

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below are the condensed consolidated statements of financial position of Target Group (including its 51% interest in HKMAI TST and 10% interest in HKMAI) as at 31 March 2022, 2023 and 2024 and 30 September 2024 and the condensed consolidated statements of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statements of cash flows of Target Group for the years ended 31 March 2022, 2023 and 2024 and the six months ended 30 September 2024. The condensed consolidated financial information of the Target Group for the years ended 31 March 2022, 2023 and 2024 were extracted from the audited consolidated financial statements of the Target Group. The condensed consolidated financial information of the Target Group for the six months ended 30 September 2024 was extracted from the unaudited management account of the Target Group (the “Financial Information”). The Financial Information has been presented on the basis set out in note 2 of the notes to the Financial Information and are prepared in accordance with the accounting policies adopted by the Company as shown in its annual report for the year ended 31 March 2024, and Rule 14.68(2)(a)(i) of the Listing Rules.

The Financial Information is prepared by the Directors solely for the purpose of inclusion in this circular in connection with the Disposal. The Company’s auditors, Ernst & Young (the “reporting accountants”), were engaged to review the Financial Information of Target Group set out on pages II-2 to II-8 of this appendix in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” and with reference to Practice Note 750 “Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal” issued by the Hong Kong Institute of Certified Public Accountants.

A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the reporting accountants to obtain assurance that the reporting accountants would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountants do not express an audit opinion.

Based on their review on the Financial Information of Target Group, nothing has come to their attention that causes them to believe that the Financial Information is not prepared, in all material respects, in accordance with the basis of preparation as set out in note 2 below.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the years ended 31 March 2022, 2023 and 2024 and the six months ended 30 September 2024

	For the year ended 31 March			For the six months ended	
	2022	2023	2024	30 September	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
REVENUE	245,946	264,143	267,154	135,474	134,758
Other net income and gains	150	1,852	4,104	2,196	2,263
Cost of inventories and consumables	(23,183)	(22,905)	(22,267)	(10,124)	(10,238)
Registered practitioner expenses	(97,346)	(99,980)	(106,289)	(59,412)	(58,882)
Employee benefit expenses	(28,147)	(34,084)	(36,174)	(14,148)	(14,642)
Marketing and advertising expenses	(448)	(884)	(832)	(1,040)	(280)
Rental and related expenses	(5,080)	(5,332)	(5,405)	(2,651)	(2,729)
Depreciation – right-of-use assets	(10,373)	(9,633)	(9,485)	(4,743)	(5,223)
Depreciation – owned property, plant and equipment	(6,196)	(8,879)	(7,898)	(3,940)	(3,879)
Amortisation of intangible assets	(14,530)	(14,770)	(14,770)	(7,385)	(7,384)
Finance costs	(335)	(400)	(343)	(201)	(118)
Credit card expenses	(70)	(91)	(693)	(36)	(370)
Administrative and other expenses	(8,267)	(6,686)	(6,777)	(4,351)	(4,022)
Share of profits/(losses) of an associate	751	1,113	724	179	(271)
PROFIT BEFORE TAX	52,872	63,464	61,049	29,818	28,983
Income tax expense	(9,018)	(9,974)	(9,328)	(4,583)	(4,534)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	43,854	53,490	51,721	25,235	24,449
Attributable to:					
Equity shareholders of the Target Company	41,778	49,430	44,785	23,768	22,308
Non-controlling interests	2,076	4,060	6,936	1,467	2,141
	43,854	53,490	51,721	25,235	24,449

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

At 31 March 2022, 2023 and 2024 and 30 September 2024

	As at 31 March			As at
	2022	2023	2024	30 September
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT ASSETS				
Property, plant and equipment	60,709	55,054	38,207	36,967
Goodwill	275,671	275,671	275,671	275,671
Intangible assets	78,960	64,190	49,420	42,036
Interest in an associate	15,751	16,864	17,588	15,857
Rental and other deposits	2,454	4,060	1,606	2,809
Deferred tax assets	1,707	567	953	1,067
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Total non-current assets	435,252	416,406	383,445	374,407
CURRENT ASSETS				
Inventories	1,196	1,304	1,357	1,305
Trade receivables	16,727	20,977	22,274	16,240
Prepayments, deposits and other receivables	4,113	1,279	4,076	2,635
Due from the immediate holding company	100,010	100,010	16,000	16,000
Due from fellow subsidiaries	4,210	10,424	15,067	16,870
Due from a director	–	2,100	–	–
Due from an associate	6,634	24,281	41,410	59,165
Tax recoverable	–	898	–	–
Cash and bank balances	127,844	107,967	120,100	159,482
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Total current assets	260,734	269,240	220,284	271,697
CURRENT LIABILITIES				
Trade payables	3,003	3,080	1,713	917
Other payables and accruals	14,644	14,144	13,025	16,566
Lease liabilities	7,897	9,492	6,910	7,079
Due to intermediate holding companies	209,397	215,309	151,611	162,984
Due to fellow subsidiaries	15,259	23,242	13,607	18,905
Tax payable	1,378	–	1,820	4,782
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Total current liabilities	251,578	265,267	188,686	211,233
NET CURRENT ASSETS	<hr/>	<hr/>	<hr/>	<hr/>
	9,156	3,973	31,598	60,464
TOTAL ASSETS LESS CURRENT LIABILITIES	<hr/>	<hr/>	<hr/>	<hr/>
	444,408	420,379	415,043	434,871

	As at 31 March		As at	
	2022	2023	2024	30 September
	HK\$'000	HK\$'000	HK\$'000	2024
				HK\$'000
NON-CURRENT LIABILITIES				
Deferred tax liabilities	15,103	12,266	9,398	8,044
Lease liabilities	8,263	9,361	2,452	4,855
Other payables and accruals	280	500	220	357
	<u>23,646</u>	<u>22,127</u>	<u>12,070</u>	<u>13,256</u>
Total non-current liabilities				
Net assets	<u>420,762</u>	<u>398,252</u>	<u>402,973</u>	<u>421,615</u>
EQUITY				
Equity attributable to equity shareholders				
of the Target Company				
Share capital	100,010	100,010	100,010	100,010
Reserves	301,526	274,956	272,741	295,049
	<u>401,536</u>	<u>374,966</u>	<u>372,751</u>	<u>395,059</u>
Non-controlling interests	<u>19,226</u>	<u>23,286</u>	<u>30,222</u>	<u>26,556</u>
Total equity	<u>420,762</u>	<u>398,252</u>	<u>402,973</u>	<u>421,615</u>

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 March 2022, 2023 and 2024 and the six months ended 30 September 2024

	Attributable to equity shareholders of the Target Company				Non- controlling interests	Total equity
	Share capital	Other reserve	Retained profits	Total		
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>		
At 1 April 2021	10	268,141	7,607	275,758	–	275,758
Profit and total comprehensive income for the year	–	–	41,778	41,778	2,076	43,854
Capital contribution from a shareholder of the Target Company	100,000	–	–	100,000	–	100,000
Capital contribution by non-controlling shareholders of a subsidiary	–	–	–	–	17,150	17,150
2022 interim dividend	–	–	(16,000)	(16,000)	–	(16,000)
At 31 March 2022 and 1 April 2022	100,010	268,141	33,385	401,536	19,226	420,762
Profit and total comprehensive income for the year	–	–	49,430	49,430	4,060	53,490
2023 interim dividend	–	–	(76,000)	(76,000)	–	(76,000)
At 31 March 2023 and 1 April 2023	100,010	268,141	6,815	374,966	23,286	398,252
Profit and total comprehensive income for the year	–	–	44,785	44,785	6,936	51,721
2024 interim dividend	–	–	(47,000)	(47,000)	–	(47,000)
At 31 March 2024	<u>100,010</u>	<u>268,141</u>	<u>4,600</u>	<u>372,751</u>	<u>30,222</u>	<u>402,973</u>

	Attributable to equity shareholders of the Target Company			Total	Non- controlling interests	Total equity
	Share capital	Other reserve	Retained profits			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2023	100,010	268,141	6,815	374,966	23,286	398,252
Profit and total comprehensive income for the period	–	–	23,768	23,768	1,467	25,235
At 30 September 2023	<u>100,010</u>	<u>268,141</u>	<u>30,583</u>	<u>398,734</u>	<u>24,753</u>	<u>423,487</u>
At 1 April 2024	100,010	268,141	4,600	372,751	30,222	402,973
Profit and total comprehensive income for the period	–	–	22,308	22,308	2,141	24,449
2025 interim dividend paid to non-controlling interests	–	–	–	–	(5,807)	(5,807)
At 30 September 2024	<u>100,010</u>	<u>268,141</u>	<u>26,908</u>	<u>395,059</u>	<u>26,556</u>	<u>421,615</u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended 31 March 2022, 2023 and 2024 and the six months ended 30 September 2024

	For the year ended 31 March			For the six months ended 30 September	
	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax	52,872	63,464	61,049	29,818	28,983
Adjustments for:					
Interest income	(6)	(124)	(3,774)	(1,867)	(2,263)
Write-off of items of property, plant and equipment	156	–	–	–	–
Interest on lease liabilities	335	400	343	201	82
Depreciation of property, plant and equipment	6,196	8,879	7,898	3,940	3,879
Depreciation on right-of-use assets	10,373	9,633	9,485	4,743	5,223
Amortisation of intangible assets	14,530	14,770	14,770	7,385	7,384
Share of (profits)/losses of an associate	(751)	(1,113)	(724)	(179)	271
	83,705	95,909	89,047	44,041	43,559
(Increase)/decrease in inventories	(146)	(108)	(53)	(168)	52
(Increase)/decrease in trade receivables	(2,381)	(4,250)	(1,297)	4,013	6,034
(Increase)/decrease in prepayments and deposits	(2,791)	1,228	(344)	1,220	238
Increase in amounts due to intermediate holding companies	2,227	5,912	4,562	822	11,373
Increase in amounts due from fellow subsidiaries	(4,210)	(6,214)	(4,643)	(2,822)	(1,803)
Increase in amounts due to fellow subsidiaries	15,258	7,983	8,215	3,896	5,298
(Increase)/decrease in amount due from a director	–	(2,100)	–	2,100	–
Increase in an amount due from an associate	(6,631)	(17,647)	(17,129)	(8,935)	(17,755)
Increase/(decrease) in trade payables	2,518	77	(1,367)	(1,407)	(796)
Increase/(decrease) in other payables and accruals	7,023	(282)	(1,398)	2,126	2,992
Cash generated from operations	94,572	80,508	75,593	44,886	49,192
Hong Kong profits tax paid	(10,767)	(13,945)	(9,864)	–	(3,041)
Net cash inflow from operating activities	83,805	66,563	65,729	44,886	46,151

	For the year ended 31 March			For the six months ended	
	2022	2023	2024	30 September	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
CASH FLOWS FROM					
INVESTING ACTIVITIES					
Bank interest received	6	124	3,774	1,867	2,263
Investment in an associate	(15,000)	–	–	–	–
Dividend income from an associate	–	–	–	–	1,460
Purchases of items of property, plant and equipment	(47,610)	(621)	(536)	(397)	–
Addition to an intangible asset	(1,200)	–	–	–	–
Net cash (used in)/from investing activities	(63,804)	(497)	3,238	1,470	3,723
CASH FLOWS FROM					
FINANCING ACTIVITIES					
Advance from an intermediate holding company	67,160	–	–	–	–
Dividend paid	(16,000)	(76,000)	(47,000)	–	–
Dividend paid to non-controlling interests	–	–	–	–	(5,807)
Payment of principal portion of lease liabilities	(10,288)	(9,543)	(9,491)	(5,814)	(4,603)
Payment of interest portion of lease liabilities	(335)	(400)	(343)	(201)	(82)
Repayment of an amount in due to a shareholder	(19,781)	–	–	–	–
Contribution from non-controlling shareholders of a subsidiary	17,150	–	–	–	–
Net cash from/(used in) financing activities	37,906	(85,943)	(56,834)	(6,015)	(10,492)
NET INCREASE/(DECREASE)					
IN CASH AND CASH					
EQUIVALENTS					
Cash and cash equivalents at the beginning of the year/period	57,907	(19,877)	12,133	40,341	39,382
	69,937	127,844	107,967	107,967	120,100
CASH AND CASH					
EQUIVALENTS					
AT THE END OF THE					
YEAR/PERIOD					
	127,844	107,967	120,100	148,308	159,482

NOTES TO THE FINANCIAL INFORMATION OF THE TARGET GROUP

1. GENERAL INFORMATION

New Medical Centre Holding Limited is a limited liability company incorporated in Hong Kong. During the years ended 31 March 2022, 2023 and 2024 and the six months ended 30 September 2024, New Medical Centre Holding Limited and its subsidiaries (together, the “Target Group”) are principally engaged in the provision of medical services and medical imaging services.

The Financial Information of Target Group is presented in Hong Kong Dollars (“HK\$”) and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

2. BASIS OF PREPARATION

The Financial Information of Target Group has been prepared solely for the purpose of inclusion in the circular to be issued by the Company in connection with the disposal of 51% of issued share capital in the Target Company in accordance with Rule 14.68(2)(a)(i) of the Listing Rules and in accordance with the relevant accounting policies adopted by the Company as set out in its annual report for the year ended 31 March 2024, which conform with Hong Kong Financial Reporting Standards issued by the HKICPA. The Financial Information of the Target Group has been prepared under the historical cost convention.

The Financial Information of Target Group does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 (Revised) “Presentation of Financial Statements” nor an complete condensed interim financial report as defined in Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants, and that it should be read in connection with the relevant published annual financial statements of the Company.