts for the remaining unsatisfied performance obligation is not disclosed.

5. OTHER GAINS, NET

	Six months ended 30 June	
	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net realised and unrealised foreign exchange gain	3,032	2,723
Net realised and unrealised valuation loss on financial assets at FVTPL	(950)	(786)
Interest income	270	299
Management fee income	616	598
Miscellaneous income/(loss)	24	(8)
	<u>2,992</u>	<u>2,826</u>

6. ADMINISTRATIVE EXPENSES

Administrative expenses comprise mainly expenses incurred by the Group's Investment Holding segment including directors' remuneration and professional fees and Healthcare segment including staff costs.

7. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Interest expenses on lease liabilities	1,396	1,537
	<u>1,396</u>	<u>1,537</u>

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Current tax		
Provision for the period	—	—
Income tax expense	<u>—</u>	<u>—</u>

No Hong Kong Profits Tax has been provided for in the financial statements either because the Hong Kong subsidiaries have accumulated tax losses brought forward which exceed the estimated assessable profits or the Hong Kong subsidiaries sustained losses for both periods.

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

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The Company is exempted from taxation in the Cayman Islands for a period of twenty years from 1989 under the provisions of Section 6 of the Tax Concessions Law (Revised) of the Cayman Islands. The tax concession was renewed for a further period of twenty years from 2 June 2009.

As at 30 June 2026, the Group has not recognised deferred tax assets in respect of tax losses and other temporary differences of approximately HK\$246,200,000 (31 December 2025: HK\$246,200,000) as it is not probable that there will be sufficient future taxable profits against which the Group can utilise the benefits. Tax losses amounting to approximately HK\$65,900,000 have expiry dates between 1 to 5 years. Tax losses amounting to approximately HK\$72,200,000 have expiry dates of more than 5 years, the earliest expiry date is on 31 December 2030 and the latest expiry date is on 31 December 2037. The remaining tax losses amounting to approximately HK\$108,100,000 do not expire under the tax legislations of the respective jurisdiction.

9. PROFIT/(LOSS) FOR THE PERIOD

Profit/(loss) for the period is arrived at after charging:

	Six months ended 30 June	
	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Depreciation of property, plant and equipment	179	248
Depreciation of right-of-use assets	3,070	2,929
Amortisation of intangible assets	1,408	1,270
Staff cost (including directors' emoluments)	4,388	3,408

10. EARNINGS/(LOSS) PER SHARE FOR THE PERIOD

a) **Basic earnings/(loss) per share**

The calculation of basic earnings/(loss) per share is based on profit attributable to ordinary equity shareholders of the Company of approximately HK\$4,200,000 (six months ended 30 June 2025: loss of approximately HK\$3,065,000) and the weighted average number of ordinary shares of 398,979,524 (six months ended 30 June 2025: 398,979,524) in issue during the period.

b) **Diluted earnings/(loss) per share**

Diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share because the Group has no dilutive securities that are convertible into shares during the six months ended 30 June 2026 and 30 June 2025.

11. DIVIDENDS

a) Dividend attributable to the interim period

The directors of the Company (the “Directors”) have resolved not to declare an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

b) There were no dividends attributable to the previous financial years, approved and paid during the six months ended 30 June 2026 and 2025.

12. TRADE AND OTHER RECEIVABLES

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Trade receivables (note (a))	7,181	6,242
Less: Allowance for expected credit loss	(5,343)	(4,894)
	<u>1,838</u>	<u>1,348</u>
Interest receivables (note (a))	8,446	7,450
Less: Allowance for expected credit loss	(284)	(195)
	<u>8,162</u>	<u>7,255</u>
Other receivables and deposits	4,530	4,469
Prepayments (note (b))	7,132	9,097
	<u>21,662</u>	<u>22,169</u>
Analysed as:		
Non-current	2,309	2,238
Current	19,353	19,931
	<u>21,662</u>	<u>22,169</u>

(a) Ageing analysis

Trade receivables are due within 30 days from the date of invoice.

As of the end of the reporting period, the aging analysis of trade receivables and interest receivables (net of allowance for expected credit loss) based on the invoice date is as follows:

	As at 30 June 2026 <i>HK\$'000</i> (Unaudited)	As at 31 December 2025 <i>HK\$'000</i> (Audited)
Less than 1 month	8,387	7,371
1 to 3 months	7	195
More than 3 months but less than 12 months	768	–
More than 12 months	838	1,037
	<u>10,000</u>	<u>8,603</u>

(b) Prepayments

Prepayments mainly consist of professional fees of HK\$895,000 (31 December 2025: HK\$1,777,000) paid in advance to business consultants who provide advisory services on the businesses of the Group.

13. LOAN RECEIVABLES

	As at 30 June 2026 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2025 <i>HK\$'000</i> <i>(Audited)</i>
Loans to third parties	184,015	186,002
<i>Less: Allowance for expected credit loss</i>	<u>(66,864)</u>	<u>(66,357)</u>
	<u>117,151</u>	<u>119,645</u>
Analysed as:		
Secured	17,535	23,447
Unsecured	<u>99,616</u>	<u>96,198</u>
	<u>117,151</u>	<u>119,645</u>

The reason for granting the loans by the Group is because it would help enhance the efficiency in the use of the Group's working capital and that it would be beneficial to the Group in terms of generating cashflow stream from expected interest income.

Before granting loans to potential borrowers, the Group performs internal credit assessment process to assess the potential borrowers' credit quality individually and defines the credit limits granted to the borrowers. The credit limits attributed to the borrowers are reviewed by the management regularly.

The Group has a policy for assessing the impairment on loan receivables on an individual basis. The assessment includes evaluation of collectability, aging analysis of account and current creditworthiness, collateral and past collection history of each borrower under the Group's credit risk rating system.

In determining the recoverability of the loan receivables on a collective basis, the Group considers any change in the credit quality of the loan receivables from the date the credit was initially granted up to the reporting date. This includes assessing the credit history of the borrowers, such as financial difficulties or default in payments, and current market conditions.

At the end of each reporting date, the Group's loan receivables were individually and collectively assessed for impairment.

One of the loans to third parties of approximately HK\$101,946,000 (31 December 2025: approximately HK\$101,140,000) which is secured by a pledge of properties owned by two individuals who have also extended personal guarantees in favour of the borrower. On 12 February 2020, the aforesaid outstanding amount has fallen due. However, the borrower informed the Company that it was unable to repay the said principal amount and the accrued interest at the repayment date, which constituted a default in repayment of the principal amount and accrued interest. On 5 March 2020, the borrower, through its PRC agent, paid a sum of RMB16,000,000 (equivalent to approximately HK\$17,600,000) to a wholly-owned subsidiary of the Company incorporated in the PRC as partial repayment ("Repayment 1"). On 6 March 2020, one of the personal guarantors ("1st Guarantor") paid a sum of HK\$33,000,000 to the Company as partial repayment ("Repayment 2"). Taking into account that Repayment 2 is not lower than the estimated market value of 1st Guarantor's residential property in Hong Kong as secured under the second legal charge, on 15 March 2020, instead of exercising the second legal charge, the Company entered into a deed of partial release to release the second legal charge over the residential property in Hong Kong charged by the 1st Guarantor under the second legal charge in favour of the Company. The remaining amount after the settlement of Repayment 1 and Repayment 2 is classified as expected credit loss.

In order to recover the outstanding amount of the loan facility, the Company has commenced bankruptcy proceedings against the 1st Guarantor on 2 July 2021, and subsequently, bankruptcy order has then been granted against the 1st Guarantor by the court on 19 April 2022. A proof of debt was submitted on 19 May 2022, and the total amount of claim (including any outstanding uncapped interest as at the date of bankruptcy order) was approximately USD 12,000,000. The Official Receiver was appointed as the trustee of the property and estate of the Bankrupt (the "Trustee"). On 25 November 2022, the Trustee adjudicated the Company's proof of debt and declared that a sum of approximately HK\$95,000,000 was admitted as the petitioner's claim. Subsequently, on 20 January 2023, the Trustee distributed a sum of approximately HK\$2,000 as first and final dividend to the Company.

In addition, the Company has commenced an action against Mr. Zhang Shihong (“2nd Guarantor”) for an order for possession of a pledged property and served the Originating Summons dated 9 January 2024 on the 2nd Guarantor on 10 January 2024, pursuant to the agreement of the second legal charge of a property as security entered between the 2nd Guarantor and the Company on 29 March 2018. Regarding the legal action against the 2nd Guarantor, a favourable decision with indemnity costs against the 2nd Guarantor was handed down on 22 January 2026. Pursuant to the decision, the Company is entitled to recover the total sum of the outstanding principal, USD8,521,278.33 (or its Hong Kong dollars equivalent), together with interest from the 2nd Guarantor. Additionally, the 2nd Guarantor must deliver vacant possession of the pledged property to the Company by 22 April 2026. As at the date hereof, no appeal has been lodged by the 2nd Guarantor. The enforcement proceedings (that is, the delivery of vacant possession) are still ongoing.

The loans bear interest at rates ranging from 12% to 18.5% (31 December 2025: 12% to 18.5%) per annum, and are repayable within one year.

14. CASH AND CASH EQUIVALENTS

	As at 30 June 2026 <i>HK\$'000</i> (Unaudited)	As at 31 December 2025 <i>HK\$'000</i> (Audited)
Deposits with bank	11,763	21,006
Cash at bank and in hand	30,039	6,727
Cash and cash equivalents available for use by the Group	41,802	27,733

15. TRADE AND OTHER PAYABLES

	As at 30 June 2026 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2025 <i>HK\$'000</i> <i>(Audited)</i>
Trade payables (note (a))	3,324	3,356
Due to non-controlling interests	825	14,702
Other payables and accrued charges	46,613	31,426
	50,762	49,484

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade payables based on due date is as follows:

	As at 30 June 2026 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2025 <i>HK\$'000</i> <i>(Audited)</i>
Due within 1 month or on demand	517	115
Due 1 to 3 months	942	–
Due over 3 months but less than 12 months	–	7
Due over 12 months	1,865	3,234
	3,324	3,356

The credit terms of trade payables vary according to the terms agreed with different suppliers. The Group has financial risk management policies in place to ensure all payables are settled within the time frame agreed with the respective suppliers.

16. BUSINESS COMBINATION

On 31 December 2025, the Company's indirect wholly-owned subsidiary, Zhongning County Lekang Medical Technology Co., Ltd. (中寧縣樂康醫療科技有限公司), as the Purchaser, entered into the equity transfer agreement with Ms. Zou Congxian (an independent individual holds 80% equity interest in Yinchuan Jinfeng District Deshang Clinic Co., Ltd. * (銀川市金鳳區德尚門診部有限責任公司) ("Deshang Clinic") (the "Target Company") and Ms. Zou Mixian (an independent individual holds 20% equity interest in the Target Company), as the Vendors, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the 70% equity interests in the Target Company at a total consideration of RMB2,100,000 (equivalent to approximately HK\$2,331,000). The acquisition was completed on 3 March 2026.

The principal activity of the Target Company is to operate a comprehensive outpatient facility in the PRC.

After the acquisition date and up to the date of approval of the condensed consolidated interim financial statements for the six months ended 30 June 2026, the Group is still in process of gathering certain information in order to conclude the measurement of the identifiable assets and liabilities. Accordingly, the fair value of the identifiable assets and liabilities and the resulting goodwill presented are based on management's best estimate using available information. The provisional goodwill recognised of approximately RMB1,843,000 (equivalent to approximately HK\$2,089,000) is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Deshang Clinic with those of the Group. None of the goodwill recognised is expected to be deductible for income tax purposes.

The Group incurred transaction costs of approximately HK\$272,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the interim condensed consolidated statement of profit or loss.

Since the acquisition, Deshang Clinic contributed net profit of HK\$2,855,000, to the profit for the six months ended 30 June 2026.

17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial instruments measured at fair value

The following table presents the carrying value of Group's financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of inputs used in the valuation techniques as follows:

- Level 1 valuations: fair values measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: fair values measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: fair value measured using significant unobservable inputs.

	Fair value at 30 June 2026 <i>(Unaudited)</i> HK\$'000	Fair value measurements as at 30 June 2026 categorised into			Fair value at 31 December 2025 <i>(Audited)</i> HK\$'000	Fair value measurements as at 31 December 2025 categorised into		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
		HK\$'000	HK\$'000	HK\$'000		HK\$'000	HK\$'000	HK\$'000
Recurring fair value measurements								
Assets:								
Financial assets at FVTPL								
– Listed equity securities	826	826	–	–	1,774	1,774	–	–
	<u>826</u>	<u>826</u>	<u>–</u>	<u>–</u>	<u>1,774</u>	<u>1,774</u>	<u>–</u>	<u>–</u>

During the six months ended 30 June 2026 and the year ended 31 December 2025, there were no transfers between levels.

The movements in the financial instruments measured at fair value are as follows:

	Financial assets at FVTPL HK\$'000
At 1 January 2025 (audited)	2,578
Net unrealised loss recognised in profit or loss	(786)
Translation differences	24
At 30 June 2025 (unaudited)	1,816
At 1 January 2026 (audited)	1,774
Net unrealised loss recognised in profit or loss	(950)
Translation differences	2
At 30 June 2026 (unaudited)	826

The net unrealised valuation gain or loss of financial assets at FVTPL for the period recognised in profit or loss is presented in “other gains, net” in the consolidated statement of profit or loss.

(b) Financial instruments not measured at fair value but for which the fair value is disclosed:

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2026 and 31 December 2025.

18. CONTINGENT LIABILITIES

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

19. EVENTS AFTER THE REPORTING PERIOD

On 9 June 2026, the Group entered into an equity transfer agreement with an independent third party to dispose of the entire 61% equity interest in its indirect non-wholly-owned subsidiary, Shanghai Yuyue Weilai Healthcare Beauty Hospital Limited (上海愉悅薇萊醫療美容醫院有限公司) (“Shanghai Hospital”) through the disposal of Shanghai Rifu Industrial Limited (上海日復實業有限公司) (“Shanghai Rifu”), at a consideration of RMB23,000,000. The disposal was subsequently completed on 2 July 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group recorded a total revenue of approximately HK\$20.0 million for the Period as compared with a total revenue of approximately HK\$8.4 million in the previous corresponding period. The increase in total revenue was primarily due to the increase in revenue of the healthcare business of the Group from approximately HK\$0.5 million for the previous corresponding period to approximately HK\$12.2 million for the Period. Please refer to the subsection headed “Healthcare segment” below for details on the reason for the increase in revenue of the healthcare business of the Group.

At the same time, the Group recorded a net profit of approximately HK\$1.7 million for the Period as compared with a net loss of approximately HK\$5.5 million in the previous corresponding period, and a net profit attributable to the equity shareholders of the Company of approximately HK\$4.2 million for the Period as compared with a net loss attributable to the equity shareholders of the Company of approximately HK\$3.1 million in the previous corresponding period. The decrease in loss was mainly due to the increase in total revenue by approximately HK\$11.6 million, offset by the change from reversal of expected credit loss of approximately HK\$2.5 million in the previous corresponding period to the expected credit loss recognised of approximately HK\$1.0 million (please refer to the subsection headed “Money lending and related business segment” below for further details).

Healthcare segment

During the Period, the Group newly acquired an examination centre under the healthcare segment. Please refer to the subsection headed “Healthcare business” under the section headed “PROSPECTS” below for details on the newly acquired an examination centre under the healthcare segment of the Group.

The newly acquired examination centre under the healthcare segment of the Group, recorded revenue of approximately HK\$6.6 million for the Period.

In relation to the new skincare products business under the healthcare segment of the Group, the Group recorded revenue of approximately HK\$0.4 million for the Period as compared with revenue of HK\$0.5 million for the previous corresponding period.

Shanghai Yuyue Weilai Healthcare Beauty Hospital Co., Ltd* (上海愉悅薇萊醫療美容醫院有限公司) ("Shanghai Hospital") is principally engaged in plastic surgery operation in Shanghai City of the People's Republic of China ("PRC"). Shanghai Hospital is a specialized plastic surgery hospital which operates class 1 to class 3 plastic surgery operations and facial bone contouring technique plastic surgery operations in the PRC, and provides high quality services to the public customers. Shanghai Hospital has obtained the medical institution practicing license in the PRC to carry out its plastic surgery services in the PRC. Shanghai Hospital has been providing plastic surgery services, including but not limited to, Chinese medical aesthetic services, aesthetic dentistry, facial contouring surgery, etc. Shanghai Hospital recorded revenue of approximately HK\$5.2 million and net loss of approximately HK\$2.2 million for the Period as compared with revenue of approximately HK\$Nil million and net loss of approximately HK\$4.2 million for the previous corresponding period.

The revenue figure for Shanghai Hospital was higher compared to the previous corresponding period, largely attributable to the low base effect arising from the temporary suspension of its operations and renovation during that period, as it did not reopen until late October 2025. The decrease in net loss was mainly due to the increase in revenue, offset by the corresponding increase in operating costs, as compared to that of the previous corresponding period.

After the Period, the disposal of Shanghai Hospital (through the disposal of the Company's 60.8077% equity interest in Shanghai Rifu Industrial Limited* (上海日複實業有限公司) ("Shanghai Rifu")) was completed on 2 July 2026. Shanghai Rifu and Shanghai Hospital have since ceased to be subsidiaries of the Group, and their financial results, assets, and liabilities will no longer be consolidated into the consolidated financial statements of the Group.

Money lending and related business segment

Regarding the Group's money lending and related business segment, the Group recognised interest income from third parties loans of HK\$7.8 million for the Period, as compared with interest income from third parties loans of HK\$7.9 million in the previous corresponding period. In addition, there was an expected credit loss recognised of approximately of HK\$1.0 million for the Period, which was mainly risen from both loan and interest receivables for the Period. Consequently, the Group's money lending and related business segment reported a profit before tax of approximately HK\$6.9 million for the Period as compared with a profit before tax of approximately HK\$10.4 million in the previous corresponding period.

Investment holding segment

The Group's investment holding segment recorded a net realised and unrealised valuation loss on trading securities of approximately HK\$1.0 million for the Period, as compared with a net realised and unrealised valuation loss on trading securities of approximately HK\$0.8 million in the previous corresponding period. Consequently, the Group's investment holding segment reported a loss before tax of approximately HK\$3.6 million for the Period as compared with a loss before tax of approximately HK\$7.6 million in the previous corresponding period.

There have been no important events affecting the Company and its subsidiaries which have occurred since the end of the Period.

PROSPECTS

Healthcare business

The Group has been actively refining its healthcare strategy to sharpen its business focus and capture emerging opportunities in the consumer healthcare and "Great Health" sectors.

Following a strategic review of its healthcare operations, the Group completed the divestment of Shanghai Hospital in July 2026. This allows the Group to streamline its business and focus its resources on higher-growth opportunities within the healthcare sector.

Going forward, the Group's healthcare business will centre on two key areas: the skincare products business and the medical examination business.

Since late 2024, the Group has been building its skincare products business under the “BIOELEGENCE” brand, complemented by the medical-grade “DA Mask” product line. The Group has established a comprehensive product matrix, including facial masks, single-use essences, face creams, and essence lotions, with full ownership of all brands, trademarks, proprietary formulations, and intellectual property. Looking ahead, the Group will continue to expand its online and offline sales channels, deepen collaborations with livestream platforms and influencers, and strengthen its private domain operations. With the rapid growth of the medical aesthetics post-procedure care market, the Group is well-positioned to enhance brand awareness and market share, and expects this business to become an increasingly meaningful contributor to its revenue.

In early 2026, the Group successfully completed the acquisition of a 70% equity interest in Yinchuan Jinfeng District Deshang Clinic Co., Ltd. * (銀川市金鳳區德尚門診部有限責任公司) (“Deshang Clinic”), a licensed medical institution approved by the Health Commission. This acquisition marks the Group’s strategic expansion from the medical aesthetics sector into the broader medical examination and “Great Health” market. Deshang Clinic operates a comprehensive outpatient facility equipped with a full range of standard medical examination equipment, and its registered scope covers medical services, medical aesthetic services, traditional Chinese medicine services, internet hospital services, and other related healthcare services. The clinic is staffed by a professional team of physicians, nurses, medical technicians, and operational personnel.

Since the acquisition, Deshang Clinic has demonstrated positive growth momentum, with an expanding customer base comprising both individual and corporate clients. The Group has also entered into a service framework agreement with Ningxia Tianyuan, the ultimate holding company, for the provision of occupational health examination services, providing a stable foundation for future growth. The Group intends to further develop the medical examination business by expanding sales channels, targeting corporate clients for occupational health examinations, and introducing new medical examination equipment to serve the premium health screening market. In addition, the Group plans to design distinctive examination programs, launch targeted specialty outpatient services, and develop “Great Health” consultation and management solutions to offer customers comprehensive life-cycle health monitoring services. The Group is also preparing to establish a Dermatology Department at Deshang Clinic to provide light medical aesthetic services, leveraging its existing industry expertise and the clinic’s existing licence to conduct such services.

As at 30 June 2026, the Group is still in process to gather certain information in order to conclude the measurement of the identifiable assets and liabilities and also the provisional goodwill thereon. As of the end of the reporting date, the fair values had been determined on a provisional basis, in which the fair value of the identifiable assets and liabilities and also the provisional goodwill thereon presented is based on the best estimation of the management by referring to the information readily available. Management of the Company expects the measurement will be concluded within one year upon the date of acquisition.

Looking ahead, the Group remains committed to deepening its presence in the consumer healthcare and “Great Health” industries through its healthcare business operations. The Group will continue to evaluate emerging investment and collaboration opportunities, leverage its professional expertise and industry experience, and pursue sustainable growth to create long-term value for its Shareholders.

Money lending and related business

In 2026, the Group will continue its money lending and related business, which include lender or borrower referral business, fund matching, fund arrangement and/or fund participation but exclude any regulatory activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). The business has demonstrated consistent performance over the years and continues to be a stable contributor to the Group’s earnings. The Group has been and will be more cautious with the credit assessment and acceptance of customers from money lending and related business. In order to strike a balance between expansion of the money lending and related business segment and the risk control of the Group, the Group will adopt a more prudent credit assessment and procedures when accepting customers for money lending business in the future.

Investment holding

The Group will continue to hold some trading securities and will monitor and make appropriate changes on the investment portfolio from time to time to adapt to the economic environment. In addition, the Group will explore different short-term investment plans to improve its investment return by using the cash reserves on hand in different currencies. From time to time, there could be continued adjustments attributable to unrealised gains or losses arising from the fair value measurement of the Group’s trading securities and unrealised gains or losses on the revaluation of foreign currency cash deposits.

New business segments

Whilst the Group is striving for progress in its existing businesses, the management is also actively seeking other business opportunities with a view of diversifying and enhancing income sources.

AUDIT COMMITTEE

The members of the audit committee of the Company comprise 3 independent non-executive Directors namely Mr. Yuen Kwok Kuen, Ms. Zhou Siqi and Mr. Li Jun. The audit committee of the Company has reviewed the unaudited interim results and the interim financial information for the Period, and expressed no disagreement with its content and the accounting treatment adopted.

INTERIM DIVIDEND

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

CORPORATE GOVERNANCE CODE

Paragraph C.2.1 of the Corporate Governance Code (the “CG Code”) contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Starting from 4 November 2022, the roles of the chairman and chief executive officer of the Company were performed by the same individual, Ms. Dong Wei. She is responsible for formulating the overall business development strategy and planning of the Group. The Directors meet regularly to consider issues related to corporate matters affecting operations of the Group and considers that this deviation will not impair the balance of power and authority of the Board and the Company’s management and thus, the Directors believe the current structure will enable effective planning and implementation of corporate strategies and decisions of the Group. Notwithstanding the above, the Company is endeavouring to identify suitable candidate for executive directors to share the roles of Ms. Dong Wei (as chairman and chief executive officer) as soon as practicable to meet the requirements of the CG Code.

In the opinion of the Directors, saved as disclosed herein, the Company has complied with the code provisions as set out in the CG Code throughout the Period.

The Company reviews its corporate governance practices from time to time to ensure compliance with the CG Code.

DISCLOSURE UNDER RULE 13.20 OF THE LISTING RULES

The Group had granted facilities to independent third parties and remained outstanding as at 30 June 2026, which is required to be included in this interim report in accordance with Rule 13.20 of the Listing Rules. The summarized information on the facilities is set out as below:

Facility agreement A

Date of facility agreement	12 November 2018 (as supplemented by the supplemental deed dated 12 November 2019) (the "Amended Facility Agreement A")
Borrower	Lead Dragon Limited
Guarantor(s)	Mr. Li Ming & Mr. Zhang Shihong
Principal	US\$13,000,000
Interest rate	(a) 12% per annum, starting from and including 12 November 2018 up to and including 11 November 2019; and (b) 18.5% per annum starting from and including 12 November 2019 up to and including 12 February 2020.
Term	15 months from the date of facility agreement (i.e. 12 February 2020)
Default Interest	20% per annum
Guarantee	Personal guarantees provided by the guarantors Mr. Li Ming and Mr. Zhang Shihong in favor of the Company to secure the obligations of the Borrower (as regards Mr. Zhang Shihong's obligations, subject to certain limitations as disclosed in the announcement of the Company dated 4 April 2018)
Security	The second legal charge over a residential property in Hong Kong charged by Mr. Li Ming in favour of the Company, subject to the existing first mortgage over the said residential property; and the second legal charge over a residential property in Hong Kong charged by Mr. Zhang Shihong in favour of the Company, subject to the existing first mortgage over the said residential property and subject however to certain limitations (Note 1)

Note 1:

On 17 January 2020, Mr. Li Ming, as chargor, and Zhuhai Hengqin Tianyuan Medical Management Company Limited* (珠海橫琴天元醫療管理有限公司) (the **"PRC Subsidiary"**), a wholly-owned subsidiary of the Company, as chargee, entered into an agreement of legal charge (the **"PRC Legal Charge"**), pursuant to which Mr. Li Ming charged five properties located in Beijing, the PRC, owned by him in favour of the PRC Subsidiary as security for the due payment of all obligations and liabilities due, owing or incurred by the Borrower to the Company under the Amended Facility Agreement A. On 5 March 2020, Lead Dragon Limited, through its PRC agent, paid a sum of RMB16,000,000 (equivalent to approximately HK\$17,600,000) to the PRC Subsidiary, as partial repayment of the facility under the Amended Facility Agreement A. On 6 March 2020, Mr. Li Ming paid a sum of HK\$33,000,000 to the Company as partial repayment of the facility under the Amended Facility Agreement A (the **"Partial Repayment"**). Since the sum of Partial Repayment is not lower than the estimated market value of Mr. Li Ming's residential property in Hong Kong (the **"Property"**) as secured under the second legal charge as at 4 March 2020 (after deduction of approximately HK\$11,076,000 of the liability secured under the existing first mortgage on the Property as at 6 December 2019), the Company entered into a deed of partial release to release the second legal charge over the Property charged by Mr. Li Ming in favour of the Company (the **"Partial Release"**). Further details in relation to the PRC Legal Charge, the Partial Repayment and the Partial Release are set out in the announcements of the Company dated 17 February 2020, 21 February 2020 and 16 March 2020.

In order to recover the outstanding amount of the facility, the Company has commenced bankruptcy proceedings against Mr. Li Ming on 2 July 2021, and subsequently, bankruptcy order has then been granted against Mr. Li Ming on 19 April 2022. A Proof of debt was submitted on 19 May 2022, and the total amount of claim (including any outstanding uncapped interest as at the date of bankruptcy order) was approximately USD12,000,000. The Official Receiver was appointed as the trustee of the property and estate of the Bankrupt (the **"Trustee"**). On 25 November 2022, the Trustee adjudicated the Company's proof of debt and declared that a sum of approximately HK\$95,000,000 was admitted as the petitioner's claim. Subsequently, on 20 January 2023, the Trustee distributed a sum of approximately HK\$2,000 as first and final dividend to the Company.

On 29 March 2018, Mr. Zhang Shihong (張士宏), as 2nd named Guarantor, and the Company, as Lender, entered into an agreement of Second Legal Charge, pursuant to which Mr. Zhang Shihong charged a property and of and in the messuages erection and buildings thereon together with the sole and exclusive right and privilege to hold use occupy and enjoy a department of the estate (the **"Property"**) to the Company as security for due repayment to the Company of all sums of monies, obligations and liabilities due payable by Mr. Zhang Shihong to the Company in respect of the credit/loan/facilities/loan granted or to be granted by the Company to Mr. Zhang Shihong.

On 12 February 2020, Lead Dragon Limited, the Borrower, had made default in the payment of the payables under the Loan Agreements. An event of default under the Second Legal Charge had thus occurred. The Company is therefore entitled to enter into and take possession of the Property pursuant to the Second Legal Charge.

Regarding the legal action against Mr. Zhang Shihong (the "2nd Guarantor"), a favourable decision with indemnity costs against the 2nd Guarantor was handed down on 22 January 2026. Pursuant to the decision, the Company is entitled to recover the total sum of the outstanding principal, USD8,521,278.33 (or its Hong Kong dollars equivalent), together with interest from the 2nd Guarantor. Additionally, the 2nd Guarantor must deliver vacant possession of the pledged property to the Company by 22 April 2026. As at the date hereof, no appeal has been lodged by the 2nd Guarantor. The enforcement proceedings (that is, the delivery of vacant possession) are still ongoing.

Further details are set out in note 13 titled "loan receivables" of the interim financial statements in this interim report.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” as set out in Appendix C3 of the Listing Rules (the “Model Code”) as its code of conduct regarding Directors’ securities transactions. All Directors confirmed that they have complied with the Model Code throughout the Period.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Period (including any sale of treasury shares (as defined under the Listing Rules)). The Company did not have any treasury shares (as defined under the Listing Rules) as at 30 June 2026.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group had no material acquisitions and disposals of subsidiaries, associates and joint venture during the Period.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group had no material contingent liabilities.

BORROWINGS AND GEARING

The Group did not have any bank borrowings as at 30 June 2026, the Group was in a net cash position amounting to HK\$41.8 million as at 30 June 2026. Hence, the Group’s gearing is zero, which is expressed as a percentage of current and non-current loans and borrowings less cash and cash equivalents over total equity attributable to equity shareholders of the Company.

PLEDGE OF ASSETS

As at 30 June 2026, the Group did not pledge any of its assets.

FOREIGN EXCHANGE RISK

The Group is exposed to foreign currency risk through deposits and withdrawals of fixed deposits, sales and purchases of the financial assets at fair value through profit or loss, and loan receivables that are denominated in a currency other than the functional currency of the entities to which they relate. The currencies giving rise to these risks are mainly the Sterling Pound, Singapore Dollar, Philippine Peso, Renminbi, South Korean Won, and US Dollar.

When necessary, the Group uses forward exchange contracts to hedge its specific currency risks. However, forward exchange contracts that do not qualify for hedge accounting are accounted for as trading instruments. As at the reporting date, the Group had no outstanding forward exchange contracts.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had a total of 115 employees, including directors. The total Group's staff costs comprising salaries, wages and other benefits was HK\$4.4 million for the six months ended 30 June 2026. The Group has a competitive wage and benefits package which are critical to maintaining a level of consistent and quality services.

SHARE OPTION SCHEME

The Company does not have any share option scheme.

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

As at 30 June 2026, none of the Directors and the chief executives of the Company or their associates were interested or had any short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed to the Company under the provisions of Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the "SFO"), or which was recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company or the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, so far is known to any Directors or the chief executives of the Company, the following persons (excluding the Directors and the chief executives of the Company) were interested in 5% or more of the issued share capital of the Company or were interested in or had short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which was recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholder	Capacity/Nature of Interest	Number of Shares Held	Approximate Percentage holding of issued share capital of the Company as at 30 June 2026
Dong Jufeng <i>(Note)</i>	Interest of spouse/ Family interest	266,069,294	66.69%
Jia Tianjiang <i>(Note)</i>	Interest of controlled corporation/ Corporate interest	266,069,294	66.69%
Tian Yuan Manganese Limited <i>(Note)</i>	Beneficial owner/ Beneficial interest Person having security interest in shares	249,539,294	62.54%
Ningxia Tianyuan Manganese Industry Group Co., Ltd. <i>(Note)</i>	Interest of controlled corporation/ Corporate interest	266,069,294	66.69%
Ningxia Tianyuan Holding Co., Ltd. <i>(Note)</i>	Interest of controlled corporation/ Corporate interest	266,069,294	66.69%

Note: Tian Yuan Manganese Limited is a wholly owned subsidiary of Ningxia Tianyuan Holding Co., Ltd.* (寧夏天元鋳業股份有限公司), which in turn is a wholly owned subsidiary of Ningxia Tianyuan Manganese Industry Group Co., Ltd.* (寧夏天元鋳業集團有限公司). Ningxia Tianyuan Manganese Industry Group Co., Ltd. is a corporation controlled by Mr. Jia Tianjiang. By virtue of the SFO, Ningxia Tianyuan Holding Co., Ltd, Ningxia Tianyuan Manganese Industry Group Co., Ltd., Mr. Jia Tianjiang and his spouse, Ms. Dong Jufeng, are deemed to be interested in the 266,069,294 shares of the Company of which Tian Yuan Manganese Limited is interested in.

Save as stated above, no person (excluding the Directors and the chief executives of the Company) was interested in or had a short position in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO as at 30 June 2026.

In accordance with paragraph 40 of Appendix D2 to the Listing Rules, save as disclosed herein, the Company confirms that there were no material differences between the existing information of the Company relating to the matters as set out in paragraph 32 of Appendix D2 to the Listing Rules and the relevant information disclosed in the Company's Annual Report 2025.

The Directors, the Board and senior management of the Company confirm that the information contained in this 2026 Interim Financial Report is true, accurate, and complete without any false and misleading statements or material omissions, and severally and jointly accept legal responsibility for the above.

By order of the Board
China Tian Yuan Healthcare Group Limited
Dong Wei
Executive Director

Hong Kong, 28 August 2026

** For identification purposes only*