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天安卓健有限公司

TIAN AN MEDICARE LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 383)

**UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025
AND
REDESIGNATION OF THE ROLES OF NOMINATION COMMITTEE**

The board of directors (the “Directors” and the “Board”, respectively) of Tian An Medicare Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2025 together with the comparative figures for the corresponding period in 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended	
		30.6.2025	30.6.2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue	3	783,132	821,529
Gross proceeds from sales of investments held for trading		<u>—</u>	<u>—</u>
Total		<u>783,132</u>	<u>821,529</u>
Revenue	3		
Goods and services from contracts with customers		779,792	818,179
Rental		<u>3,340</u>	<u>3,350</u>
Cost of goods and services		<u>783,132</u>	821,529
		(624,489)	(638,528)

		Six months ended	
		30.6.2025	30.6.2024
<i>Notes</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Gross profit		158,643	183,001
Other gains and losses, and other income	5	(11,779)	(8,743)
Selling and distribution costs		(3,671)	(3,575)
Administrative expenses		<u>(107,864)</u>	<u>(108,891)</u>
Profit from operations		35,329	61,792
Finance costs	6	<u>(11,715)</u>	<u>(15,707)</u>
Profit before taxation		23,614	46,085
Income tax expense	7	<u>(8,875)</u>	<u>(17,004)</u>
Profit for the period	8	<u>14,739</u>	<u>29,081</u>
Attributable to:			
Owners of the Company		11,979	21,659
Non-controlling interests		<u>2,760</u>	<u>7,422</u>
		<u>14,739</u>	<u>29,081</u>
Earnings per share	10		
Basic		<u>HK1.11 cents</u>	<u>HK1.99 cents</u>
Diluted		<u>N/A</u>	<u>N/A</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended	
	30.6.2025	30.6.2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Profit for the period	<u>14,739</u>	<u>29,081</u>
Other comprehensive income:		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign operations	<u>11,515</u>	<u>–</u>
Total comprehensive income for the period	<u><u>26,254</u></u>	<u><u>29,081</u></u>
Attributable to:		
Owners of the Company	22,662	21,659
Non-controlling interests	<u>3,592</u>	<u>7,422</u>
	<u><u>26,254</u></u>	<u><u>29,081</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	<i>Notes</i>	30.6.2025 HK\$'000 (unaudited)	31.12.2024 <i>HK\$'000</i> (audited)
Non-current assets			
Investment properties		503,116	525,392
Property, plant and equipment		1,591,237	1,541,635
Right-of-use assets		84,853	86,605
Loan receivable		–	–
Interests in associates		–	–
Financial assets at fair value through profit or loss (“FVTPL”)		2,151	2,151
Prepayments for acquisition of property, plant and equipment		14,699	23,887
		2,196,056	2,179,670
Current assets			
Inventories		34,969	45,029
Properties under development for sale		162,033	165,414
Properties held for sale		74,803	77,847
Investments held for trading		5,028	4,951
Trade receivables	<i>11</i>	120,890	143,791
Deposits, prepayments and other receivables	<i>11</i>	22,309	28,792
Amounts due from related parties		367	437
Pledged bank deposit		8,791	–
Restricted bank deposits		1,018	7,518
Bank balances and cash		813,071	885,428
		1,243,279	1,359,207

	<i>Notes</i>	30.6.2025 HK\$'000 (unaudited)	31.12.2024 <i>HK\$'000</i> (audited)
Current liabilities			
Trade payables	12	108,171	133,439
Deposits, receipts in advance and accrued charges	12	321,374	450,111
Contract liabilities		50,470	70,098
Amount due to an associate		6,044	5,978
Amounts due to related parties		572	376
Borrowings		418,329	390,817
Lease liabilities		1,185	1,543
Current tax liabilities		115,322	113,334
		<u>1,021,467</u>	<u>1,165,696</u>
Net current assets		<u>221,812</u>	<u>193,511</u>
Total assets less current liabilities		<u>2,417,868</u>	<u>2,373,181</u>
Non-current liabilities			
Other payable	12	37,239	–
Contract liabilities		5,117	5,867
Borrowings		448,480	442,566
Lease liabilities		204	1,282
Deferred tax liabilities		28,950	28,637
		<u>519,990</u>	<u>478,352</u>
Net assets		<u><u>1,897,878</u></u>	<u><u>1,894,829</u></u>
Capital and reserves			
Equity attributable to owners of the Company			
Share capital		10,829	10,860
Treasury shares		(20)	(869)
Reserves		1,807,622	1,808,983
		<u>1,818,431</u>	<u>1,818,974</u>
Non-controlling interests		79,447	75,855
Total equity		<u><u>1,897,878</u></u>	<u><u>1,894,829</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. BASIS OF PREPARATION

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

These condensed consolidated financial statements should be read in conjunction with the 2024 annual financial statements. Except as described below, the accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2024.

2. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the Group’s condensed consolidated financial statements in the period:

- **Amendments to HKAS 21, Lack of Exchangeability**

The application of the amendments to HKFRS Accounting Standards that are effective from 1 January 2025 did not have any significant impact on the Group’s financial positions and performance for the current and prior periods and/ or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE

	Six months ended	
	30.6.2025	30.6.2024
	HK\$’000	HK\$’000
	(unaudited)	(unaudited)
Revenue from contracts with customers		
Hospital fees and charges	756,739	800,390
Building management fees	2,019	261
Eldercare related services and sales of nutritions	21,034	17,528
	779,792	818,179
Revenue from other sources		
Rental income	3,340	3,350
	783,132	821,529

4. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports according to the types of goods or services delivered and provided, and are regularly reviewed by the chief operating decision-maker (the “CODM”) to allocate resources to the segments and to assess their performance.

The CODM which is responsible for allocating resources and assessing performance of the operating segments has been defined as the executive directors of the Company.

During the six months ended 30 June 2025, the CODM has identified the following six operating and reportable segments under HKFRS 8 Operating Segments. No operating segments have been aggregated to form the following reportable segments.

Healthcare — operations of hospitals in the People’s Republic of China, except Hong Kong (the “PRC”).

Eldercare — property development of independent living units and project and building management of health campus in the PRC with focus on eldercare and retirement community, which consist of an elderly nursing home, service apartments, independent living units and a commercial area comprising a shopping mall, retail shops and club hall facilities.

Property development — developing and selling of properties and land in the PRC.

Property investment — leasing of residential and office properties.

Financial services — provision of loan financial services.

Securities trading and investments — trading of securities in Hong Kong and overseas markets.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the six months ended 30 June 2025

	Healthcare HK\$'000 (unaudited)	Eldercare HK\$'000 (unaudited)	Property development HK\$'000 (unaudited)	Property investment HK\$'000 (unaudited)	Financial services HK\$'000 (unaudited)	Securities trading and investments HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
Gross proceeds from sales of investments held for trading	-	-	-	-	-	-	-
Revenue	<u>756,739</u>	<u>24,254</u>	<u>-</u>	<u>2,139</u>	<u>-</u>	<u>-</u>	<u>783,132</u>
Segment profit/(loss)	<u>57,559</u>	<u>(32,066)</u>	<u>(499)</u>	<u>(12,212)</u>	<u>(2)</u>	<u>53</u>	12,833
Unallocated:							
Other gains and losses, and other income							12,549
Net foreign exchange gain							8,907
Central corporate expenses							(10,624)
Finance costs							<u>(51)</u>
Profit before taxation							<u>23,614</u>

For the six months ended 30 June 2024

	Healthcare HK\$'000 (unaudited)	Eldercare HK\$'000 (unaudited)	Property development HK\$'000 (unaudited)	Property investment HK\$'000 (unaudited)	Financial services HK\$'000 (unaudited)	Securities trading and investments HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
Gross proceeds from sales of investments held for trading	-	-	-	-	-	-	-
Revenue	<u>800,390</u>	<u>18,942</u>	<u>-</u>	<u>2,197</u>	<u>-</u>	<u>-</u>	<u>821,529</u>
Segment profit/(loss)	<u>82,250</u>	<u>(25,735)</u>	<u>(4,210)</u>	<u>(6,096)</u>	<u>(18)</u>	<u>(363)</u>	45,828
Unallocated:							
Other gains and losses, and other income							16,185
Net foreign exchange loss							(2,933)
Central corporate expenses							(12,995)
Finance costs							<u>-</u>
Profit before taxation							<u>46,085</u>

All of the segment revenue reported above is generated from external customers.

Segment profit/(loss) represents the profit earned/(losses incurred) by each segment without allocation of certain other gains and losses, and other income, certain net foreign exchange gain/(loss), central corporate expenses and certain finance costs.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

As at 30 June 2025

	Healthcare	Eldercare	Property development	Property investment	Financial services	Securities trading and investments	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Segment assets	1,867,989	633,400	50,868	186,909	129	6,461	2,745,756
Corporate assets							693,579
Consolidated assets							<u>3,439,335</u>
Segment liabilities	931,050	558,828	42,437	1,853	1,115	–	1,535,283
Corporate liabilities							6,174
Consolidated liabilities							<u>1,541,457</u>

As at 31 December 2024

	Healthcare	Eldercare	Property development	Property investment	Financial services	Securities trading and investments	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)
Segment assets	1,906,411	667,677	52,184	200,499	621	5,223	2,832,615
Corporate assets							706,262
Consolidated assets							<u>3,538,877</u>
Segment liabilities	1,032,871	553,099	46,612	1,569	1,515	–	1,635,666
Corporate liabilities							8,382
Consolidated liabilities							<u>1,644,048</u>

5. OTHER GAINS AND LOSSES, AND OTHER INCOME

	Six months ended	
	30.6.2025	30.6.2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Gain/(loss) on fair value of investments held for trading	77	(326)
Loss on disposal and write-off of property, plant and equipment	(454)	–
Loss on fair value of investment properties	(25,744)	(11,797)
Net foreign exchange gain/(loss)	8,907	(2,933)
Training and other services	3,252	2,545
Written-off of trade receivables	(3,134)	(3,624)
Impairment loss under expected credit loss (“ECL”) model	(1,345)	(2,486)
Impairment on property, plant and equipment	–	(1,368)
Provision for properties under development for sale	(4,834)	(8,126)
Provision for properties held for sale	(3,858)	(1,249)
Government subsidies (Note)	574	68
Interest income from bank deposits	12,914	16,739
Other sundry income	1,866	3,814
	<u>(11,779)</u>	<u>(8,743)</u>

Note: The government subsidies mainly represent the subsidies on costs incurred for operation of hospitals in the PRC with no special and unfulfilled conditions attached.

6. FINANCE COSTS

The finance costs represent interest as follows:

	Six months ended	
	30.6.2025	30.6.2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on:		
Bank and other borrowings	16,289	16,616
Lease liabilities	59	1,537
	<u>16,348</u>	<u>18,153</u>
Less: Interest capitalised	(4,633)	(2,446)
	<u>11,715</u>	<u>15,707</u>

7. INCOME TAX EXPENSE

Income tax has been recognised in profit or loss as follows:

	Six months ended	
	30.6.2025	30.6.2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax		
Corporate income tax ("CIT") in the PRC	<u>8,875</u>	<u>17,004</u>

The Company's subsidiaries in the PRC are subject to CIT rate at 25%. The tax charge in respect of the current period represents CIT in the PRC which is calculated at the prevailing tax rate on the taxable income of the subsidiaries in the PRC.

According to the PRC CIT law, withholding income tax at a rate of 10% would be imposed on dividends relating to profits earned from year 2008 onwards to foreign investors for the companies established in the PRC. Such dividend tax rate may be further reduced by applicable tax treaties or arrangement. According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the withholding tax rate on dividends paid by a PRC resident enterprise to a Hong Kong resident enterprise is further reduced to 5% if the Hong Kong resident enterprise holds at least 25% equity interests in the PRC resident enterprise.

Under the Provisional Regulations on land appreciation tax ("LAT") implemented upon the issuance of the Provisional Regulations of the PRC on 27 January 1995, all gains arising from transfer of real estate property in the PRC effective from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including borrowings costs and all property development expenditures.

Under the Two-tiered Profits Tax Rates Regime, the first HK\$2,000,000 of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the Two-tiered Profits Tax Rates Regime will continue to be taxed at a rate of 16.5%.

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements since the group entities have either sufficient tax losses brought forward to set off against current period's assessable profits or no assessable profits arising in Hong Kong.

8. PROFIT FOR THE PERIOD

Profit for the period is stated after charging the following:

	Six months ended	
	30.6.2025	30.6.2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Depreciation of property, plant and equipment	43,173	45,512
Depreciation of right-of-use assets	2,002	4,292
Cost of inventories sold and properties held for sale recognised as an expense (included in cost of goods and services)	<u>310,753</u>	<u>318,606</u>

9. DIVIDENDS

	Six months ended	
	30.6.2025	30.6.2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Dividend recognised as distribution during the period:		
Final dividend of HK2 cents (2024: HK1 cent) per ordinary share in respect of 2024 (2024: in respect of 2023)	<u>21,663</u>	<u>10,860</u>

The Board of the Company does not recommend any interim dividend in respect of the six months ended 30 June 2025 and 2024.

10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the period attributable to owners of the Company and the weighted average number of ordinary shares in issue during the period:

	Six months ended	
	30.6.2025	30.6.2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Profit		
Profit for the purpose of calculating basic earnings per share for the period attributable to owners of the Company	<u>11,979</u>	<u>21,659</u>

Six months ended	
30.6.2025	30.6.2024
(unaudited)	(unaudited)

Number of shares

Weighted average number of ordinary shares for the purposes of calculating basic earnings per share

<u>1,083,981,672</u>	<u>1,086,005,457</u>
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No diluted earnings per share has been presented as there were no dilutive potential ordinary shares outstanding for the six months ended 30 June 2025 and 2024.

11. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

30.6.2025	31.12.2024
HK\$'000	HK\$'000
(unaudited)	(audited)

Trade receivables:

Trade receivables arising from hospital operation and eldercare related services operation

128,655	150,141
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Debtor from financial services

876	876
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129,531	151,017
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Less: Allowance for credit losses

(8,641)	(7,226)
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<u>120,890</u>	<u>143,791</u>
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Deposits, prepayments and other receivables:

Prepayments, other debtors and deposits

22,231	29,324
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Deposits with and receivables from the financial institutions

1,403	763
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23,634	30,087
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Less: Allowance for credit losses

(1,325)	(1,295)
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<u>22,309</u>	<u>28,792</u>
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The customers of hospital operation and eldercare related services operation are either settled by cash, credit card or local governments' social insurance schemes. For credit card payment, the banks usually pay the Group 7 days after the trade date. Payments under local governments' social insurance schemes are normally settled by the local social insurance bureau or similar government departments, which are responsible for the reimbursement of medical expenses for patients who are covered by the local governments' social insurance schemes, 90 days from the invoice date.

The following is an aging analysis of trade receivables arising from hospital operation and eldercare related services operation denominated in Renminbi (“RMB”) and presented based on the invoice date:

	30.6.2025 HK\$'000 (unaudited)	31.12.2024 HK\$'000 (audited)
0 – 30 days	77,546	109,664
31 – 60 days	12,733	10,110
61 – 90 days	7,894	5,243
91 – 365 days	22,881	16,055
More than 365 days	7,601	9,069
	<u>128,655</u>	<u>150,141</u>

12. TRADE PAYABLES, DEPOSITS, RECEIPTS IN ADVANCE AND ACCRUED CHARGES, AND OTHER PAYABLE

	30.6.2025 HK\$'000 (unaudited)	31.12.2024 HK\$'000 (audited)
Trade payables of hospital operation, of eldercare related services operation and to construction contractors	<u>108,171</u>	<u>133,439</u>
Current		
Deposits, receipt in advance and accrued charges:		
Bills payable	12,088	50,000
Accrued construction costs for properties under development for sale and properties held for sale	29,154	28,837
Construction cost payable for hospital buildings classified as property, plant and equipment	71,036	109,567
Deposits and receipts in advance	41,667	52,353
Dividend payables	13	1,005
Other payables and accrued charges	<u>167,416</u>	<u>208,349</u>
	<u>321,374</u>	<u>450,111</u>
Non-current		
Other payable:		
Construction cost payable (Note)	<u>37,239</u>	<u>–</u>

Trade payables of hospital operation and eldercare related services operation principally comprise amounts outstanding for trade purchases. Trade payables to construction contractors comprise construction costs for property development and other projects. The normal credit period taken for these trade payables is 30–90 days.

Deposits and receipts in advance mainly represent refundable deposits from hospital operation and eldercare related services operation.

Note: Construction cost payable related to the hospital in Kunming was classified as a non-current liability as the Group is contractually obligated to repay the amount beyond 12 months from the reporting date.

The following is an aging analysis of trade payables of hospital operation, of eldercare related services operation and to construction contractors denominated in RMB and presented based on the invoice date:

	30.6.2025 HK\$'000 (unaudited)	31.12.2024 HK\$'000 (audited)
0 – 30 days	42,847	59,973
31 – 60 days	30,184	38,855
61 – 90 days	11,066	8,154
91 – 365 days	15,592	13,767
More than one year but not exceeding two years	5,638	9,405
More than two years but not exceeding five years	2,844	3,285
	<u>108,171</u>	<u>133,439</u>

The following is an aging analysis of bills payable denominated in RMB and presented based on the invoice date:

	30.6.2025 HK\$'000 (unaudited)	31.12.2024 HK\$'000 (audited)
61 – 90 days	12,088	–
91 – 365 days	–	50,000
	<u>12,088</u>	<u>50,000</u>

13. LITIGATION

On 30 July 2024, Tongren Healthcare Industry Group Company Limited* (同仁醫療產業集團有限公司) (“Tongren Healthcare”), an indirect wholly-owned subsidiary of the Company, received a writ of summons dated 25 July 2024 inclusive of a statement of claim (民事起訴狀) from the Henan Province Jiaozuo City Intermediate People’s Court (河南省焦作市中級人民法院) of the PRC regarding the claims by Jiaozuo Investment Group Company Limited* (焦作市投資集團有限公司) (the “Claimant”) against, amongst others, Tongren Healthcare (the “Litigation”). The Claimant is claiming against Tongren Healthcare and others to be jointly and severally liable to the Claimant for compensation of an amount of approximately RMB143 million. On 26 December 2024, the Court has ruled to dismiss all claims of the Claimant’s claim against Tongren Healthcare and Tongren Healthcare shall not be jointly and severally liable in the sum of RMB143 million as claimed. An appeal was brought by the Claimant against this ruling on 9 January 2025 and as at 30 June 2025, no judgement on the appeal has been received. As at 30 June 2025, the Company, after seeking PRC legal advice, is of the view that the Litigation has no merits and hence no material impact on the operations and financial position of the Group.

* For identification purpose only

INTERIM DIVIDEND

The Board considers that it is prudent to retain an appropriate level of funds to take advantage of business opportunities as and when they arise, and therefore does not intend to declare an interim dividend for the six months ended 30 June 2025 (2024: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the six months ended 30 June 2025, the Group recorded a total revenue of HK\$783,132,000 (2024: HK\$821,529,000) representing an approximately 4.67% decrease as compared with the total revenue for the six months ended 30 June 2024 (“HY2024”) and a profit attributable to owners of the Company of HK\$11,979,000 (2024: HK\$21,659,000) representing an approximately 44.69% decrease as compared with the profit attributable to owners of the Company for HY2024. This was mainly due to (i) the decrease in revenue from operations of the Healthcare Division; (ii) the increase in non-cash loss on fair value of investment properties but were partially off-set by (iii) the decrease in employee benefits expense; (iv) the unrealised net foreign exchange gain versus the unrealised net foreign exchange loss in HY2024; and (v) the decrease in income tax expense.

Earnings per share (basic) for the six months ended 30 June 2025 was HK1.11 cents (2024: HK1.99 cents).

The Group’s net asset value per share, attributable to the shareholders of the Company (the “Shareholders”), as at 30 June 2025 amounted to HK\$1.68 (31 December 2024: HK\$1.67).

REVIEW OF OPERATIONS

The Group’s principal businesses are investment in and management and operation of healthcare and hospital businesses, eldercare businesses, trading of medical equipment and related supplies, property investment and development, securities trading and investments, provision of financial services and strategic investment.

In the first half of 2025, domestic healthcare and eldercare institutions were facing a complex operating environment influenced by multiple factors such as governmental policy adjustments, intensified market competition, weak consumer sentiment, technological changes and uncertain broader economic outlook. As such, healthcare and eldercare service industry was navigating through a landscape under the frozen weather.

Healthcare Division:

Under such challenging operating environment, for the six months ended 30 June 2025, the Healthcare Division, operated through its wholly-owned subsidiary, Tongren Healthcare Industry Group Company Limited (同 仁 醫 療 產 業 集 團 有 限 公 司), recorded a decreased revenue of HK\$756,739,000 (2024: HK\$800,390,000) and a profit of HK\$57,559,000 (2024: HK\$82,250,000). Without interest, tax, depreciation and amortization, the Healthcare Division generated an EBITDA, being earnings before interest, tax, depreciation and amortization, of HK\$102,248,000 (2024: HK\$137,731,000) for the six months ended 30 June 2025.

Nanjing hospital of the Healthcare Division (“NJH”):

For NJH, a Class III B integrated hospital located in Jiangning Development Zone, Nanjing City, Jiangsu Province, the PRC and the Division’s flagship hospital, currently it operates 43 clinical medical & technical departments including 1 national key clinical specialty (otorhinolaryngology (“ENT”), head and neck surgery), 1 provincial key clinical specialty (ENT, head and neck surgery), 6 municipal key medical specialties (ENT, head and neck surgery, ophthalmology, neurology, medical imaging, anesthesiology and clinical laboratory), as well as the approved Nanjing Tongren’s ENT Hospital, Nanjing Tongren Internet Hospital and Nanjing Tongren Children’s Hospital.

During the period under review:

i) For operational management:

NJH has implemented several cost control measures to enhance operational efficiency.

In human resources, NJH conducted a comprehensive review on departmental performance, optimizing underperforming staff and enforcing strict professional appointment standards.

Budget management has been strengthened through new reward and penalty policies, facilitating better control across clinical and functional teams.

In equipment maintenance, NJH achieved a self-repair rate of 96%, effectively reducing external costs.

Marketing strategies have been dynamically adjusted to increase the frequency of low-cost or no-cost activities, optimizing overall marketing expenses.

ii) For scientific research development:

Dr. Yang Qingsong, Dean of NJH, successfully signed a contract for “International/Hong Kong, Macao and Taiwan Science and Technology Co-operation Project of Nanjing Municipal Science and Technology Bureau”, focusing on using machine learning to address neurocognitive disorders in cataract surgery patients.

Additionally, NJH’s application for 16 projects, including “Early Cancer Diagnosis and Treatment in Grassroots Hospitals” have been approved. It is a new record for municipal continuing medical education projects approved.

iii) For specialty and department development:

NJH has made significant strides in specialty development, including successfully passing the inspection and acceptance for the Jiangsu Provincial Imaging Cloud Platform.

NJH also engaged with local authorities to discuss inclusive education for children with disabilities, establishing a comprehensive mechanism to link up the whole process of screening, assessment and intervention for children with disabilities, so as to promote the seamless connection of “medical rehabilitation and educational integration”.

Furthermore, the Chest Pain Center received certification for transitioning from a grassroots to a standard version.

iv) For marketing:

NJH has been fostering collaboration with clinical departments to establish diverse medical alliances and actively explored diversified medical consortium co-operation including general, eldercare and compact medical consortium.

NJH also received recognition as an “Model Unit” for its public medication education initiative.

Additionally, NJH has conducted tailored outreach initiatives for corporate partners, delivering on-site programs at Etonkids Kindergartens, Nanjing Jinzhi Technology Co., Ltd. and Zijin Science & Technology Innovation R&D Center. Activities included earthquake response drills, science-based weight management seminars and adolescent health education workshops.

Kunming hospital of the Healthcare Division (“KMH”):

For KMH, another Class III A integrated hospital of the Group located in Kunming City, Yunnan Province, PRC, currently it operates 44 clinical medical & technical departments.

During the period under review:

i) For scientific research development:

KMH has successfully applied for 19 municipal continuing medical education projects for 2025, achieving a record high over the past five years.

Additionally, KMH has submitted 11 medical research proposals for participating 2025 Kunming Municipal Health Science Research Programme.

ii) For specialty and department development:

The Medical Laboratory Department at KMH has successfully passed the revised ISO 15189 medical laboratory evaluation, indicating that its quality management system and technical capabilities currently fulfil internationally accredited standards for standardization and compliance.

KMH has officially launched preparatory evaluation for Class III A hospital reaccreditation and the development of key provincial and municipal disciplines.

Furthermore, the international medical department of KMH has made progress in foreign-related services, establishing partnerships with 15 channels, three of which have begun to reliably receive foreign patients.

iii) For marketing:

KMH has launched comprehensive promotional campaigns across media platforms—including public WeChat accounts and Douyin—in connection with health observances such as International Women’s Day, National Liver Care Day, and World Sleep Day. These initiatives strategically aligned clinical departments with current public health priorities.

Additionally, KMH has launched the “Health Carnival”—an interactive event featuring gamified challenge stations. By seamlessly integrating services from pediatrics, child health management, oral care, ophthalmology, ENT, postpartum recovery, and pelvic floor rehabilitation centers, it has crafted an immersive health education experience event.

iv) For development of KMH Phase II:

The KMH Phase II includes, among others, the integrated in-patient building, oncology and nuclear medical building and the rehabilitation medical building with an approved total construction area of approximately 66,021 m². During the period under review, following the overall structural topping-out, the renovation work was in progress.

For the period under review, the Healthcare Division achieved a decrease in business volume with NJH recorded a total of 497,321 out-patients visits (2024: 555,941), 18,861 in-patient admissions (2024: 19,500) and 21,248 body-checks (2024: 24,559) and KMH recorded a total of 239,735 out-patients visits (2024: 231,071), 10,725 in-patient admissions (2024: 10,719) and 36,354 body-checks (2024: 35,812).

As at 30 June 2025, NJH operated with 415 doctors (31 December 2024: 422), 547 nurses (31 December 2024: 556) and 1,126 beds (31 December 2024: 1,144) and KMH operated with 305 doctors (31 December 2024: 289), 421 nurses (31 December 2024: 407) and 500 beds (31 December 2024: 500).

Eldercare Division:

In the first half of 2025, the management maintained the stable operations of the elderly homes, elderly departments and eldercare nursing hospital and streamlined its operation and improved the operational efficiency amid stringent governmental policy adjustments and intensified competition.

For the six months ended 30 June 2025, the Eldercare Division, operated through its wholly-owned subsidiary, Aveo China (Holdings) Limited, recorded an increased revenue of HK\$24,254,000 (2024: HK\$18,942,000) but a loss of HK\$32,066,000 (2024: HK\$25,735,000) mainly due to non-cash loss on fair value of investment properties of HK\$12,608,000 (2024: HK\$2,667,000) and a provision for properties under development for sale of HK\$4,834,000 (2024: HK\$6,147,000).

As of 30 June 2025, Tide Health Campus (天地健康城) of the Eldercare Division located in Zhu Jia Jiao County, Qingpu District, Shanghai, the PRC, a retirement community village that integrates community eldercare, institutional eldercare, home eldercare and eldercare nursing hospital (Shanghai Deyi Hospital, “SDH”), sold 857 Independent Living Units (“ILU(s)”) out of a total inventory of 868 ILUs and among which nil ILU (2024: nil) was recorded as sales in the six months under review with more than 390 residents (2024: 347) moved into the retirement community village. In addition, the Division’s serviced apartments (“SA(s)”) consist of two 11-storey buildings with the construction and renovation of the first building and the second building completed in November 2016 and May 2020 respectively, offering a total of 210 SAs (31 December 2024: 210) for lease. As at 30 June 2025, the Division leased out 107 SAs (31 December 2024: 94).

During the six months under review:

i) For eldercare community operation:

For community health and property management, several initiatives have been implemented. Regular community services include organizing birthday celebrations and craft activities for seniors, assisting them in forming new clubs and providing services such as daily blood pressure and blood sugar monitoring, medication delivery, and welfare visits. Positive feedback regarding the community restaurant's food quality was received. And there has been a focus on enhancing caregiver management through ongoing training and home visit follow-ups.

Additionally, property management efforts have included the completion of green space renovations in the community commercial area, fire safety equipment inspections and employee skills training. The planting of flowers and shrubs in the ILU area has been finalized with landscaping plans proposed for the surrounding environment. The registration of property management subsidiaries in Nanjing and Kunming has been completed. The person-in-charge of the subsidiary in Kunming has been deployed for pre-handover operations, on-site familiarization and business takeover preparations.

ii) For eldercare nursing hospital operation:

The eldercare nursing hospital continues to improve the operational efficiency of its inpatient department by reviewing patient cases individually. Within legal and compliance frameworks, efforts have been made to enhance relevant medical treatments that will benefit patients and increase revenue for outpatient services. Ongoing efforts to streamline and supervise traditional Chinese medicine services aim to boost their business volume. Marketing initiatives have been strengthened through the formulation of service improvement plans, enhancing the overall patient experience to attract more patients.

During the six months ended 30 June 2025, SDH recorded a total of 10,426 out-patients visits (2024: 9,421) and 6,017 in-patient admissions (2024: 4,119). As at 30 June 2025, SDH operated with 23 doctors (31 December 2024: 22), 14 nurses (31 December 2024: 13) and 100 beds (31 December 2024: 100).

As at 30 June 2025, the Division's investment properties portfolio, 100% attributable to the Group, comprising two SAs (31 December 2024: two) (two 11-storey buildings with total gross floor area ("GFA") of 17,117 m²) and the retail shopping precinct (retail shops with GFA of 1,980 m² and shopping mall with GFA of 7,354 m²) with a total carrying value amounted to HK\$319,012,000 (31 December 2024: HK\$328,152,000). The Division's property under development for sale consisted of a residential property in Shanghai, the PRC, amounted to HK\$127,803,000 (31 December 2024: HK\$131,247,000).

Property Development:

For the six months ended 30 June 2025, the Group's property development business recorded a revenue of nil (2024: nil) and a loss of HK\$499,000 (2024: HK\$4,210,000) inclusive of a provision for properties under development for sale of nil (2024: HK\$1,979,000).

As at 30 June 2025, the Division's properties under development for sale amounted to HK\$34,230,000 (31 December 2024: HK\$34,167,000) consisted of a parcel of commercial land in Lianyungang and an office premise in Guangzhou, the PRC.

Property Investments:

For the six months ended 30 June 2025, the Group's investment properties portfolio, for leasing, located in Hong Kong and the PRC recorded a rental income of HK\$2,139,000 (2024: HK\$2,197,000) and a loss of HK\$12,212,000 (2024: HK\$6,096,000) with a non-cash loss on fair value of investment properties of HK\$13,136,000 (2024: HK\$9,130,000) amid ongoing uncertain economic outlook, shifted consumer behaviour and workplace dynamics.

As at 30 June 2025, the Division's investment properties portfolio, 100% attributable to the Group, amounted to HK\$184,104,000 (31 December 2024: HK\$197,240,000).

Securities Trading and Investments:

For the period under review, the Group's activities in securities trading and investments recorded a revenue of nil (2024: nil) and a gain of HK\$53,000 (2024: loss of HK\$363,000). This was mainly due to the gain on fair value of investments held for trading of HK\$77,000 (2024: loss of HK\$326,000).

As at 30 June 2025, the Group maintained a portfolio of investments held for trading of HK\$5,028,000 (31 December 2024: HK\$4,951,000).

Investments held for trading:

As at 30 June 2025, the Group's investments held for trading consisted of securities listed in different geographic locations and their respective performance were as follows:

Geographic Location	Carrying value 30.6.2025 HK\$'000	Carrying value 31.12.2024 HK\$'000	Realized gain/(loss) 30.6.2025 HK\$'000	Fair value gain/(loss) 30.6.2025 HK\$'000	Dividend received 30.6.2025 HK\$'000	% of carrying value to the Group's total assets 30.6.2025 %
Hong Kong	3,718	3,593	–	125	–	0.11 %
Australia	947	1,059	–	(112)	–	0.03 %
Philippines	363	299	–	64	–	0.01 %
Total	5,028	4,951	–	77	–	

As at 30 June 2025, the Group's investments held for trading consisted of investments in different category of companies and their respective performance were as follows:

Principal Business	Carrying value 30.6.2025 HK\$'000	Carrying value 31.12.2024 HK\$'000	Realized gain/(loss) 30.6.2025 HK\$'000	Fair value (loss)/gain 30.6.2025 HK\$'000	Dividend received 30.6.2025 HK\$'000	% of carrying value to the Group's total assets 30.6.2025 %
Entertainment and media	423	511	–	(88)	–	0.01 %
Financial services and investment	79	95	–	(16)	–	0.00 %
Industrial materials	257	242	–	15	–	0.01 %
Property and construction	4,269	4,103	–	166	–	0.12 %
Total	5,028	4,951	–	77	–	

At 30 June 2025, there was no investment held for trading which was significant to the Group (exceeded 5% the total assets of the Group).

The Group considers that the performance of the Group's investment portfolio in listed securities is generally affected by economic, political and financial market environments, globally and regionally, and is susceptible to the volatility of the financial markets.

Money Lending:

For the period under review, the Group's money lending business recorded no interest income (2024: nil) and a loss of HK\$2,000 (2024: HK\$18,000). As at 30 June 2025, the carrying value of the loan receivable ("Loan"), after full impairment provision, is nil (31 December 2024: nil).

References are made to the Company's announcements dated 10 September 2018 and 26 September 2019 respectively, the paragraph headed "Money Lending" on pages 26 to 27 of the announcement of the final results for the eighteen months ended 31 December 2019 dated 30 March 2020, the announcements dated 28 April 2020, 6 May 2020 and 19 May 2020 respectively, the paragraph headed "Money Lending" on pages 21 to 24 of the announcement of the interim results for the six months ended 30 June 2020 dated 27 August 2020, the announcements dated 29 October 2020 and 10 November 2020 respectively, the paragraph headed "Money Lending" on pages 23 to 27 of the announcement of the annual results for the year ended 31 December 2020 dated 30 March 2021, the announcement dated 20 April 2021 and the paragraph headed "Money Lending" on pages 22 to 23 of the announcement of the interim results for the six months ended 30 June 2021 dated 26 August 2021, the paragraph headed "Money Lending" on pages 25 to 26 of the announcement of the annual results for the year ended 31 December 2021 dated 29 March 2022, the paragraph headed "Money Lending" on page 23 of the announcement of the interim results for the six months ended 30 June 2022 dated 25 August 2022, the paragraph headed "Money Lending" on page 24 of the announcement of the annual results for the year ended 31 December 2022 dated 28 March 2023, the paragraph headed "Money Lending" on page 23 of the announcement of the interim results for the six months ended 30 June 2023 dated 18 August 2023, the paragraph headed "Money Lending" on pages 26 to 28 of the announcement of the annual results for the year ended 31 December 2023 dated 15 March 2024, the paragraph headed "Money Lending" on pages 29 to 31 of the announcement of the interim results for the six months ended 30 June 2024 dated 2 August 2024 and the paragraph headed "Money Lending" on pages 31 to 33 of the announcement of the annual results for the year ended 31 December 2024 dated 10 March 2025. Capitalized terms used in this paragraph headed "Money Lending" shall have the same meanings as those defined in the aforesaid announcements unless the context requires otherwise.

In view of the prevailing development and based on information available at the material time, the Group made a prudent full impairment loss allowance on the Loan in 2021. The Group will continue to explore and negotiate with potential investors, regularly monitor the progress of settlement, enforcement and/or realization of security assets, reassess the value of securities (based on the information currently available to the Group from time to time) and shall take all appropriate actions as and when appropriate.

Business Model and Customer Profile:

The Group provides secured and unsecured term loans to its customers under its financial services segment. Money lending activities diversifies the income stream and business risks of the Group, and generates a stable return with the Group's available financial resources on hand from time to time. The Group mainly finances its money lending business by its internal resources and/or borrowings.

The Group does not set a specific target for the industry, business or level of annual revenue to corporate customers. The customers of the Group's money lending business were referred to the Group through its corporate or business networks.

Risk Management Policies:

The Group adopts a thorough credit assessment and approval process, and will assess and approve each loan transaction on a case-by-case basis. The account & finance department of the Group is responsible for conducting a background check on the prospective customer in compliance with the applicable laws and regulations, reviewing the background, financial position and strength of such customer and/or the guarantor (if any), and enquiring the prospective customer about the purpose of the loan and the expected source of funds for loan repayment. To support its analysis, the Group will obtain corporate documents, financial statements and search reports of the customer and/or the guarantor (if any), and thereafter, assess the credit risk of the loan and negotiate the terms thereof after considering (i) the background and financial position of the customer and/or the guarantor (if any), including net asset value and gearing ratio; and (ii) the value of the securities, if any. Each loan transaction will be approved by either the Board, if such transaction is material or by the executive committee of the Board. The account & finance department monitors the loan and interest repayment regularly and reviews the annual financial statements of the borrowers and guarantors (if any). It would promptly report to the management of the Group for any delay or default in repayment upon maturity, who would then formulate plans for loan collection, including but not limited to requesting for additional securities or initiating legal actions.

Loan Impairment Policies:

The Group adopts policy of expected credit loss ("ECLs") according to the requirements of Hong Kong Financial Reporting Standard 9 issued by the Hong Kong Institute of Certified Public Accountants. Accordingly, it shall review the recoverable amount of each loan at the end of each reporting period to ensure that adequate impairment losses are made. The Group applies a general approach on loan receivables to assess for the ECLs. Assessment is based on the Group's historical credit loss experience, adjusted for factors that are specific to the borrower. In order to measure the ECLs of loan receivables, the Group will apply a credit rating for each of its borrowers by reference to each borrower's past default records, current past due exposure, an analysis of its current financial position, likelihood or risk of a default, an assessment on any significant increase in credit risk, and fair value of collaterals (if any), and adjust for forward-looking information that is available without undue cost or effort, such as the current and forecasted global economy and the general economic conditions of the industry in which the borrower operates. The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying any significant increase in credit risk before the loan amount becomes past due.

FINANCIAL RESOURCES, BORROWINGS, CAPITAL STRUCTURE, EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

As at 30 June 2025, the Group's non-current assets of HK\$2,196,056,000 (31 December 2024: HK\$2,179,670,000) consisted of investment properties of HK\$503,116,000 (31 December 2024: HK\$525,392,000), property, plant and equipment of HK\$1,591,237,000 (31 December 2024: HK\$1,541,635,000), right-of-use assets of HK\$84,853,000 (31 December 2024: HK\$86,605,000), financial assets at FVTPL of HK\$2,151,000 (31 December 2024: HK\$2,151,000) and prepayments for acquisition of property, plant and equipment of HK\$14,699,000 (31 December 2024: HK\$23,887,000). These non-current assets are principally financed by the Group's shareholders' funds.

As at 30 June 2025, the total borrowings of the Group amounted to HK\$866,809,000 (31 December 2024: HK\$833,383,000) consisting of secured bank borrowings of HK\$72,053,000 (31 December 2024: HK\$35,123,000), unsecured bank borrowings of HK\$387,063,000 (31 December 2024: HK\$395,050,000) and unsecured term loans of HK\$407,693,000 (31 December 2024: HK\$403,210,000). Among the total borrowings of the Group, HK\$418,329,000 (31 December 2024: HK\$390,817,000) was with maturity of less than one year, HK\$444,050,000 (31 December 2024: HK\$442,566,000) was with maturity more than one year but not exceeding two years and HK\$4,430,000 (31 December 2024: nil) was with maturity more than two years but not exceeding five years.

As at 30 June 2025, the Group's gearing ratio, calculated on the basis of the Group's net borrowings (after pledged bank deposit, restricted bank deposits and bank balances and cash) over total equity was 2.3% (31 December 2024: no gearing ratio). The Group's gearing ratio would be adjusted to 2.0% (31 December 2024: no gearing ratio) with marketable securities inclusive of investments held for trading deducted from the net borrowings. The Group continues to monitor its funding requirement and gearing level, and will raise external borrowings with reasonable pricing terms when appropriate.

In May 2024, the Company completed the reduction of the amount of HK\$2,600,000,000 standing to the credit of the share premium account of the Company and the offset of the entire debit amount in the Company's accumulated losses account as at the effective date and the transfer of the balance credit arising therefrom of approximately HK\$327,046,000 to the contributed surplus account of the Company.

In June 2023, the Company completed the issue 362,001,819 rights shares by way of the rights issue, on the basis of one rights share for every two shares held by the qualifying shareholders of the Company on the record date at the subscription price of HK\$0.88 per rights share ("Rights Issue") to raise approximately HK\$318.6 million before expenses. The market price on 5 May 2023 on which the terms of the subscription were fixed was HK\$1.04 per share.

As at 30 June 2025, details of use of net proceeds from the Rights Issue following the announcement in relation to the change in use of proceeds from the Rights Issue dated 31 March 2025 (supplemented by announcement dated 23 July 2025) were as follows:

Intended use	Net proceeds for the planned use <i>HK\$'000</i>	Net proceeds used as at 30 June 2025 <i>HK\$'000</i>	Remaining balance of the net proceeds un-utilised as at 30 June 2025 <i>HK\$'000</i>	Expected timeline of utilisation
Investment opportunities	200,000	–	200,000	end of 2027
General working capital	47,792	–	47,792	end of 2026
Share repurchase	61,500	–	61,500	end of 2026
	<u>309,292</u>	<u>–</u>	<u>309,292</u>	

During the six months under review, the Company repurchased a total of 1,965,000 shares (2024: nil) in the capital of the Company for an aggregate consideration of HK\$1,532,600 (2024: nil). All the repurchased shares were subsequently cancelled.

During the six months under review, the Group's assets, liabilities and transactions were mainly denominated in Hong Kong Dollar, Renminbi, Australian Dollar and United States Dollar. Because of the short-term nature, the Group did not actively hedge risks arising from its Australian Dollar and United States Dollar denominated assets and transactions. As the substantial portion of the Group's assets and operations are located in the PRC and its transactions, related working capital and borrowings are primarily denominated in Renminbi and Hong Kong Dollars, the Group will closely monitor its foreign exchange exposure in this regard and will actively consider hedging the currency exposure should the need arise.

CHARGE ON GROUP ASSETS

As at 30 June 2025, the Group's investments held for trading of HK\$5,028,000 (31 December 2024: HK\$4,951,000), buildings (included in property, plant and equipment) of HK\$557,034,000 (31 December 2024: nil), right-of-use assets of HK\$15,082,000 (31 December 2024: nil), investment properties of HK\$13,297,000 (31 December 2024: HK\$13,043,000), a pledged bank deposit of HK\$8,791,000 (31 December 2024: nil) and medical equipment (included in property, plant and equipment) of HK\$14,181,000 (31 December 2024: HK\$14,883,000) were pledged to banks and a securities broker house to secure credit facilities granted to the Group.

CAPITAL COMMITMENT

As at 30 June 2025, the Group had capital commitment contracted for but not provided relating to the acquisition of property, plant and equipment of HK\$95,834,000 (31 December 2024: HK\$133,747,000).

CONTINGENT LIABILITIES

Save as disclosed in this announcement, as at 30 June 2025, the Group is not aware of any material contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSAL, AND FUTURE PLANS

Save as disclosed in this announcement, during the six months ended 30 June 2025, the Group did not hold any other significant investments nor have any material acquisitions or disposals of subsidiaries, associated companies and joint ventures.

Save as disclosed in this announcement, as at 30 June 2025, the Group did not have any plan for material investments or capital assets.

EMPLOYEES

The Group had 2,694 employees as at 30 June 2025 (31 December 2024: 2,626). The Group ensures that its employees are remunerated in line with market conditions and individual performance and the remuneration policies are reviewed on a regular basis.

PROSPECTS

Healthcare Division:

Going forward, the Group will continue to implement its daily operation work around the policy of strengthening healthcare excellence infrastructure, activating the operation capacity and sustaining cost-to-efficiency optimisation.

In terms of business development, the two hospitals will prioritize business development to reverse current downturns and achieve growth. NJH aims to stabilize its key specialties, such as ophthalmology, ENT and dentistry, by enhancing operational capabilities and introducing high-value projects. Similarly, KMH will solidify its core services in cardiology, thoracic surgery and gynecology while supporting departments will adopt new technologies to maximize resource efficiency and returns.

Regarding collaborative and innovative approaches, both hospitals recognize the importance of breaking down departmental barriers and fostering collaboration. NJH plans to focus on rehabilitation and geriatrics, enhancing cooperation with public and grassroots institutions to boost inpatient volume. KMH will integrate into the Belt and Road Initiative, expanding its international business and establishing itself as a ASEAN-10 healthcare destination.

For specialty development and technology, both hospitals are committed to leveraging innovative technologies to enhance diagnostic and treatment options, improving patient care and hospital performance. NJH is addressing weaker specialties by introducing a traditional Chinese medicine team to optimize services and expand its audience. In parallel, KMH will focus on the Tumor and Nuclear Medicine Center in KMH Phase II, which targets to begin operations in the second half of the year, creating a closed-loop system for oncology services.

Cost control remains a priority for both hospitals. NJH has made strides in reducing personnel and equipment maintenance costs and will continue to optimise its workforce. KMH will focus on effective resource utilisation as it expands its services. Both hospitals aim to improve expense control and operational efficiency through strengthened management practices and assessments of cost-effectiveness.

Eldercare Division:

In the second half of 2025, the Eldercare Division has several major plans as follows:

In the area of community operations, the Division will make an effort to develop a smart elderly care community that enhances member services. This includes implementing precise nutrition management, expanding the variety of community clubs and enriching cultural activities. Additionally, home-based elderly care services are being launched to better support community residents.

For its property management services, the Division will emphasise on safety management within property operations, focusing on the renovation of fire safety facilities and conducting thorough safety checks and education. The property management subsidiaries in Nanjing and Kunming are progressively taking over the hospital's property management responsibilities to ensure effective oversight.

In the nursing hospital operation, the Division is focusing on strengthening its rehabilitation department by refining the types and frequency of rehabilitation services offered, ensuring standardized and efficient development. The construction of new beds on the first floor has been completed, along with the establishment of reasonable occupancy incentives to attract patients. Continuous progress is being made in developing the nursing hospital's specialties in rehabilitation, nursing care and cognitive disorder support.

Others:

Against the backdrop of global trade tensions, geopolitical conflicts, weak consumer sentiment and softening growth, the operating environments of the Group will continue to be difficult and the Group will remain cautious. The Group will closely review and adjust its business and investment strategies, as well as its overall investment portfolio, to better suit the challenging economic and investment landscape and to enhance value and return for the Shareholders.

CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2025, the Company has applied the principles of, and complied with, the applicable code provisions set out in the section headed “Part 2 — Principles of good corporate governance, code provisions and recommended best practices” of the Corporate Governance Code under Appendix C1 of the Listing Rules.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with the management of the Company (the “Management”) the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a general review of the interim report (including unaudited interim condensed consolidated financial statements for the six months ended 30 June 2025). In carrying out this review, the Audit Committee has relied on a review conducted by the Group’s external auditor, BDO Limited, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA as well as reports obtained from the Management. The Audit Committee has not undertaken detailed independent audit checks.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 June 2025, the Company repurchased a total of 1,965,000 Shares on the Stock Exchange at an aggregate consideration (before expenses) of HK\$1,532,600. All the repurchased Shares were subsequently cancelled.

Particulars of the repurchases are as follows:

Month	Number of Shares repurchased	Purchase price per Share		Aggregate consideration (before expenses) (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
March	180,000	0.76	0.74	136,600
April	1,485,000	0.78	0.77	1,158,250
May	40,000	0.75	0.75	30,000
June	260,000	0.81	0.78	207,750
Total	<u>1,965,000</u>			<u>1,532,600</u>

REDESIGNATION OF THE ROLES OF NOMINATION COMMITTEE

Dr. Wong Wing Kuen, Albert, an existing member of the nomination committee of the Company (the “Nomination Committee”), will assume the role of chairman of the Nomination Committee with effect from 1 August 2025, succeeding Mr. Kong Muk Yin (the “Redesignation”). Mr. Kong Muk Yin will continue to serve as a member of the Nomination Committee after the Redesignation.

On behalf of the Board
Tian An Medicare Limited
Kong Muk Yin
Executive Director

Hong Kong, 1 August 2025

As at the date of this announcement, the Board comprises Mr. Kong Muk Yin, Mr. Guo Meibao and Mr. Zhou Haiying being Executive Directors; Mr. Lee Seng Hui (Chairman), Mr. Mark Wong Tai Chun, Mr. Gao Zhaoyuan and Ms. Zhang Yuanyuan being Non-Executive Directors; and Dr. Xia Xiaoning, Dr. Wong Wing Kuen, Albert, Ms. Yang Lai Sum, Lisa and Mr. Cao Dan being Independent Non-Executive Directors.