



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)

2024

**Interim financial report
for the six months ended 30 June 2024**

CONTENTS

Consolidated statement of profit or loss	2
Consolidated statement of profit or loss and other comprehensive income	3
Consolidated statement of financial position	4
Condensed consolidated statement of changes in equity	6
Condensed consolidated cash flow statement.	8
Notes to the condensed consolidated interim financial statements	10
Management discussion and analysis	26
Prospects	27
Audit committee	28
Interim dividend	29
Corporate governance code	29
Disclosure under Rule 13.20 of the Listing Rules	30
Compliance with the model code for securities transactions by Directors	31
Purchase, sale or redemption of the Company's listed securities	32
Material acquisitions and disposals of subsidiaries, associates and joint ventures	32
Contingent liabilities.	32
Borrowings and gearing.	32
Pledge of assets	32
Foreign exchange risk	32
Employees and remuneration policies	32
Share option scheme	33
Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company	33
Substantial shareholders' interests in shares and underlying shares.	33

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2024

		Six months ended 30 June	
		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue	4	14,861	23,768
Cost of sales		<u>(5,003)</u>	<u>(9,483)</u>
Gross profit		9,858	14,285
Reversal of/(Allowance for) expected credit loss		399	(814)
Other (losses)/gains, net	5	(3,050)	718
Administrative expenses	6	<u>(14,564)</u>	<u>(23,103)</u>
Loss from operating activities		(7,357)	(8,914)
Share of losses of associates		(23)	(154)
Finance costs	7	<u>(1,603)</u>	<u>(1,815)</u>
Loss before taxation		(8,983)	(10,883)
Income tax expense	8	<u>–</u>	<u>–</u>
Loss for the period	9	<u><u>(8,983)</u></u>	<u><u>(10,883)</u></u>
Loss for the period attributable to:			
Equity shareholders of the Company		(5,606)	(6,570)
Non-controlling interests		<u>(3,377)</u>	<u>(4,313)</u>
Loss for the period		<u><u>(8,983)</u></u>	<u><u>(10,883)</u></u>
		<i>HK cents</i>	<i>HK cents</i>
Loss per share			
Basic loss per share	10	<u>(1.40)</u>	<u>(1.64)</u>
Diluted loss per share	10	<u><u>(1.40)</u></u>	<u><u>(1.64)</u></u>

The notes on pages 10 to 25 form part of this interim financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Loss for the period	(8,983)	(10,883)
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	593	1,234
Exchange differences on monetary items forming net investment in a foreign operation	–	166
	<u>593</u>	<u>1,400</u>
Total other comprehensive income for the period	<u>593</u>	<u>1,400</u>
Total comprehensive loss for the period	<u>(8,390)</u>	<u>(9,483)</u>
Attributable to:		
Equity shareholders of the Company	(5,804)	(6,705)
Non-controlling interests	(2,586)	(2,778)
	<u>(5,804)</u>	<u>(6,705)</u>
Total comprehensive loss for the period	<u>(8,390)</u>	<u>(9,483)</u>

The notes on pages 10 to 25 form part of this interim financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

		As at 30 June 2024	As at 31 December 2023
	<i>Notes</i>	<i>HK\$'000 (Unaudited)</i>	<i>HK\$'000 (Audited)</i>
Non-current assets			
Property, plant and equipment		38,801	43,683
Intangible assets		6,199	7,331
Goodwill		56,138	57,385
Interests in associates		6,467	6,596
Trade and other receivables	12	4,485	4,884
Deferred tax assets		1,821	1,821
		113,911	121,700
Current assets			
Trade and other receivables	12	21,749	22,495
Inventories		541	801
Financial assets at fair value through profit or loss		4,454	5,855
Loan receivables	13	129,253	131,224
Cash and cash equivalents	14	20,793	20,879
		176,790	181,254
Current liabilities			
Trade and other payables	15	(41,435)	(41,704)
Lease liabilities		(3,855)	(4,318)
Provision for taxation		(163)	(163)
		(45,453)	(46,185)
Net current assets		<u>131,337</u>	<u>135,069</u>
Total assets less current liabilities		<u>245,248</u>	<u>256,769</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

as at 30 June 2024

	As at 30 June 2024	As at 31 December 2023
<i>Notes</i>	<i>HK\$'000 (Unaudited)</i>	<i>HK\$'000 (Audited)</i>
Non-current liabilities		
Lease liabilities	(38,457)	(41,588)
	<u>(38,457)</u>	<u>(41,588)</u>
NET ASSETS	<u>206,791</u>	<u>215,181</u>
CAPITAL AND RESERVES		
Share capital	398,980	398,980
Share premium	20,663	20,663
Reserves	(195,184)	(189,380)
	<u>224,459</u>	<u>230,263</u>
Equity attributable to equity shareholders of the Company	224,459	230,263
Non-controlling interests	<u>(17,668)</u>	<u>(15,082)</u>
TOTAL EQUITY	<u>206,791</u>	<u>215,181</u>

The notes on pages 10 to 25 form part of this interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2023 – unaudited

	Attributable to equity shareholders of the Company						Total	Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Capital Redemption Reserve	Exchange Reserve	Other Reserve	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000			
Balance at 1 January 2023 (audited)	398,980	20,663	676	3,494	-	(199,511)	224,302	17,720	242,022
Changes in equity for the six months ended 30 June 2023:									
Loss for the period	-	-	-	-	-	(6,570)	(6,570)	(4,313)	(10,883)
Other comprehensive income									
Exchange differences on translation of financial statements of foreign operations	-	-	-	(301)	-	-	(301)	1,535	1,234
Exchange differences on monetary items forming net investment in a foreign operation	-	-	-	166	-	-	166	-	166
Total comprehensive income for the period	-	-	-	(135)	-	(6,570)	(6,705)	(2,778)	(9,483)
Changes in ownership interest in subsidiaries									
Further acquisition of subsidiaries with non-controlling interest	-	-	-	-	22,081	-	22,081	(22,081)	-
Total changes in ownership interests in subsidiaries	-	-	-	-	22,081	-	22,081	(22,081)	-
Balance at 30 June 2023 (unaudited)	398,980	20,663	676	3,359	22,081	(206,081)	239,678	(7,139)	232,539

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

for the six months ended 30 June 2024 – unaudited

	Attributable to equity shareholders of the Company						Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Capital Redemption Reserve	Exchange Reserve	Accumulated losses	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
Balance at 1 January 2024 (audited)	398,980	20,663	676	2,792	(192,848)	230,263	(15,082)	215,181
Changes in equity for the six months ended 30 June 2024:								
Loss for the period	-	-	-	-	(5,606)	(5,606)	(3,377)	(8,983)
Other comprehensive income								
Exchange differences on translation of financial statements of foreign operations	-	-	-	(198)	-	(198)	791	593
Total comprehensive income for the period	-	-	-	(198)	(5,606)	(5,804)	(2,586)	(8,390)
Balance at 30 June 2024 (unaudited)	398,980	20,663	676	2,594	(198,454)	224,459	(17,668)	206,791

The notes on pages 10 to 25 form part of this interim financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2024 – unaudited

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Operating activities		
Cash used in operations	(3,913)	(18,516)
Interest received	7,421	2,389
	<hr/>	<hr/>
Net cash generated from/(used in) operating activities	3,508	(16,127)
	<hr/>	<hr/>
Financing activities		
Payment for lease liabilities	(3,594)	(4,203)
	<hr/>	<hr/>
Net cash used in financing activities	(3,594)	(4,203)
	<hr/>	<hr/>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

for the six months ended 30 June 2024 – unaudited

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i> <i>(Unaudited)</i>	<i>HK\$'000</i> <i>(Unaudited)</i>
Net decrease in cash and cash equivalents	(86)	(20,330)
Cash and cash equivalents at 1 January	20,879	26,496
Effect of foreign exchange rates changes	–	–
Cash and cash equivalents at 30 June (Note)	<u>20,793</u>	<u>6,166</u>

Note:

Cash and cash equivalents at 30 June 2024 and 30 June 2023 comprise:

	As at	As at
	30 June	30 June
	2024	2023
	<i>HK\$'000</i> <i>(Unaudited)</i>	<i>HK\$'000</i> <i>(Unaudited)</i>
Cash at bank and in hand	<u>20,793</u>	<u>6,166</u>
Cash and cash equivalents per condensed consolidated cash flow statement	<u>20,793</u>	<u>6,166</u>

The notes on pages 10 to 25 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 30 August 2024.

The condensed consolidated interim financial statements has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 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 2023 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 Hong Kong Financial Reporting Standards (“HKFRSs”).

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

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 and Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

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 HKFRSs 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:

- 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 generated from Shanghai Yuyue Weilai Healthcare Beauty Hospital Co., Ltd* (上海愉悅薇萊美容醫院有限公司) ("Shanghai Hospital") in the People's Republic of China (the "PRC"). Currently, the Group's activities in this segment are carried out in Hong Kong, Korea and the PRC.

- 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 report 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 tax recoverable and deferred tax assets. Segments 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	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	<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 of time	-	-	5,894	14,634	-	-	-	-	5,894	14,634
Over time	-	-	820	940	-	-	-	-	820	940
Revenue from external customers	-	-	6,714	15,574	-	-	-	-	6,714	15,574
Interest income	285	14	-	-	8,147	8,194	-	-	8,412	8,208
Reportable segment revenue	285	14	6,714	15,574	8,147	8,194	-	-	15,126	23,782
Reportable segment (loss)/profit	(9,409)	(6,511)	(8,035)	(11,493)	8,546	7,380	(86)	(259)	(8,983)	(10,883)
Depreciation and amortisation	(322)	(323)	(3,854)	(4,205)	-	-	-	-	(4,176)	(4,528)
Net realised and unrealised valuation (loss)/gain on trading securities	(1,400)	3,463	-	-	-	-	-	-	(1,400)	3,463
Net realised and unrealised foreign exchange (loss)/gain	(2,474)	(4,649)	586	(399)	-	-	-	23	(1,888)	(5,025)
As at 30 June/31 December:										
Reportable segment assets	79,843	93,782	71,066	64,465	137,854	135,546	117	7,340	288,880	301,133
Reportable segment liabilities	11,364	13,746	71,776	73,256	100	100	507	508	83,747	87,610

(c) **Reconciliations of reportable segment assets and liabilities**

	As at 30 June 2024 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2023 <i>HK\$'000</i> <i>(Audited)</i>
Assets		
Reportable segment assets	288,880	301,133
Deferred tax assets	1,821	1,821
	<hr/>	<hr/>
Consolidated total assets	290,701	302,954
	<hr/> <hr/>	<hr/> <hr/>
Liabilities		
Reportable segment liabilities	83,747	87,610
Provision for taxation	163	163
	<hr/>	<hr/>
Consolidated total liabilities	83,910	87,773
	<hr/> <hr/>	<hr/> <hr/>

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	
	2024 <i>HK\$'000</i> <i>(Unaudited)</i>	2023 <i>HK\$'000</i> <i>(Unaudited)</i>
Revenue from contracts within the scope of HKFRS 15		
Healthcare related services		
– Royalty fees	820	940
– Healthcare income	5,894	14,634
	<hr/>	<hr/>
	6,714	15,574
	<hr/> <hr/>	<hr/> <hr/>

Six months ended 30 June

	2024	2023
	<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	8,147	8,194
Investment holding activities		
– Other interest income	265	14
	<u>8,412</u>	<u>8,208</u>
Timing of revenue recognition within the scope of HKFRS 15		
A point in time		
– Healthcare related services	5,894	14,634
Over time		
– Healthcare related services	820	940
	<u>6,714</u>	<u>15,574</u>

Healthcare related services – royalty fees

Royalty fees represent the royalties received for the use of trademarks and recognised over a period agreed under contracts. The royalty fees are recognised over the contract terms.

Revenue that is expected to be recognised in the future arising from contracts in existence at the reporting date is insignificant.

5. OTHER (LOSSES)/GAINS, NET

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net realised and unrealised foreign exchange loss	(1,888)	(5,025)
Net realised and unrealised valuation (loss)/gain on trading securities	(1,400)	3,463
Interest income	265	14
Miscellaneous (loss)/income	(27)	2,266
	<u>(3,050)</u>	<u>718</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	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest expenses on lease payment	<u>1,603</u>	<u>1,815</u>
	<u>1,603</u>	<u>1,815</u>

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax		
Provision for the period	—	—
	<hr/>	<hr/>
Income tax expense	—	—
	<hr/> <hr/>	<hr/> <hr/>

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 years.

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 years.

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 2024, the Group has not recognised deferred tax assets in respect of tax losses and other temporary differences of approximately HK\$221,700,000 (31 December 2023: HK\$221,700,000) 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\$39,800,000 have expiry dates between 1 to 5 years. Tax losses amounting to approximately HK\$72,400,000 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\$109,500,000 do not expire under the tax legislations of the respective jurisdiction.

9. LOSS FOR THE PERIOD

Loss for the period is arrived at after charging:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	354	395
Depreciation of right-of-use assets	2,690	2,731
Amortisation of intangible assets	1,132	1,402
Staff cost (including director's emoluments)	6,920	11,271
	<u>6,920</u>	<u>11,271</u>

10. LOSS PER SHARE

For the period

a) *Basic loss per share*

The calculation of basic loss per share is based on loss attributable to ordinary equity shareholders of the Company of approximately HK\$5,606,000 (six months ended 30 June 2023: HK\$6,570,000) and the weighted average number of ordinary shares of 398,979,524 (six months ended 30 June 2023: 398,979,524) in issue during the period.

b) *Diluted loss per share*

Diluted loss per share is the same as the basic loss per share because the Group has no dilutive securities that are convertible into shares during the six months ended 30 June 2024 and 30 June 2023.

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 2024 (six months ended 30 June 2023: nil).

b) There were no dividends attributable to the previous financial years, approved and paid during the six months ended 30 June 2024 and 2023.

12. TRADE AND OTHER RECEIVABLES

	As at 30 June 2024 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2023 <i>HK\$'000</i> <i>(Audited)</i>
Trade receivables (note (a))	11,789	13,188
Less: Allowance for expected credit loss	<u>(6,136)</u>	<u>(6,801)</u>
	5,653	6,387
Interest receivables (note (a))	9,150	8,439
Less: Allowance for expected credit loss	<u>(549)</u>	<u>(402)</u>
	8,601	8,037
Other receivables and deposits	<u>2,885</u>	<u>1,528</u>
Prepayments (note (b))	<u>9,095</u>	<u>11,427</u>
Trade and other receivables	<u><u>26,234</u></u>	<u><u>27,379</u></u>
Non-current	4,485	4,884
Current	<u>21,749</u>	<u>22,495</u>
	<u><u>26,234</u></u>	<u><u>27,379</u></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 ageing 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 2024 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2023 <i>HK\$'000</i> <i>(Audited)</i>
Less than 1 month	9,496	8,365
1 to 3 months	7	812
More than 3 months but less than 12 months	1,835	993
More than 12 months	<u>2,916</u>	<u>4,254</u>
	<u><u>14,254</u></u>	<u><u>14,424</u></u>

(b) Prepayments

Prepayments mainly consist of professional fees of approximately HK\$4,458,000 (31 December 2023: HK\$5,350,000) paid in advance to business consultants who provide advisory services on the businesses of the Group.

13. LOAN RECEIVABLES

	As at 30 June 2024 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2023 <i>HK\$'000</i> <i>(Audited)</i>
Loan to third parties	198,907	200,760
Less: Allowance for expected credit loss	<u>(69,654)</u>	<u>(69,536)</u>
	<u>129,253</u>	<u>131,224</u>
Analysed as:		
Secured	39,397	53,787
Unsecured	<u>89,856</u>	<u>77,437</u>
	<u>129,253</u>	<u>131,224</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\$101,500,000 (31 December 2023: approximately HK\$101,500,000) 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 uncapitalized 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. The legal proceedings are still on-going and a date for substantive hearing has yet been fixed.

The loans bear interest at rates ranging from 12% to 18.5% (31 December 2023: 12% to 18.5%) per annum, and are repayable within one year.

14. CASH AND CASH EQUIVALENTS

	As at 30 June 2024 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2023 <i>HK\$'000</i> <i>(Audited)</i>
Cash at bank and in hand	20,793	20,879
Cash and cash equivalents available for use by the Group	<u>20,793</u>	<u>20,879</u>

15. TRADE AND OTHER PAYABLES

	As at 30 June 2024 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2023 <i>HK\$'000</i> <i>(Audited)</i>
Trade payables (note (a))	6,991	4,326
Other payables and accrued charges	<u>34,444</u>	<u>37,378</u>
	<u>41,435</u>	<u>41,704</u>

(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 2024 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2023 <i>HK\$'000</i> <i>(Audited)</i>
Due within 1 month or on demand	6,991	735
Due 1 to 3 months	–	542
Due 3 to 12 months	<u>–</u>	<u>3,049</u>
	<u>6,991</u>	<u>4,326</u>

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. 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 2024 (Unaudited) <i>HK\$'000</i>	Fair value measurements as at 30 June 2024 categorised into			Fair value at 31 December 2023 (Audited) <i>HK\$'000</i>	Fair value measurements as at 31 December 2023 categorised into		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Recurring fair value measurements								
Assets:								
Financial assets at FVTPL	4,454	4,454	-	-	5,855	5,855	-	-
- Listed equity securities	4,454	4,454	-	-	5,855	5,855	-	-

During the six months ended 30 June 2024 and the year ended 31 December 2023, there were no transfers between levels.

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

	Financial assets at fair value through profit or loss <i>HK\$'000</i>
At 1 January 2023 (audited)	5,107
Net unrealised gain recognised in profit or loss	3,463
Translation differences	42
	<hr/>
At 30 June 2023 (unaudited)	8,612
	<hr/> <hr/>
At 1 January 2024 (audited)	5,855
Net unrealised loss recognised in profit or loss	(1,400)
Translation differences	(1)
	<hr/>
At 30 June 2024 (unaudited)	4,454
	<hr/> <hr/>

The net unrealised valuation gain or loss of the unrealised equity securities for the period recognised in profit or loss is presented in “other (losses)/gains, net” in the consolidated statement of profit or loss.

Although the Group believes that its estimates of fair values are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair values. For fair value measurement in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects:

Type	Valuation method	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value measurement
Financial assets at FVTPL – unquoted investment	Net assets value	Net asset value of the fund	The fair value increases as the net asset value of the fund increases

(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 2024 and 31 December 2023.

17. CONTINGENT LIABILITIES

As at 30 June 2024, the Group had no material contingent liabilities (31 December 2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

The Group recorded a net loss attributable to the equity shareholders of the Company of approximately HK\$5.6 million for six months ended 30 June 2024 (the “Period”) as compared with a net loss attributable to the equity shareholders of the Company of approximately HK\$6.6 million in the previous corresponding period. The decrease in loss was mainly due to the decrease in net loss of approximately 3 million in Shanghai Hospital (as defined below), which is partially offset by the change from net realised and unrealised valuation gain on trading securities of approximately HK\$3.5 million in the previous corresponding period to net realised and unrealised valuation loss on trading securities of approximately HK\$1.4 million for the Period.

Healthcare segment

The Group’s healthcare business has been carried out under Shanghai Yuyue Weilai Healthcare Beauty Hospital Co., Ltd* (上海愉悅薇萊美容醫院有限公司) (“Shanghai Hospital”), PRIP Communications Limited (“PRIP”) and DIAM Holdings Co., Ltd. (“DIAM”).

Shanghai Hospital is principally engaged in plastic surgery operation in Shanghai City of the 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\$5.9 million and net loss of approximately HK\$6.3 million for the Period as compared with revenue of approximately HK\$14.6 million and net loss of approximately HK\$9.3 million for the previous corresponding period.

PRIP contributed royalty income of approximately HK\$0.8 million for the Period, representing a decrease by HK\$0.1 million as compared to the previous corresponding period, and DIAM contributed no service income for both the Period and the previous corresponding period.

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\$8.1 million for the Period, as compared with interest income from third parties loans of HK\$8.2 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\$1.4 million as compared with a net realised and unrealised valuation gain on trading securities of approximately HK\$3.5 million in the previous corresponding period. Consequently, the Group's investment holding segment reported a loss before tax of approximately HK\$9.4 million for the Period as compared with a loss before tax of approximately HK\$6.5 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 will continue to further develop and expand its existing core business, including but not limited to the plastic surgery and medical beauty services in China and other Asia Markets. The Group has been continuously exploring the healthcare and plastic surgery sector in the PRC.

Through the Group's experience in the management of PRIP, and the importation of the Korean DA branding to the market in the PRC, and its experience in the investment in Shanghai Hospital, the Group will further develop the provision of management and marketing services to other plastic surgery hospitals in the PRC in the future.

In 2024, Shanghai Hospital will continue to step up its marketing efforts, raise brand awareness and market share, expand its customer base and business scale and improve its service quality and professional standards, so as to provide better and higher quality services for customers. Shanghai Hospital will also actively seek for diversity cooperative channels, and strengthen the communication and cooperation with partners to jointly explore markets. Also, Shanghai Hospital will strengthen cooperation and communication with domestic and international renowned medical aesthetic institutions to jointly conduct technology research and development and innovation. In addition, Shanghai Hospital will seek for experienced hospital management personnel in markets to join, so as to improve the operation level of the hospital and improve the marketing capabilities with their experiences. Also, it will actively develop new services and products to expand the revenue-generation channels, which include active exploration of new development direction and business opportunities focused on upstream and downstream of medical aesthetic industry, such as exploration of jointly developing co-branded products of medical aesthetic consumables, so as to improve the recognition of the medical aesthetic brand, and contribute to improve revenue. For newly planned new media business, it will actively integrate the online development trends of new media, and utilize its own resources to gain more operating revenue. In the future, it will also integrate new media marketing into the existing marketing of the hospital. For cost, we will optimize its cost structure, reduce various expenses, and thus improve the profit margin. We will also improve the added value of our products and services, strengthen the training of professional knowledge and sales skills, optimize the marketing team, and thereby increasing sales profits.

Money lending and related business

In 2024, 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). Given the adverse impact of the trade friction and negotiation between the PRC and the United States, 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 2024 (for the six months ended 30 June 2023: 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 consider 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(s) for executive director(s) to share the roles of Ms. Dong Wei (as the 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 2024, 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 uncapitalized 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 Mortgagor, 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 messages 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 10 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.

In order to recover the outstanding amount of the loan, the Company has commenced proceedings 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. The legal proceedings are still on-going and a date for substantive hearing has yet been fixed.

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.

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 2024, the Group had no material contingent liabilities.

BORROWINGS AND GEARING

The Group did not have any bank borrowings as at 30 June 2024, the Group was in a net cash position amounting to HK\$20.8 million as at 30 June 2024. 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 2024, 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 2024, the Group had a total of 61 employees, including directors. The total Group's staff costs comprising salaries, wages and other benefits was HK\$6.9 million for the six months ended 30 June 2024. 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 2024, 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 2024, 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 2024
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	249,539,294	62.54%
	Person having security interest in shares	16,530,000	4.14%
Ningxia Tianyuan Manganese Industry Group 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 Manganese Industry Group Co., Ltd.* (寧夏天元錳業集團有限公司), a corporation controlled by Mr. Jia Tianjiang. By virtue of the SFO, 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 held by Tian Yuan Manganese Limited.

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 2024.

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 2023.

The Directors, the Board and senior management of the Company confirm that the information contained in this 2024 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, 30 August 2024