TOP EMINENT HEALTHCARE

Top Eminent Healthcare Group Limited
（卓著健康集團有限公司）*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6877)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of Top Eminent Healthcare Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") presents the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2026 (the "**2026 Interim Period**"), together with the comparative figures for the corresponding period in 2025 (the "**2025 Interim Period**" or "**1H2025**").

The unaudited condensed consolidated interim financial information has not been audited by the Company's external auditor but has been reviewed by the audit committee of the Company (the "**Audit Committee**") and approved by the Board.

FINANCIAL HIGHLIGHTS

- Total income increased by approximately 64.9% to HK$74.5 million for the 2026 Interim Period (1H2025: HK$45.2 million).
- Revenue from healthcare products business increased by approximately 70.5% to HK$70.9 million for the 2026 Interim Period (1H2025: HK$41.6 million).
- Profit before tax amounted to approximately HK$2.1 million for the 2026 Interim Period, compared to a loss before taxation of approximately HK$1.6 million in 1H2025.
- Profit attributable to equity holders of the Company amounted to approximately HK$1.4 million for the 2026 Interim Period, compared to a loss attributable to equity holders of the Company of approximately HK$2.2 million in 1H2025.
- Basic and diluted earnings per share were approximately HK0.07 cents for the 2026 Interim Period (1H2025: loss per share of HK0.11 cents).
- The Group maintained a strong liquidity position with cash and bank balances (including fixed deposits with original maturity within three months) of approximately HK$212.8 million as at 30 June 2026 (31 December 2025: HK$207.7 million).
- Net assets attributable to equity holders of the Company amounted to approximately HK$242.8 million as at 30 June 2026 (31 December 2025: HK$240.7 million).
- The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026 (1H2025: Nil).

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

		Unaudited	
		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
Sales of goods from healthcare business	*2*	**70,865**	41,559
Other income	*2, 3*	**3,641**	3,625
Total income		**74,506**	45,184
Cost of sales from healthcare business		**(40,063)**	(23,852)
Referral expenses and other charges		**(1,553)**	(1,089)
Staff costs		**(1,393)**	(1,351)
Depreciation – property, plant and equipment		**(5)**	(34)
Other operating expenses	*4*	**(29,406)**	(20,424)
Total expenses		**(72,420)**	(46,750)
Profit/(loss) before tax		**2,086**	(1,566)
Income tax expense	*5*	**(717)**	(649)
Profit/(loss) for the period		**1,369**	(2,215)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Currency translation difference		**748**	6,154
Other comprehensive income for the period, net of tax		**748**	6,154
Total comprehensive income for the period		**2,117**	3,939
Profit/(loss) per share for profit/(loss) attributable to the equity holders of the Company for the period (HK cents per share)			
– Basic and diluted	*7*	**0.07**	(0.11)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Notes	Unaudited 30 June 2026 HK$'000	Audited 31 December 2025 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**16**	21
Total non-current assets		**16**	21
Current assets			
Inventories	*8*	**23,070**	15,310
Trade receivables	*9*	**33,142**	17,226
Other receivables, prepayments and deposits	*10*	**6,028**	5,310
Tax prepayment		**112**	828
Cash and bank balances and client trust bank balances	*11*	**212,842**	207,746
Total current assets		**275,194**	246,420
Total assets		**275,210**	246,441
EQUITY AND LIABILITIES			
Equity			
Share capital	*13*	**20,333**	20,333
Reserves		**222,467**	220,350
Total equity		**242,800**	240,683
Current liabilities			
Trade and other payables	*12*	**31,318**	4,674
Clients' balances		**1,092**	1,084
Total current liabilities		**32,410**	5,758
Total liabilities		**32,410**	5,758
Total equity and liabilities		**275,210**	246,441

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

		Unaudited	
		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
Cash flows from operating activities			
Profit/(loss) before tax		**2,086**	(1,566)
		2,086	(1,566)
Adjustments for:			
Depreciation – property, plant and equipment		**5**	34
Interest income	*3*	**(3,641)**	(3,625)
Cash flows used in operating activities before working capital changes		**(1,550)**	(5,157)
Changes in working capital:			
Trade receivables		**(15,916)**	7,882
Inventories		**(7,760)**	17,307
Client trust bank balances		**48**	73
Other receivables, prepayments and deposits		**(1,307)**	4,993
Clients' balances		**(33)**	(103)
Trade and other payables		**26,636**	(13,965)
Cash generated from operating activities		**118**	11,030
Tax paid		**–**	(4,000)
Net cash generated from operating activities		**118**	7,030
Cash flows from investing activities			
Interest received		**3,641**	3,625
Purchase of property, plant and equipment		**–**	(26)
Net cash generated from investing activities		**3,641**	3,599
Net increase in cash and cash equivalents		**3,759**	10,629
Cash and cash equivalents at beginning of period		**206,592**	205,171
Effect of foreign exchange rate changes, net		**1,341**	1,633
Cash and cash equivalents at end of period	*11*	**211,692**	217,433

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The condensed consolidated interim financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2025, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA.

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the new and amended HKFRSs that are effective for the current accounting period.

The adoption of such new and amended standards, interpretations and amendments does not have a material impact on the accounting policies of the Group and the amounts reported for the current period and prior periods.

The preparation of the condensed consolidated interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual consolidated financial statements for the year ended 31 December 2025.

2. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the executive directors and senior management of the Group. The Group's operating businesses are structured and managed separately according to the nature of their operations and the services they provide. Each of the Group's business segments represents a strategic business unit that offers services which are subject to risks and returns that are different from those of the other business segments. The Board considers the business from geographical and service/product perspectives.

Summary details of the business segments from geographical and service/product perspectives are as follows:

(a) the healthcare business segment engages in the sales of healthcare products; and

(b) unallocated segment engages in the provision of services other than healthcare business, and the operations of the investment holding companies.

The Group commenced its healthcare business and established online stores through internationally renowned e-commerce platforms in 2022. The Group sells the healthcare products sourced from its suppliers to end-customers and wholesale customers. The healthcare business was organically grown and not as a result of a business combination.

Inter-segment transactions, if any, are conducted with reference to the prices charged to third parties and there was no change in the basis during the six months ended 30 June 2026 and 2025.

The segment information provided to the management for the reportable segments for the six months ended 30 June 2026 and 2025 is as follows:

For the six months ended 30 June 2026 (Unaudited)

	Healthcare business *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Segment revenue from external customers	**70,865**	**–**	**70,865**
Other income	**–**	**3,641**	**3,641**
Total revenue and other income	**70,865**	**3,641**	**74,506**
Segment profit/(loss)	**8,351**	**(6,265)**	**2,086**
Income tax expense	**(717)**	**–**	**(717)**
Profit/(loss) for the period	**7,634**	**(6,265)**	**1,369**
Other segment information:			
Depreciation	**–**	**5**	**5**
Lease payments	**–**	**213**	**213**

For the six months ended 30 June 2025 (Unaudited)

	Healthcare business *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Segment revenue from external customers	41,559	–	41,559
Other income	–	3,625	3,625
Total revenue and other income	41,559	3,625	45,184
Segment profit/(loss)	5,656	(7,222)	(1,566)
Income tax expense	(649)	–	(649)
Profit/(loss) for the period	5,007	(7,222)	(2,215)
Other segment information:			
Depreciation	–	34	34
Lease payments	–	189	189

The Company is domiciled in Hong Kong. The Group's major income from external customers is derived from its operations in Hong Kong.

	Unaudited Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Hong Kong	**70,865**	41,559
Total	**70,865**	41,559

Major customers

During the six months ended 30 June 2026, the following external customers contributed more than 10% of the total revenue of the Group.

	Unaudited Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Customer A	**27,197**	–

Information on segment assets and liabilities are not disclosed as this information is not presented to the Board as they do not assess performance of reportable segments using information on assets and liabilities.

3. OTHER INCOME

	Unaudited Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Interest income	**3,641**	3,625
	3,641	3,625

4. OTHER OPERATING EXPENSES

	Unaudited Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Auditors' remuneration		
– Audit services	**1,075**	684
– Non-audit services	**25**	25
Marketing, advertising and promotion expenses	**12,587**	6,806
Professional and consultancy fees	**4,531**	3,145
Personal postal articles tax	**3,501**	1,889
Postage and courier expenses	**2,401**	1,352
Information services expenses	**183**	672
Printing and stationery	**747**	535
Storage	**394**	233
Short-term lease payments under land and building	**213**	189
Repair and maintenance (including system maintenance)	**31**	172
Litigation-related expenses	**4,106**	–
Bank charges	**47**	71
Insurance	**–**	4
Net foreign exchange (profit)/loss	**(944)**	3,802
Others	**509**	845
	29,406	20,424

5. INCOME TAX EXPENSE

Hong Kong profits tax has been provided for at the rate of 16.5% (2025: 16.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the respective periods at the rates of taxation prevailing in the countries in which the Group operates. The income tax expenses of the Group are charged at a tax rate of 28% (2025: 28%) in New Zealand and 30% (2025: 30%) in Australia respectively in accordance with the local tax law.

	Unaudited Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Current tax:		
Expense for the period	**717**	649
Income tax expense	**717**	649

6. DIVIDENDS

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil).

7. PROFIT/(LOSS) PER SHARE

Basic profit/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective periods.

	Unaudited Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Profit/(loss) attributable to equity holders of the Company	**1,369**	(2,215)
	Number of shares	Number of shares
Weighted average number of ordinary shares in issue	**2,033,290,000**	2,033,290,000

	Unaudited Six months ended 30 June	
	2026	2025
Basic and diluted profit/(loss) per share (HK cents)	**0.07**	(0.11)

For the six months ended 30 June 2026 and 2025, basic profit/(loss) per share is the same as diluted profit/(loss) per share.

8. Inventories

	Unaudited 30 June 2026	Audited 31 December 2025
	HK$'000	*HK$'000*
Finished goods – merchandise	**23,070**	15,310

The cost of goods recognised as cost of sales amounted to approximately HK$40,063,000 for the six months ended 30 June 2026 (for the six months ended 30 June 2025: HK$23,852,000).

9. TRADE RECEIVABLES

	Unaudited 30 June 2026	Audited 31 December 2025
	HK$'000	*HK$'000*
Trade receivables	**33,377**	17,461
Less: provision for impairment allowance	**(235)**	(235)
	33,142	17,226

The Group seeks to maintain strict control over its outstanding receivables and has a credit control team to minimise credit risk. Overdue balances are reviewed regularly by senior management.

An ageing analysis of trade receivables by invoice date as at the end of the reporting period is as follows:

	Unaudited 30 June 2026		Audited 31 December 2025	
	Balance	**Percentage**	Balance	Percentage
	HK$'000	***%***	*HK$'000*	*%*
Current	**25,922**	**77.6**	16,292	93.3
Within 3 months	**7,455**	**22.4**	1,169	6.7
More than 3 months but within 6 months	**–**	**–**	–	–
More than 6 months but within 12 months	**–**	**–**	–	–
	33,377	**100.0**	17,461	100.0
Less: impairment allowance	**(235)**		(235)	
	33,142		17,226	

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which use a lifetime expected loss allowance for all trade receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group determines the expected loss rates based on the credit default rates of the trade receivables of these financial assets with reference to the corresponding credit ratings from internationally renowned credit rating agencies. The rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product, unemployment rate and inflation rate as the key macroeconomic factors in the countries where the Group operates. HK$235,000 provision was made as at 30 June 2026 and 31 December 2025.

The movements in the loss allowance for impairment of trade receivables are as follows:

	Unaudited 30 June 2026	Audited 31 December 2025
	HK$'000	*HK$'000*
At beginning of period/year	**235**	625
Reversal of provision for expected credit loss	**–**	(390)
At end of period/year	**235**	235

As at 30 June 2026, trade receivables of HK$20,379,000 (31 December 2025: HK$12,642,000) are due from related parties. As at 30 June 2026, the loss allowance in respect of the trade receivables due from related parties was HK$177,000 (31 December 2025: HK$177,000).

	Gross carrying amount	**ECL**	**ECL rate**
	HK$'000	*HK$'000*	
As at 30 June 2026 (unaudited)	20,379	177	0.9%
As at 31 December 2025 (audited)	12,642	177	1.4%

As at 30 June 2026, the remaining trade receivables of HK$12,998,000 (31 December 2025: HK$4,819,000) are due from third parties. The loss allowance for these balances was HK$58,000 (31 December 2025: HK$58,000).

	Gross carrying amount	**ECL**	**ECL rate**
	HK$'000	*HK$'000*	
As at 30 June 2026 (unaudited)	12,998	58	0.4%
As at 31 December 2025 (audited)	4,819	58	1.2%

Concentration of exposure

Concentrations of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in the same geographical areas or industry sectors, such that their collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions.

The Group uses a number of controls and measures to minimise undue concentration of exposure in the portfolios. These include counterparty limits, approval and review controls.

The Group manages, limits, and controls concentrations of credit risk wherever they are identified, particularly in relation to individual customers or counterparties. The following table is the analysis of concentration by individual customers/counterparties accounting for over 20% of total trade receivables:

	Unaudited 30 June 2026	Audited 31 December 2025
Number of individual customers/counterparties	**1**	2

As at 30 June 2026, the trade receivables from the largest debtor accounted for 61% (31 December 2025: 73%) of the total trade receivables.

There was also no significant increase in long-aged receivables during the period.

Trade receivables are denominated in the following currencies:

	Unaudited 30 June 2026	Audited 31 December 2025
	HK$'000	*HK$'000*
HK$	**16,470**	10,513
RMB	**13,938**	6,126
US$	**2,734**	587
	33,142	17,226

All trade receivables' carrying amounts approximate to their fair values.

10. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	Unaudited 30 June 2026 ***HK$'000***	Audited 31 December 2025 *HK$'000*
Interest receivables	**5,712**	4,291
Prepayments	**115**	822
Other receivables	**160**	156
Rental and utility deposits	**41**	41
Total	**6,028**	5,310

The carrying amounts of the Group's other receivables and deposits approximate to their fair values.

11. CASH AND BANK BALANCES AND CLIENT TRUST BANK BALANCES

	Unaudited 30 June 2026 ***HK$'000***	Audited 31 December 2025 *HK$'000*
Cash and bank balances	**26,832**	22,209
Fixed deposits with banks	**184,860**	184,383
Client trust bank balances	**1,150**	1,154
	212,842	207,746

The Group maintains trust and segregated accounts with authorised financial institutions to hold clients' deposits arising from normal business transactions. The Group is not allowed to use the clients' monies to settle its own obligations in the ordinary course of business, and therefore they are not included as cash and cash equivalents in the condensed consolidated interim statement of cash flows.

As at 30 June 2026 and 31 December 2025, no bank balances are pledged to banks for banking facilities. No overdraft facility was utilised by the Group as at 30 June 2026 and 31 December 2025. None of the bank deposits are placed with market makers as collateral as at 30 June 2026 and 31 December 2025.

For the purposes of the condensed consolidated interim statement of cash flows, cash and cash equivalents comprise the following:

	Unaudited 30 June 2026 ***HK$'000***	Audited 31 December 2025 *HK$'000*
Cash and bank balances	**26,832**	22,209
Fixed deposits with banks with original maturity within three months	**184,860**	184,383
	211,692	206,592

12. TRADE AND OTHER PAYABLES

	notes	Unaudited 30 June 2026 HK$'000	Audited 31 December 2025 HK$'000
Trade payables	(b)	**29,554**	422
Accrued audit fees		**709**	1,430
Other accruals		**1,048**	2,815
Other payables		**7**	7
	(a)	**31,318**	4,674

notes:

(a) The carrying amounts of the Group's trade and other payables approximate to their fair values.

(b) The credit terms of merchandise payables granted by the suppliers are usually current to 90 days. At 30 June 2026, the ageing analysis of the merchandise payables based on invoice date is as follows:

	Unaudited 30 June 2026		Audited 31 December 2025	
	Balance *HK$'000*	**Percentage** *%*	Balance *HK$'000*	Percentage *%*
30 to 90 days	**29,554**	**100.0**	422	100.0

13. SHARE CAPITAL AND RESERVES

(a) Share capital

	Unaudited 30 June 2026		Audited 31 December 2025	
	Number of shares	**HK$'000**	Number of shares	HK$'000
Authorised:				
Ordinary shares of HK$0.01 each (2025: same)	**4,000,000,000**	**40,000**	4,000,000,000	40,000
Issued and fully paid:				
At beginning and end of the reporting period	**2,033,290,000**	**20,333**	2,033,290,000	20,333

note: The Company has not purchased, sold, transferred or cancelled any treasury shares during the period and, as at the date hereof, the Company does not hold any treasury shares (whether in the Central Clearing and Settlement System, or otherwise).

(b) Reserves

Reserves includes capital reserves, which represent the difference between the book value of the net assets of CA Premium New Zealand Limited, CA Premium Pty Limited and CA Premium International (HK) Limited over the par value of the shares issued in exchange for these subsidiaries as part of the reorganisation completed in 2012.

14. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

For the outstanding balance due from or to related parties, net amount is presented when the Group has a legally enforceable right to set off the recognised amounts, and intends to settle on a net basis.

The Group had the following material transactions with its related entities during the period.

		Unaudited Six months ended 30 June	
		2026	2025
	notes	***HK$'000***	*HK$'000*
Transactions			
Amounts paid for the provision of software maintenance, upgrade and support services from:			
– a related party	*(i), (v)*	**–**	14
Amounts paid for the provision of management services from:			
– the then immediate holding company	*(ii), (v)*	**–**	115
– a fellow subsidiary	*(ii), (v), (vi)*	**210**	70
Sales of goods to:			
– a fellow subsidiary	*(iii), (v), (vi)*	**(463)**	817
Purchase of inventories from:			
– a fellow subsidiary	*(iii), (v), (vi)*	**2,394**	493
Commission paid/payable to:			
– a fellow subsidiary	*(iv), (v), (vi)*	**251**	86

notes:

(i) On 6 December 2024, the Company entered into a services agreement with CLSA Limited, a wholly-owned subsidiary of CSI (the then immediate holding company), for the provision of information technology services. Amounts are paid for provision of software maintenance, upgrade and support services based on the terms of the agreement signed between parties.

(ii) On 12 April 2024, the Company entered into a business services agreement with CSI (the then immediate holding company) for the provision of office services at the Company's head office and principal place of business in Hong Kong. This agreement was terminated by expiration on 30 April 2025. Subsequently, on 10 April 2025, the Company entered into a new business services agreement with Beijing Tong Ren Tang (Hong Kong) Limited ("**TRT International**"), a wholly-owned subsidiary of TRT Cayman, for the provision of office services at the new head office and principal place of business in Hong Kong. Payments are made for the shared use of office space and related services in accordance with the terms of the respective agreements.

(iii) Top Eminent Healthcare (Hong Kong) Limited ("**TE Healthcare HK**") is a company incorporated in Hong Kong with limited liability and a directly wholly-owned subsidiary of the Company. TE Healthcare HK engages in the sale and purchase of healthcare products with TRT International on normal commercial terms and following arm's length negotiations.

(iv) Under a digital commerce cooperation agreement entered into in May 2022 between TE Healthcare HK and TRT International, the Group acquired the right to operate the e-commerce stores on designated sale platforms. In return, TE Healthcare HK is required to pay TRT International a fixed percentage of commission. The agreement was subsequently renewed in May 2025 on substantially the same terms.

(v) Pursuant to Rule 14A.76 of the Listing Rules, the continuing connected transactions mentioned above are fully exempt from the requirements for shareholders' approval, annual review by independent non-executive directors and auditors, and disclosure obligations.

(vi) On 18 February 2025, TRT Cayman acquired 813,316,000 Shares, representing 40% of the Company's issued share capital, thereby becoming a controlling shareholder of the Company. TRT International, a wholly-owned subsidiary of TRT Cayman, hence became a fellow subsidiary of the Company since 18 February 2025. The amounts disclosed herein for the six months ended 30 June 2025 therefore represent the transaction amounts for the period from 18 February 2025 to 30 June 2025.

15. LITIGATIONS AND CONTINGENT LIABILITIES

Update on legal proceedings with Banclogix System Co., Limited

References are made to the Company's announcements dated 6 August 2019, 12 May 2020, 22 May 2026, and 17 July 2026 in relation to the litigations involving the Company (and its three subsidiaries as plaintiffs) and Banclogix System Co., Limited ("**Banclogix**", the Group's former IT service provider) under High Court Action Nos. HCA 1416/2019 and HCA 452/2020 (the "**Proceedings**").

On 22 May 2026, the Court of First Instance of the High Court of Hong Kong handed down the final judgment (the "**Judgment**") in respect of the Proceedings, pursuant to which:

- The claims advanced by the Company and other plaintiffs in HCA 1416/2019 were dismissed;
- In HCA 452/2020, the Company was ordered to pay Banclogix a termination fee of HK$2,500,000 and a software fee of HK$448,560, together with interest;
- Banclogix's claim for an IT infrastructure fee of HK$1,500,000 was dismissed; and
- The Court made an order as to costs against the Company, which will have to be determined by the Court if not agreed between the parties.

Financial Impact and Accounting Treatment

During the six months ended 30 June 2026, the Group fully settled the judgment sum (including the principal amount of HK$2,948,560 and the relevant interest) in accordance with the Judgment. The total amounts payable under the Judgment, together with the legal costs incurred, have been recognised as litigation-related expenses in the condensed consolidated statement of profit or loss for the current reporting period.

Regarding the legal costs of the Proceedings, the Company received letters from the legal representatives of Banclogix concerning the amount of legal costs claimed by Banclogix in connection with the Proceedings. The amount of legal costs claimed has not been agreed by the Company and has not been determined by the Court. In the absence of agreement between the parties, the amount of legal costs payable by the Company will have to be determined by the Court through the formal taxation process to be commenced, and the Company will make further announcement(s) as and when appropriate in accordance with the Listing Rules.

Consequently, a reliable estimate of the final costs to be determined through the taxation process cannot be made at this stage. The Group has assessed the accounting treatment under HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and, accordingly, no provision is recognised and the matter is disclosed as a contingent liability.

Save as disclosed above, the Group had no other material litigation or contingent liabilities as at the reporting date.

MANAGEMENT DISCUSSION AND ANALYSIS

The 2026 Interim Period Compared with the 2025 Interim Period

Total Income

The total income of the Group increased by approximately 64.9% to approximately HK$74.5 million for the 2026 Interim Period from approximately HK$45.2 million for the 2025 Interim Period.

The increase was primarily attributable to the continued expansion of the Group's healthcare products business, improved sales performance across both B2B and B2C channels, and the continued enhancement of the Group's product portfolio and marketing initiatives.

A. Revenue from Healthcare Business

Revenue from the healthcare business increased by approximately 70.5% to approximately HK$70.9 million for the 2026 Interim Period from approximately HK$41.6 million for the 2025 Interim Period.

The increase was mainly attributable to stronger sales of healthcare products, increasing contribution from the Group's e-commerce channels, broader customer reach and improved market penetration. The Board believes that the continued growth reflects the successful implementation of the Group's business development strategy and enhanced brand recognition in the healthcare products market.

B. Other Income

Other income remained stable at approximately HK$3.6 million for the 2026 Interim Period, which was comparable to approximately HK$3.6 million for the 2025 Interim Period.

Other income primarily represented interest income generated from the Group's substantial cash and bank balances maintained during the period.

Cost of Sales

Cost of sales increased to approximately HK$40.1 million for the 2026 Interim Period from approximately HK$23.9 million for the 2025 Interim Period, which was generally in line with the substantial growth in healthcare product sales during the period.

Despite the increase in cost of sales, the Group recorded an increase in gross profit from approximately HK$17.7 million for the 2025 Interim Period to approximately HK$30.8 million for the 2026 Interim Period.

Referral Expenses and Other Charges

Referral expenses and other charges increased to approximately HK$1.6 million for the 2026 Interim Period from approximately HK$1.1 million for the 2025 Interim Period.

The increase was primarily attributable to higher customer acquisition activities and increased promotional efforts associated with the continued expansion of the Group's healthcare products business.

Staff Costs

Staff costs remained stable at approximately HK$1.4 million for the 2026 Interim Period, comparable to approximately HK$1.4 million for the 2025 Interim Period.

Other Operating Expenses

Other operating expenses increased by approximately 44% to approximately HK$29.4 million for the 2026 Interim Period from approximately HK$20.4 million for the 2025 Interim Period.

The increase was primarily attributable to higher marketing and promotional expenses, investments in customer acquisition initiatives, brand development programmes, professional services and ongoing investments in the Group's business infrastructure to support future growth.

Profit for the Period

The Group recorded a profit attributable to equity holders of the Company of approximately HK$1.4 million for the 2026 Interim Period, compared with a loss attributable to equity holders of the Company of approximately HK$2.2 million for the 2025 Interim Period.

The turnaround was primarily attributable to strong revenue growth and improved operating leverage resulting from the continued expansion of the Group's Chinese medicines and healthcare products business, supported by improved performance across both the Group's B2B distribution channels and B2C e-commerce platforms.

The 2025 Interim Period was adversely affected by substantial one-off professional expenses incurred in connection with the change in control of the Company and the subsequent mandatory general offer. During the 2026 Interim Period, the Group incurred litigation-related expenses in connection with the legal proceedings involving Banclogix System Co., Limited. Notwithstanding such litigation-related expenses, the Group was able to return to profitability during the period.

Liquidity and Financial Resources

The operations of the Group were financed principally by equity capital, cash generated from operating activities and the Group's cash and bank deposits.

As at 30 June 2026, cash and bank balances (including fixed deposits with original maturity within three months) amounted to approximately HK$212.8 million (31 December 2025: approximately HK$207.7 million).

The Group remained free of interest-bearing borrowings and maintained a strong liquidity position during the 2026 Interim Period.

Foreign Currency Exposure

During the 2026 Interim Period, the Group recorded an exchange gain of approximately HK$1.0 million, compared with an exchange loss of approximately HK$3.8 million in the 2025 Interim Period.

The Group also recorded a currency translation gain of approximately HK$0.7 million during the 2026 Interim Period, mainly arising from the translation of monetary assets denominated in foreign currencies by the Group's overseas subsidiaries.

The Group manages foreign exchange risk through regular review of its foreign currency positions and, where appropriate, implements hedging strategies based on prevailing market conditions and operational requirements.

Capital Structure

During the 2026 Interim Period, the capital structure of the Group consisted of equity attributable to owners of the Company, comprising issued share capital and reserves.

Charges on the Group's Assets

As at 30 June 2026, none of the Group's assets were charged (31 December 2025: Nil).

Contingent Liabilities

Details of the Group's contingent liabilities as at 30 June 2026 are set out in Note 15 to the interim financial information.

Employees and Remuneration Policies

The Group's remuneration policies are determined with reference to prevailing market practices and the performance and experience of individual employees.

As at 30 June 2026, the Group employed a total of 15 staff, including employees, consultants and Directors (30 June 2025: 13).

BUSINESS REVIEW AND OUTLOOK

During the six months ended 30 June 2026, the Group continued to execute its strategy of expanding its Chinese medicines and healthcare products business, strengthening its distribution channels and enhancing operational efficiency.

Against a backdrop of increasing consumer demand for Chinese medicines and healthcare products, the Group achieved significant growth in sales through both B2B distribution channels and B2C e-commerce platforms. Revenue from Chinese medicines and healthcare products increased substantially during the period, supported by stronger sales performance, broader market penetration and the continued development of the Group's sales and distribution network.

The Group maintained a healthy financial position and strong liquidity throughout the 2026 Interim Period. Supported by substantial cash reserves and prudent working capital management, the Group remained well positioned to pursue future growth opportunities while maintaining financial flexibility.

Looking ahead to the second half of 2026, the Group remains cautiously optimistic regarding its business prospects. The Group will continue to focus on expanding its Chinese medicines and healthcare products business, strengthening its B2B and B2C sales channels, enhancing customer engagement, optimising its product portfolio and improving operational efficiency. The Group will also actively explore development opportunities in the wellness supplement sector with a view to further broadening its product offerings and diversifying its sources of revenue.

The Board believes that the Group's strong financial position, growing customer base and continued investment in business development initiatives will support its long-term growth and create sustainable value for shareholders.

The Group will continue to explore opportunities to expand its portfolio of Chinese medicines, healthcare products and wellness supplement products, strengthen cooperation with strategic business partners and enhance its sales and distribution capabilities. The Group will also continue to evaluate suitable opportunities that complement its existing business and support its long-term development strategy.

CREDIT RISK CONCENTRATION IN TRADE RECEIVABLES

As at 30 June 2026, the Group's trade receivables amounted to approximately HK$33.1 million (31 December 2025: approximately HK$17.2 million), representing amounts due principally from customers in the ordinary course of the Group's Chinese medicines and healthcare products business.

The Group continues to maintain prudent credit control procedures and closely monitors the recoverability of its trade receivables through regular ageing analysis, customer credit assessments and ongoing review of collection performance.

As at 30 June 2026, trade receivables due from the Group's largest customer accounted for approximately 61% of the total trade receivables (31 December 2025: 73%). The Board considers that the Group's exposure to credit risk remains manageable having regard to the creditworthiness of the customer, its historical settlement record and the long-standing business relationship maintained with the Group.

Subsequent Settlement in Relation to Trade Receivables

As at the date of this announcement, approximately HK$16.5 million, representing approximately 49% of the gross trade receivables balance as at 30 June 2026, had been subsequently settled.

Expected Recoverability of Trade Receivables and Adequacy of Loss Allowances

The Board believes that the Group's trade receivables are generally recoverable based on the following factors:

(1) Customers with strong creditworthiness

The Group's major customers continue to maintain satisfactory credit profiles and settlement records. Management regularly assesses customers' creditworthiness, business conditions and payment history and has not identified any material deterioration in their credit quality.

(2) Long-term business relationships

The Group maintains long-standing business relationships with its major customers, many of whom continue to conduct recurring transactions with the Group. The ongoing business relationship provides management with additional confidence regarding the recoverability of outstanding receivable balances.

(3) Unchanged business model and customer base

The Group's business model, customer base and credit management policies remained substantially unchanged during the 2026 Interim Period. The Group continues to maintain prudent credit control procedures and regularly reviews the ageing profile of trade receivables and available forward-looking information when assessing expected credit losses under HKFRS 9.

Based on the settlement history of customers, ageing profile of receivables, subsequent settlement records and management's assessment of recoverability, the Board considers that the loss allowance recognised by the Group as at 30 June 2026 is adequate.

Actions Taken to Manage and Recover Trade Receivables

The Group continues to strengthen its credit risk management and collection procedures through:

(i) enhancing sales contribution from customers with satisfactory payment records and shorter payment cycles whilst maintaining prudent credit assessments for all customers;

(ii) conducting regular ageing reviews, follow-up actions and management reviews of outstanding balances; and

(iii) periodically reviewing customers' creditworthiness, business condition and market standing using publicly available information and other available data.

The Board will continue to closely monitor the recoverability of trade receivables and maintain prudent risk management policies with a view to safeguarding the Group's financial position and the interests of its shareholders.

REGULATORY COMPLIANCE UPDATE

The Group continued to operate its healthcare products business in a normal and orderly manner throughout the 2026 Interim Period.

During the 2026 Interim Period, the Group continued to generate revenue primarily from the sale and distribution of healthcare products through both B2B distribution channels and B2C e-commerce platforms. The Group maintained substantive business operations, an established customer base, stable supplier relationships and an active management team overseeing its day-to-day operations.

The Board confirms that the Company continued to comply with Rule 13.24 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") during the 2026 Interim Period.

The Board is of the view that the Group maintains a sufficient level of operations and possesses assets of sufficient value to support its operations and to warrant the continued listing of the Company's shares on The Stock Exchange of Hong Kong Limited.

The Group remains committed to maintaining high standards of corporate governance, internal control and regulatory compliance. During the 2026 Interim Period, the Group continued to review and enhance its internal control procedures, risk management framework and compliance systems with a view to supporting its ongoing business development and long-term growth.

The Company will continue to monitor developments in applicable laws, regulations and Listing Rules requirements and will make further disclosures as and when required in accordance with the applicable regulatory requirements.

MATERIAL ACQUISITIONS/DISPOSALS

Reference is made to the announcements of the Company dated 26 February 2026, 27 March 2026 and 29 April 2026, respectively, and the circular of the Company dated 27 February 2026 in relation to the proposed major and connected transaction.

The relevant extraordinary general meeting was subsequently cancelled and the proposed transaction did not proceed.

Save as disclosed above, the Group did not undertake any material acquisitions or disposals of subsidiaries, associates or joint ventures during the 2026 Interim Period.

SIGNIFICANT INVESTMENTS HELD

During the 2026 Interim Period, the Group did not hold any significant investments.

MATERIAL LITIGATION AND ARBITRATION

Reference is made to the Company's announcements and disclosures in relation to the legal proceedings involving Banclogix System Co., Limited ("**Banclogix**").

During the 2026 Interim Period, judgment was handed down by the Court in relation to the relevant proceedings and the Group settled the judgment sum in accordance with the Court's judgment.

As at the date of this announcement, the amount of legal costs claimed by Banclogix remains subject to agreement between the parties or determination by the Court through the taxation process. The Company will make further announcement(s) as and when appropriate in accordance with the Listing Rules.

Save as disclosed above and in Note 15 to the interim financial information, the Group did not have any material litigation or arbitration during the 2026 Interim Period and up to the date of this announcement.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there were no significant events affecting the Group that occurred after the reporting period and up to the date of this announcement.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the 2026 Interim Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules throughout the 2026 Interim Period, except for the deviation noted below.

Code Provision C.2.1 of the CG Code recommends that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Since 11 April 2025, both roles have been held by Mr. Ji Guangfei.

The Board considers that vesting both roles in Mr. Ji Guangfei is beneficial to the implementation of the Group's business strategies and enhances operational efficiency. The Board believes that the current structure provides the Company with strong and consistent leadership and is in the best interests of the Company and its shareholders as a whole.

The Board will continue to review the effectiveness of this arrangement and consider separating the roles of chairman and chief executive officer when appropriate.

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 to the Listing Rules (the "**Model Code**") as its code of conduct regarding Directors' securities transactions.

Having made specific enquiries of all Directors, each of the Directors confirmed that he or she had complied with the required standards set out in the Model Code throughout the 2026 Interim Period.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the information of the Directors of the Company since the date of the Company's 2025 annual report are set out below.

As disclosed in the Company's announcement dated 2 January 2026, Mr. Zhou Zuyu resigned as an Independent Non-Executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee, the Nomination Committee and the Corporate Governance Committee, as well as the Lead Independent Non-Executive Director, with effect from 31 December 2025.

Mr. Zhou Jiannan was appointed as an Independent Non-Executive Director, the chairman of the Remuneration Committee, a member of the Audit Committee, the Nomination Committee and the Corporate Governance Committee, as well as the Lead Independent Non-Executive Director, with effect from 1 January 2026.

As disclosed in the Company's announcement dated 26 June 2026, Mr. Li Jiong resigned as a Non-Executive Director with effect from 30 June 2026 and Ms. Wang Yinqing was appointed as an Executive Director with effect from 1 July 2026.

REVIEW OF INTERIM RESULTS

The Audit Committee comprises three Independent Non-Executive Directors, namely Ms. Hu Zhaoxia (Chairman), Mr. Zhou Jiannan and Mr. Lyu Aiping.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and has reviewed the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2026. The Audit Committee has no disagreement with the accounting treatment adopted by the Company.

PUBLICATION OF INTERIM REPORT

The interim report of the Company for the six months ended 30 June 2026 containing all the information required by the Listing Rules will be published on the websites of the Company (www.tehealth.com) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) in due course.

By Order of the Board
Top Eminent Healthcare Group Limited
Ji Guangfei
Chairman

Hong Kong, 17 August 2026

As at the date of this announcement, the Board comprises four Executive Directors, namely Mr. Ji Guangfei (Chairman and Chief Executive Officer), Ms. Li Jiang (Deputy Chairman), Mr. Zhang Huanping and Ms. Wang Yinqing; two Non-Executive Directors, namely Mr. Yuan Feng and Mr. Chung Cheuk Fan Marco; and three Independent Non-Executive Directors, namely Mr. Zhou Jiannan (Lead INED), Ms. Hu Zhaoxia and Mr. Lyu Aiping.

* *For identification purpose only*