

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



**愛帝宮母嬰健康股份有限公司**  
**AIDIGONG MATERNAL & CHILD HEALTH LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 286)**

**INTERIM RESULTS ANNOUNCEMENT**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of Aidigong Maternal & Child Health Limited (the “**Company**”) would like to announce the unaudited consolidated interim results of the Company and its subsidiaries (together, the “**Group**”) for the six months ended 30 June 2024 (the “**Period**”) together with the comparative figures for the corresponding period in 2023 as follows:

**FINANCIAL HIGHLIGHTS AND OPERATING DATA SUMMARY**

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	<b>274,735</b>	307,229
Gross profit	<b>70,173</b>	93,178
Gross profit margin	<b>25.5%</b>	30.3%
Loss for the period	<b>(39,355)</b>	(22,925)
Non-HKFRS Measures <sup>1</sup> :		
Adjusted profit/(loss)	<b>(6,219)</b>	17,984

<sup>1</sup> For more information about the Non-HKFRS measures, please refer to the section headed “Reconciliation of non-HKFRS measures with the nearest measure prepared in accordance with HKFRS”.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Chairman's Statement

Dear Shareholders:

We hereby present the interim results of Aidigong Maternal & Child Health Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 (the “**Period**”) to the shareholders of the Company (the “**Shareholders**”).

In the first half of 2024, China's GDP achieved a growth rate of 5%\*, while total retail sales, total consumption of services and per capita income all showed growth of a certain magnitude, and despite the difficulties of insufficient domestic demand, the overall economic operation remained stable. The fact that the number of births in China has continued to decline and the country has entered a lower level of total fertility rate should not be ignored. The country has continued to introduce new incentives to address the population issue, and the Third Plenary Session of the 20th Central Committee of the Communist Party of China has clearly proposed the policy objective of “improving the policy system and incentive mechanism for supporting childbirth, and promoting the construction of a birth-friendly society”. At the same time, the shortfall of births reduced by the epidemic in the second half of 2023 was start to be made up gradually in 2024, coupling with the impact of the traditional small peak of births in the Year of Dragon under lunar calendar, the external environment for the development of the maternal and child industry in the first half of 2024 was generally favorable. However, we also note that the spending power and consumption level of customers in the maternal and child industry, especially the postpartum care industry, have declined to a certain extent, and the situation of a large number of industry participants, varying service levels and intensified competition in the development of the industry still persists. How to continuously provide products and services that meet the market demand and stand out from the competition is a question faced by every industry practitioner.

Based on the macro and industry development environment and the Group's own situation, in the first half of 2024, the Group carried out relevant work mainly in the areas of consolidating the foundation for development, resolving the debt problem, and continuously opening up new sources of income and reducing expenditure.

\* *Source: National Bureau of Statistics of China*

Firstly, good corporate governance is the foundation of the Company's long-term sustainable development. In order to further enhance the Company's governance standard and capability, the board of directors of the Company (the "**Board**") made significant changes in the first half of the year by reducing the number of directors and introducing more directors with industry experience and excellent corporate management capability, with a view to further enhancing the Board's decision-making and management capability. At the same time, the Board of Directors also conducted ongoing communication and discussion with the management of our subsidiaries to further improve the governance structure and management level of the Company and its subsidiaries, with a view to laying a solid foundation for the long-term sustainable development of the Group's business in the future.

Secondly, in response to the external debt repayment problem caused by the epidemic, the Company implemented a three-for-one rights issue financing plan and received enthusiastic participation and support from Shareholders, which effectively alleviated the debt problems faced by the Group. Meanwhile, the management of the Company has actively communicated with the major creditors of the Group and received positive feedback and support, and also initiated a placing proposal for the issuance of 30% of the Company's shares based on the Group's future capital requirements, which was approved by the special general meeting held on 25 July 2024, and the relevant placing is proceeding according to the plan, and it is expected that the external debt problem which has been troubling the sustainable development of the Group will be resolved in a sustained and effective manner.

Thirdly, faced with an increasingly competitive external environment, the Group maintained its strategic stability and continued to forge ahead. In the first half of the year, the Group completed its entry into two cities, Foshan and Chongqing, and the Group's core postpartum care service business expanded to a scale of 21 centres in 12 cities. The Group has also been exploring and developing its postpartum care products and services business, and has achieved certain progress and results, with the work in progress steadily. In addition, the Group did not forget to reduce costs and increase efficiency while opening up new sources of income. Through continuous optimization of the business model and process methodology, the level of the Group's related expenses was continuously controlled and optimized, which further strengthened the Group's competitiveness in the industry.

Looking back at the first half of 2024, despite the efforts we made, we are still facing a lot of external pressure and the Group did not achieve satisfactory operating results. Looking ahead to the second half of 2024, we are neither optimistic nor pessimistic about the development of the external environment, and keep a clear understanding of our own development strengths and problems. We understand that problems need to be solved through development, and our capabilities need to be honed and improved through hard work. We will face up to the problems and competition head-on, unite and gather the strengths of all parties, further sort out the goal of development and improve the work plan, join forces, continue to work hard and move forward steadily to satisfy our customers with better products and services, satisfy our employees and partners with better development and growth, and satisfy our shareholders with better operating results.

We would like to express our heartfelt gratitude to our shareholders for their permanent support, as well as to the directors of the Company and those who have made valuable contributions to the Group.

## **BUSINESS REVIEW**

### **Postpartum Care Services Business**

During the Period, the revenue of the postpartum care services business decreased by 10.6% year-on-year to HK\$274.7 million. The decrease in revenue was mainly attributable to, among other things, (i) a decrease in revenue due to the depreciation of the exchange rate of RMB against Hong Kong dollar; (ii) the adverse macroeconomic impact, customers were more cautious in spending, resulting in a decrease in the Group's revenue during the Period; and (iii) the loss attributable to the newly opened postpartum care centres which are still in the early stage of opening and their occupancy rate is in the process of growing, thus eroding the profits of existing centres and affecting the overall profits.

During the Period, the number of postpartum care centres was as follows:

City	Brand	As at	As at
		30 June 2024 Centres	31 December 2023 Centres
Shenzhen	Aidigong	6	6
Beijing	Aidigong	2	2
Chengdu	Aidigong	2	2
Zhuhai	Yuegege	3	2
Xiamen	Aidigong	1	1
Dongguan	Aidigong	1	1
Wuxi	Yuegege	1	1
Quanzhou	Combined Aidigong	1	1
Guangzhou	Aidigong	1	1
Fuzhou	Combined Aidigong	1	1
Foshan	Aidigong	1	-
Chongqing	Combined Aidigong	1	-
Total		<u>21</u>	<u>18</u>

***Establishing Presence in Cities and Setting up New Centres Simultaneously to Constantly Increase Market Share***

The Group continued its strategy of “Establishing Presence in 50 Cities in Five Years”. On one hand, the Group accelerated the coverage in major cities across the country and increased their coverage; on the other hand, it continued to intensively cultivate and increase market share in the cities already covered.

In 2024, in terms of new city coverage, the innovative Aidigong business division opened the No.1 Centre in Foshan of postpartum care centres under the Aidigong brand at Oakwood Residence Foshan, and the combined Aidigong business division established a service centre under the combined Aidigong brand in Chongqing. In respect of intensive cultivation in the cities already covered, the business division of Yuegege brand established its presence and set up a new centre in Zhuhai Yindo Grand Jasper Hotel once again in the same city, namely No. 3 Centre in Zhuhai, which proved the successful strategy of “Establishing Presence in 50 Cities in Five Years” with intensive focus on cities. As of the date of this announcement, a total of 21 centres are opened and operating and the Group has achieved market coverage in 12 cities, namely Shenzhen, Beijing, Chengdu, Zhuhai, Xiamen, Dongguan, Wuxi, Quanzhou, Guangzhou, Fuzhou, Foshan and Chongqing.

## **FINANCIAL REVIEW**

### **Revenue and gross profit**

Revenue for the Period was approximately HK\$274,735,000 (corresponding period in 2023: HK\$307,229,000), representing a decrease of approximately HK\$32,494,000 or 10.6% as compared to the corresponding period in 2023. The decrease in revenue was mainly due to (i) a decrease in revenue due to the depreciation of the exchange rate of RMB against Hong Kong dollar and (ii) the adverse macroeconomic impact, customers were more cautious in spending, resulting in a decrease in the Group revenue during the Period. Gross profit for the Period was approximately HK\$70,173,000 (corresponding period in 2023: HK\$93,178,000), representing a decrease of approximately HK\$23,005,000 or 24.7% as compared to that of the corresponding period in 2023. The gross profit margin of the Group for the Period was 25.5% (corresponding period in 2023: 30.3%). The decrease in gross profit margin for the Period was attributable to the fact that the newly opened postpartum care centres were still in the rising and improving process and their operating efficiency was not as good as existing centres, thus eroding the gross profit margin of existing centres and affecting the overall gross profit margin for the Period.

### **Administrative expenses**

Administrative expenses for the Period were approximately HK\$35,578,000 (corresponding period in 2023: HK\$30,631,000), representing an increase of approximately HK\$4,947,000 or 16.2% as compared to that of the corresponding period in 2023. Such an increase was mainly because the Group continued to implement the strategy of “Establishing presence in 50 Cities in Five Years” and accelerated the expansion of its Presence in major cities across the country in an effort to increase its market share, resulting in a slight increase in administrative and management costs for the Period.

### **Selling and distribution expenses**

Selling and distribution expenses for the Period were approximately HK\$57,213,000 (corresponding period in 2023: HK\$58,759,000), representing a decrease of approximately HK\$1,546,000 or 2.6% as compared to that of the corresponding period in 2023. Such a decrease was mainly due to the decrease in selling and marketing expenses resulting from the innovative marketing methods applied to the postpartum care services business in order to improve marketing efficiency as compared to that of the corresponding period in 2023.

### **Finance costs**

Finance costs for the Period were approximately HK\$24,059,000 (corresponding period in 2023: HK\$31,942,000), representing a decrease of approximately HK\$7,883,000 or 24.7% as compared to that of the corresponding period in 2023. Finance costs mainly include interest on bonds payable of approximately HK\$2,920,000 (corresponding period in 2023: HK\$3,953,000), interest on bank and other borrowings of approximately HK\$10,854,000 (corresponding period in 2023: HK\$16,490,000), non-cash interest expense on lease liabilities of approximately HK\$5,962,000 (corresponding period in 2023: HK\$9,036,000) and interest on convertible preference shares of approximately HK\$4,323,000 (corresponding period in 2023: HK\$2,463,000). The decrease in finance costs was mainly due to the decrease in interests on other borrowings and interest expenses on lease liabilities.

## **Loss for the Period**

Net loss for the Period was approximately HK\$39,355,000 (corresponding period in 2023: net loss of HK\$22,925,000), representing an increase of approximately HK\$16,430,000, which was mainly attributable to, among other things, (i) a decrease in revenue due to the depreciation of the exchange rate of RMB against Hong Kong dollar; (ii) the adverse macroeconomic impact, customers were more cautious in spending, resulting in a decrease in the Group's revenue during the Period; and (iii) the loss attributable to the newly opened postpartum care centres which are still in the early stage of opening and in the process of growing, thus eroding the profits of other existing centres and affecting the overall profits.

Basic and diluted loss per share attributable to the owners of the Company for the Period were both HK0.81 cents (corresponding period in 2023: basic and diluted loss per share: both HK0.54 cents).

## **Reconciliation of non-HKFRS measures with the nearest measure prepared in accordance with HKFRS**

To supplement our consolidated results which are prepared and presented in accordance with HKFRS, we also use adjusted profit/(loss) as additional financial measures, which are not required by, or presented in accordance with HKFRS. We believe that these non-HKFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance. The use of these non-HKFRS measures has limitations as an analytical tool, and one should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under HKFRS. In addition, these non-HKFRS measures may be defined differently from similar terms used by other companies.

Adjusted profit/(loss) represent profit/(loss) for the period adjusted for: (i) interest on structured deposits, some finance cost and deferred tax; and (ii) certain non-cash or one-off items, including depreciation and amortization costs and certain impairment provision.



The table below sets out a reconciliation of non-HKFRS measures with the nearest measure prepared in accordance with HKFRS for the years 2024 and 2023.

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Loss for the period	<b>(39,355)</b>	(22,925)
Adjusted for:		
Allowance for expected credit losses on financial assets	<b>2,882</b>	1,242
Depreciation and amortization costs	<b>13,656</b>	15,997
Finance cost		
– Interest on bonds payable	<b>2,920</b>	3,953
– Interest on bank and other borrowings	<b>10,854</b>	16,490
– Finance costs on convertible preference shares	<b>4,323</b>	2,463
Deferred tax	<b>(1,138)</b>	1,160
Interest on structured deposits	<b>(361)</b>	(396)
Adjusted (loss)/profit	<b><u>(6,219)</u></b>	<u>17,984</u>

## **INTERIM DIVIDEND**

The Board has resolved not to declare any interim dividend for the Period (corresponding period in 2023: Nil).

## **FINANCIAL HIGHLIGHT**

### **Net Assets Value**

As at 30 June 2024, the net assets value of the Group were approximately HK\$757,907,000 (31 December 2023: HK\$755,949,000), representing an increase of approximately HK\$1,958,000 as compared to the net assets value of the Group as at 31 December 2023. Such increase was mainly due to the increase in equity interest of approximately HK\$56,300,000 as a result of the completion of the allotment and issue of 1,478,338,324 new shares by the Company on 14 May 2024 pursuant to the rights issue at HK\$0.042 per Rights Share on the basis of 1 Share for every 3 issued Shares held, and offset by comprehensive expenses of approximately HK\$54,342,000 for the Period.

Net assets value per issued ordinary share of the Company as at 30 June 2024 was approximately HK\$0.13 (31 December 2023: HK\$0.17).

As at 30 June 2024, the current ratio of the Group (calculated as current assets divided by current liabilities) was 1.07 (31 December 2023: 1.16).

### **Equity**

The number of issued ordinary shares of the Company (the “Shares”) as at 30 June 2024 was 5,913,353,298 (31 December 2023: 4,435,014,974). Such increase was due to the allotment and issue of 1,478,338,324 new shares by the Company on 14 May 2024 pursuant to rights issue at HK\$0.042 per Rights Share on the basis of 1 Share for every 3 issued Shares held, details of which are set out in the prospectus of the Company dated 19 April 2024.

## Liquidity, Financial Resources and Capital Structure

As at 30 June 2024, the Group had a principal amount of HK\$45,000,000 (31 December 2023: HK\$65,200,000) of unsecured bonds payable, approximately HK\$313,303,000 (31 December 2023: HK\$327,809,000) of secured bank loan and HK\$3,224,000 (31 December 2023: HK\$3,000,000 of unsecured other borrowings) of unsecured bank borrowings.

Save as disclosed above, the Group did not have any other borrowing as at 30 June 2024. The gearing ratio of the Group was 0.78 as at 30 June 2024 (31 December 2023: 0.83). The gearing ratio is calculated by dividing the total of bank and other borrowings, convertible preference shares and bonds payable by the total equity.

The Group maintains sufficient working capital and cash position for daily operations. Bank and cash balances of the Group as at 30 June 2024 amounted to approximately HK\$70,897,000 (31 December 2023: HK\$80,303,000).

In addition to the above bank and cash balances, as at 30 June 2024, the Group held structured bank deposits (“SBDs”) of approximately HK\$21,496,000 (31 December 2023: approximately HK\$20,009,000) at certain banks. Pursuant to the relevant underlying agreements, the SBDs generally carry income at a variable rate per annum with reference to the performance of foreign currency, commodity price, or assets during the investment period and the principal sums are denominated in RMB. Such SBDs are principal protected, either redeemable on demand or have a maturity date ranging from two to three months.

The cash and bank balances were denominated in RMB, Hong Kong dollars and United State dollars and the bank borrowings facilities available to the Group were denominated in RMB and bear floating interest rates. The Group continued to have no foreign exchange contracts and investment in listed shares, bonds and debentures or any other material financial instruments for hedging foreign exchange risks purpose. The Group is not exposed to material fluctuations risks in exchange rates.

## **Pledge of Assets**

Reference is made to the Company's announcement dated 16 September 2019 regarding, among other things, the loan agreements entered into between Guangdong Goodtop Health Industry Group Limited (廣東萬佳健康產業集團有限公司) ("Guangdong Goodtop"), a wholly-owned subsidiary of the Company, as borrower, with Dongguan Rural Commercial Bank Co., Ltd. ("DRC Bank"), as lender, pursuant to which, DRC Bank, Donglian Branch agreed to grant loan facilities to Guangdong Goodtop to acquire Shenzhen Aidigong Maternity Health Management Co., Ltd.\* (深圳愛帝宮母嬰健康管理有限公司) ("Shenzhen Aidigong"). The balance of such loan as at 30 June 2024 was approximately RMB291,500,000. Guangdong Goodtop provided a share pledge of over 94.95% interests in Shenzhen Aidigong. The Company and its subsidiaries provided guarantees and Mr. Cheung Wai Kuen, an executive Director (who resigned in April 2024), provided personal guarantees to the loan facilities. The provision of such personal guarantees constitutes financial assistance to the Group under Chapter 14A of the Listing Rules. Given that the personal guarantees are not secured by any assets of the Group, and that the Directors consider that the personal guarantees are conducted on normal commercial terms or better to the Group, the personal guarantees are fully exempted from the Shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

Save as disclosed above, no other assets were pledged by the Group as at 30 June 2024 and 31 December 2023.

## **CONTINGENT LIABILITIES**

As at 30 June 2024, the Group did not have any material contingent liability (31 December 2023: Nil).

## **MATERIAL ACQUISITIONS AND DISPOSALS**

During the Period, the Group did not have any material acquisitions and disposals of subsidiaries and associates.

## **OTHER INFORMATION**

### **DIRECTORS' INTERESTS IN COMPETING BUSINESSES**

During the Period, none of the Directors was interested in any business which competed or was likely to compete, either directly or indirectly, with the Group's businesses.

### **ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES**

There were no arrangements to which the Company, its subsidiaries, its holding company or its holding company's subsidiaries were a party to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate during the Period.

### **DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE**

At no time during the Period were rights to acquire benefits by means of the acquisition of Shares granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

### **TREASURY POLICIES**

The Group has adopted a prudent financial management approach towards its treasury policies. Substantial amounts of the Group's cash and cash equivalent are deposited in major financial institutions located in Mainland China. The Group seeks to maintain strict control over its outstanding receivables and the senior management of the Company reviews and assesses the creditworthiness of the Group's existing customers on an ongoing basis. To manage liquidity risk, the Group monitors its exposure to a shortage of funds by considering the maturity of both its financial liabilities and financial assets and projected cash flows from operations.

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

	<i>Notes</i>	<b>For the six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
		<b>(Unaudited) HK\$'000</b>	<b>(Unaudited) HK\$'000</b>
Revenue	3	<b>274,735</b>	307,229
Cost of sales		<u><b>(204,562)</b></u>	<u>(214,051)</u>
Gross profit		<b>70,173</b>	93,178
Other income	5	<b>6,985</b>	9,747
Administrative expenses		<b>(35,578)</b>	(30,631)
Selling and distribution expenses		<u><b>(57,213)</b></u>	<u>(58,759)</u>
(Loss)/profit from operations		<b>(15,633)</b>	13,535
Finance cost		<u><b>(24,059)</b></u>	<u>(31,942)</u>
Loss before income tax		<b>(39,692)</b>	(18,407)
Income tax credit/(expense)	6	<u><b>337</b></u>	<u>(4,518)</u>
<b>Loss for the period</b>	7	<b>(39,355)</b>	(22,925)

		<b>For the six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<i>Notes</i>		<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>Other comprehensive expense, net of income tax</b>		
	<b><i>Items that may be reclassified subsequently to profit or loss</i></b>		
	Exchange differences on translating foreign operations arising during the period	<b>(14,987)</b>	(32,841)
	<b><i>Items that will not be reclassified subsequently to profit or loss</i></b>		
	Change in value of equity investments at fair value through other comprehensive income	<u>–</u>	<u>(7,600)</u>
		<u><b>(14,987)</b></u>	<u>(40,441)</u>
	<b>Total comprehensive expense for the period</b>	<u><b>(54,342)</b></u>	<u>(63,366)</u>
	<b>Loss for the period attributable to:</b>		
	Owners of the Company	<b>(39,194)</b>	(23,656)
	Non-controlling interests	<u>(161)</u>	<u>731</u>
		<u><b>(39,355)</b></u>	<u>(22,925)</u>
	<b>Total comprehensive expense for the period attributable to:</b>		
	Owners of the Company	<b>(53,468)</b>	(62,267)
	Non-controlling interests	<u>(874)</u>	<u>(1,099)</u>
		<u><b>(54,342)</b></u>	<u>(63,366)</u>
	<b>Loss per share for the period attributable to owners of the Company</b>		
	Basic and diluted (HK cents per share)	<u><b>(0.81)</b></u>	<u>(0.54)</u>
		<u>9</u>	

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		<b>30 June 2024 (Unaudited) HK\$'000</b>	31 December 2023 (Audited) HK\$'000
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment		<b>88,355</b>	101,500
Right-of-use assets		<b>167,511</b>	195,607
Intangible assets		<b>714,331</b>	731,031
Goodwill		<b>387,905</b>	397,419
Interests in associates		<b>1,484</b>	1,704
Other receivables	<i>10</i>	<b>50,484</b>	51,921
Deferred tax assets		<b>32,821</b>	34,086
		<b>1,442,891</b>	1,513,268
<b>Current assets</b>			
Deposits, prepayments and other receivables	<i>10</i>	<b>355,780</b>	344,779
Inventories		<b>2,423</b>	1,808
Financial assets at fair value through profit or loss		<b>21,496</b>	20,009
Bank and cash balances		<b>70,897</b>	80,303
		<b>450,596</b>	446,899
<b>Current liabilities</b>			
Trade payables	<i>11</i>	<b>19,741</b>	20,513
Accruals and other payables	<i>12</i>	<b>34,318</b>	27,937
Contract liabilities	<i>12</i>	<b>143,682</b>	149,925
Lease liabilities		<b>102,386</b>	90,742
Bank and other borrowings		<b>63,950</b>	33,686
Bonds payable		<b>43,504</b>	47,003
Convertible preference shares		<b>8,989</b>	8,989
Tax payable		<b>5,011</b>	5,633
		<b>421,581</b>	384,428
<b>Net current assets</b>		<b>29,015</b>	62,471
<b>Total assets less current liabilities</b>		<b>1,471,906</b>	1,575,739



	<b>30 June 2024 (Unaudited) HK\$'000</b>	31 December 2023 (Audited) HK\$'000
<b>Capital and reserves</b>		
Share capital	<b>59,134</b>	44,350
Reserves	<b>681,400</b>	693,352
	<hr/>	<hr/>
Equity attributable to owners of the Company	<b>740,534</b>	737,702
Non-controlling interests	<b>17,373</b>	18,247
	<hr/>	<hr/>
<b>Total equity</b>	<b>757,907</b>	755,949
	<hr/>	<hr/>
<b>Non-current liabilities</b>		
Deferred tax liabilities	<b>146,755</b>	152,817
Convertible preference shares	<b>224,189</b>	224,189
Bank and other borrowings	<b>252,577</b>	297,123
Lease liabilities	<b>90,478</b>	132,117
Bonds payable	<b>–</b>	13,544
	<hr/>	<hr/>
	<b>713,999</b>	819,790
	<hr/>	<hr/>
	<b>1,471,906</b>	1,575,739
	<hr/> <hr/>	<hr/> <hr/>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 1. BASIS OF PREPARATION

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

These unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2023.

These unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

## 2. PRINCIPAL ACCOUNTING POLICIES

Other than other change in accounting policies resulting from the application of new and amendments and interpretation to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the Period are the same as those applied in the preparation of the Group’s annual financial statements for the year ended 31 December 2023.

### Application of new and amendments to HKFRSs

During the Period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on or after 1 January 2024 for the preparation of the Group’s condensed consolidated interim financial statements:

Amendments to HKFRS 16	Lease liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The Group has assessed that the application of the new and revised standards 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.

### 3. REVENUE

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Revenue from contracts with customers:		
Disaggregated by major products or service lines		
Provision of postpartum care services	<b><u>274,735</u></b>	<b><u>307,229</u></b>
Timing of revenue recognition:		
Over-time	<b><u>274,735</u></b>	<b><u>307,229</u></b>

All revenue contracts are for a period of one year or less, as permitted by practical expedient under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

#### 4. OPERATING SEGMENTS

For the purposes of resource allocation and assessment of segment performance, information reported to the executive Directors of the Company, being the chief operating decision makers, focuses on the types of goods or services delivered or provided.

Particulars of the Group's reportable operating segments are summarised as follows:

- Postpartum care services – provision of maternal and child healthcare services in the PRC
- Health industry – including medical anti-aging, healthcare industry investments and healthcare property development in the PRC

“Others” segment primarily comprises investment and finance business and others operations that do not meet the quantitative thresholds. Information regarding the above segments is reported below.

Operating segment information is presented below:

**For the six months ended 30 June 2024**

##### Segment revenue and results

	Postpartum Care Services <i>HK\$'000</i> (Unaudited)	Health Industry <i>HK\$'000</i> (Unaudited)	Others <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
<b>Revenue</b>				
Revenue from external customers	<u>274,735</u>	<u>–</u>	<u>–</u>	<u>274,735</u>
<b>Results</b>				
Segment results for reportable segment	<u>(3,184)</u>	<u>(22)</u>	<u>(675)</u>	(3,881)
Unallocated expenses, net*				<u>(35,474)</u>
<b>Loss for the period</b>				<u>(39,355)</u>

\* *Unallocated expenses mainly include certain depreciation on property, plant and equipment, general office expenses and interest expenses.*

**For the six months ended 30 June 2023**

**Segment revenue and results**

	Postpartum Care Services <i>HK\$'000</i> (Unaudited)	Health Industry <i>HK\$'000</i> (Unaudited)	Others <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
<b>Revenue</b>				
Revenue from external customers	<u>307,229</u>	<u>–</u>	<u>–</u>	<u>307,229</u>
<b>Results</b>				
Segment results for reportable segment	<u>16,775</u>	<u>(22)</u>	<u>(778)</u>	15,975
Unallocated expenses, net*				<u>(38,900)</u>
<b>Loss for the period</b>				<u>(22,925)</u>

\* *Unallocated expenses mainly include certain depreciation on property, plant and equipment, general office expenses and interest expenses.*

**As at 30 June 2024**

**Segment asset and liabilities**

	Postpartum Care Services <i>HK\$'000</i> (Unaudited)	Health Industry <i>HK\$'000</i> (Unaudited)	Others <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
<b>Assets</b>				
Segment assets for reportable segments	<u>1,419,046</u>	<u>413,312</u>	<u>50,200</u>	1,882,558
Unallocated assets				<u>10,929</u>
<b>Total assets</b>				<u>1,893,487</u>
<b>Liabilities</b>				
Segment liabilities for reportable segments	<u>685,954</u>	<u>282</u>	<u>6,166</u>	692,402
Unallocated liabilities				<u>443,178</u>
<b>Total liabilities</b>				<u>1,135,580</u>

As at 31 December 2023

**Segment asset and liabilities**

	Postpartum Care Services <i>HK\$'000</i> (Unaudited)	Health Industry <i>HK\$'000</i> (Unaudited)	Others <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
<b>Assets</b>				
Segment assets for reportable segments	<u>1,471,961</u>	<u>422,003</u>	<u>55,075</u>	1,949,039
Unallocated assets				<u>11,128</u>
<b>Total assets</b>				<u><u>1,960,167</u></u>
<b>Liabilities</b>				
Segment liabilities for reportable segments	<u>728,741</u>	<u>370</u>	<u>11,600</u>	740,711
Unallocated liabilities				<u>463,507</u>
<b>Total liabilities</b>				<u><u>1,204,218</u></u>

Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales during the same period in both years.

Segment results represent the profit earned/(the loss incurred) by each segment without allocation of corporate expenses.

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than unallocated corporate assets which mainly include certain property, plant and equipment, deposits and other receivables and corporate bank balances; and
- all liabilities are allocated to reportable segments other than unallocated corporate liabilities which mainly include certain accruals and other payables, convertible preference shares, bonds payable and deferred tax liabilities.

## Geographical information

In determining the Group's geographical information, revenue information is based on the location of the customers, and asset information is based on the location of the assets.

The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from external customers		Non-current assets <i>(note)</i>	
	For the six months		30 June 2024	31 December 2023
	ended 30 June			
	2024 (Unaudited) <i>HK\$'000</i>	2023 (Unaudited) <i>HK\$'000</i>	(Unaudited) <i>HK\$'000</i>	(Audited) <i>HK\$'000</i>
The People's Republic of China (the "PRC", for the sole purpose of this announcement, excluding Hong Kong and Macau)	274,735	307,229	1,355,440	1,422,390
Hong Kong	—	—	2,662	3,167
	<u>274,735</u>	<u>307,229</u>	<u>1,358,102</u>	<u>1,425,557</u>

*Note:* Non-current assets excluded those relating to interests in associates, other receivables and deferred tax assets.

## 5. OTHER INCOME

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Bank interest income	198	122
Interest income from financial assets at FVTPL	361	396
Government grants ( <i>note</i> )	204	1,394
Management income	228	382
Rental income	5,854	7,168
Others	140	285
	<u>6,985</u>	<u>9,747</u>

*Note:* Government grants were mainly granted to the Group as subsidies to support the operation of the PRC and Hong Kong subsidiaries. The government grants had no conditions or contingencies attached to them and they were non-recurring in nature.

## 6. INCOME TAX CREDIT/(EXPENSE)

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Income tax credit/(expense) comprises		
Current tax:		
Hong Kong Profits Tax	–	–
PRC Enterprise Income Tax	(801)	(3,358)
Deferred tax	1,138	(1,160)
	<u>337</u>	<u>(4,518)</u>



(a) **Hong Kong profits tax**

No provision for Hong Kong profits tax has been made as the Group had no assessable profit generated in Hong Kong for the Period (2023 Period: Nil).

(b) **PRC enterprise income tax**

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 PRC subsidiaries is 25% during the Period (2023 Period: 25%).

(c) **Bermuda, Cayman Islands and British Virgin Islands corporate income tax**

Pursuant to the rules and regulations of Bermuda, the Cayman Islands and the British Virgin Islands (the “**BVI**”), the Company and the Company’s subsidiaries registered in Bermuda, the Cayman Islands or the BVI are not subject to any income tax in Bermuda, the Cayman Islands and the BVI, respectively.

**7. LOSS FOR THE PERIOD**

**For the six months ended 30 June**

<b>2024</b>	<b>2023</b>
<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>HK\$’000</b>	<b>HK\$’000</b>

Loss for the period has been arrived at after charging:

Total staff costs, including Directors’ emoluments:

Salaries and other benefits	<b>109,696</b>	104,411
Retirement benefit scheme contributions	<b>8,789</b>	7,985
	<b>118,485</b>	112,396
Auditors’ remuneration	<b>1,000</b>	1,000
Depreciation of property, plant and equipment	<b>13,656</b>	15,997
Depreciation of right-to-use assets	<b>58,981</b>	73,513
Interest expense on lease liabilities	<b>5,962</b>	9,036

**8. DIVIDEND**

The Directors do not recommend any payment of interim dividend for the Period (2023 Period: Nil).

## 9. LOSS PER SHARE

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

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<i>Loss</i>		
Loss for the purpose of basic and diluted earnings per share (loss for the period attributable to owners of the Company)	<b><u>(39,194)</u></b>	<b><u>(23,656)</u></b>
<i>Number of shares ('000)</i>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<b><u>4,816,784</u></b>	<b><u>4,345,015</u></b>

Basic and diluted loss per share are the same for the Period and 2023 Period as there was no potential dilutive ordinary share.

## 10. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	<b>30 June 2024 (Unaudited) HK\$'000</b>	31 December 2023 (Audited) HK\$'000
Deposits	53,725	43,234
Prepayments ( <i>note (1)</i> )	66,796	68,320
Other receivables ( <i>note (2)</i> )	<u>389,442</u>	<u>385,963</u>
	<b>509,963</b>	497,517
<i>Less:</i> Allowance for expected credit losses	<u>(103,699)</u>	<u>(100,817)</u>
	<b><u>406,264</u></b>	<b><u>396,700</u></b>
Analysed for reporting purposes as:		
Non-current	50,484	51,921
Current	<u>355,780</u>	<u>344,779</u>
	<b><u>406,264</u></b>	<b><u>396,700</u></b>

The Directors consider that carrying amounts of deposits paid and other receivables are approximate to their fair values.

### *Notes:*

- (1) The prepayments mainly comprised of prepaid rental and food ingredient payments for the daily operation of postpartum care centres of approximately HK\$44,626,000 (31 December 2023: HK\$29,115,000).
- (2) The other receivables mainly comprised of (i) outstanding financial assistance of the disposal company of approximately HK\$115,422,000 (31 December 2023: HK\$121,002,000) before the disposal, (ii) consideration receivables for the disposal of subsidiaries and associates of approximately HK\$170,346,000 (31 December 2023: HK\$177,090,000), and (iii) amount due from a former subsidiary and dividend from the former associate of approximately HK\$25,569,000 and HK\$6,552,000 respectively (31 December 2023: HK\$31,549,000 and HK\$7,281,000 respectively).

## 11. TRADE PAYABLES

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

	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Audited)
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
0 to 30 days	<b>9,934</b>	12,441
31 to 60 days	<b>6,378</b>	5,176
61 to 180 days	<b>3,253</b>	2,000
181 to 365 days	<b>176</b>	896
	<b>19,741</b>	20,513

The average credit period granted by suppliers ranges from 0 to 30 days.

## 12. ACCRUALS AND OTHER PAYABLES/CONTRACT LIABILITIES

### (a) Accruals and other payables

	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Audited)
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Accruals	<b>22,490</b>	13,762
Other payables	<b>11,828</b>	14,175
	<b>34,318</b>	27,937

(b) **Contract liabilities**

	<b>30 June 2024 (Unaudited) HK\$'000</b>	31 December 2023 (Audited) HK\$'000
Contract liabilities ( <i>note</i> )	<b><u>143,682</u></b>	<b><u>149,925</u></b>

*Note:*

At 30 June 2024, contract liabilities mainly comprised of approximately HK\$143,682,000 (31 December 2023: HK\$149,925,000) of deferred income relating to postpartum care services.

## **CORPORATE GOVERNANCE**

Save as disclosed below, the Company has applied the principles and complied with the code provisions of the Corporate Governance Code (“**CG Code**”), as set out in Appendix C1 to the Listing Rules throughout the period. The Company has complied with the code provisions set out in the CG Code during the Period. Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals. Ms. Wang Aier was appointed as an executive director, the chairman of the Board, the chairman of the nomination committee and the chief executive officer of the Group on 7 April 2024 following the stepping down of Mr. Cheung Wai Kuen as an executive director, the chairman of the Board, the chairman of the nomination committee of the Board and the chief executive officer of the Group on the same day. With the extensive experience of Ms. Wang, the Board considers that having the roles of chairman and chief executive officer held by the same individual is conducive to the execution of the Group’s business strategies and the efficiency of its operations. The check and balance of power and authority are ensured by the operation of the senior management and the Board, which, apart from Ms. Wang Aier being the executive Director, comprises three other executive Directors, one non-executive Director and three independent non-executive Directors, all being experienced and high calibre individuals. Therefore, the Board believes that this arrangement is appropriate and will not impact on the balance of power and authorisations between the Board and the management of the Company.

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

During the Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed the Company’s listed securities.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix 10 to the Listing Rules as a code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors by the Company, all Directors confirmed that they have complied with the required standards set out in the Model Code throughout the Period.

## **REVIEW BY AUDIT COMMITTEE**

The interim results for the Period are unaudited and have not been reviewed by the external auditors of the Company. The audit committee of the Company (the “**Audit Committee**”), comprising all independent non-executive Directors, has reviewed the accounting principles and practices adopted by the Group and the unaudited condensed consolidated financial statements for the Period. The Audit Committee considers that the interim results for the Period are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

## **EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed in this announcement, there are no other significant events after the end of the Period that either require adjustment to the financial statements or are material to the understanding of the Group’s current position.

## **APPRECIATION**

We would like to take this opportunity to express our gratitude to the Shareholders for their great support, and to our fellow Directors and those who have worked for the Group for their valuable contribution.

By order of the Board  
**Aidigong Maternal & Child Health Limited**  
**Wang Aier**  
*Chairman*

Hong Kong, 30 August 2024

*As at the date of this announcement, the Board comprises Ms. Wang Aier, Mr. Lin Jiang, Mr. Li Runping and Ms. Meng Lijia as executive Directors; Mr. Lee Kar Lung as non-executive Director; and Mr. Lam Chi Wing, Mr. Wong Yiu Kit, Ernest and Mr. Shan Guoxin as independent non-executive Directors.*