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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The board of directors (the “Directors” and the “Board” respectively) of Tian An Medicare Limited (the “Company”) announces that the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025 together with the comparative figures for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	3	1,638,180	1,627,199
Gross proceeds from sales of investments held for trading		—	—
Total		<u>1,638,180</u>	<u>1,627,199</u>
Revenue	3		
Goods and services from contracts with customers		1,630,706	1,620,606
Rental income		7,474	6,593
		<u>1,638,180</u>	1,627,199
Cost of goods and services		<u>(1,328,632)</u>	<u>(1,290,979)</u>

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Gross profit		309,548	336,220
Other gains and losses, and other income	5	(56,695)	(19,549)
Selling and distribution costs		(7,409)	(6,871)
Administrative expenses		(223,540)	(223,682)
		<hr/>	<hr/>
Profit from operations		21,904	86,118
Finance costs	6	(22,373)	(29,114)
		<hr/>	<hr/>
(Loss)/profit before taxation		(469)	57,004
Income tax expense	7	(20,337)	(15,028)
		<hr/>	<hr/>
(Loss)/profit for the year	8	(20,806)	41,976
		<hr/> <hr/>	<hr/> <hr/>
Attributable to:			
Owners of the Company		(26,816)	28,773
Non-controlling interests		6,010	13,203
		<hr/>	<hr/>
		(20,806)	41,976
		<hr/> <hr/>	<hr/> <hr/>
(Loss)/earnings per share	10		
Basic		HK(2.48 cents)	HK2.65 cents
		<hr/> <hr/>	<hr/> <hr/>
Diluted		N/A	N/A
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
(Loss)/profit for the year	<u>(20,806)</u>	<u>41,976</u>
Other comprehensive income/(expense):		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<u>9,919</u>	<u>(7,111)</u>
Total comprehensive (expense)/income for the year	<u><u>(10,887)</u></u>	<u><u>34,865</u></u>
Attributable to:		
Owners of the Company	(20,416)	22,404
Non-controlling interests	<u>9,529</u>	<u>12,461</u>
	<u><u>(10,887)</u></u>	<u><u>34,865</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current assets			
Investment properties		475,114	525,392
Property, plant and equipment		1,662,578	1,541,635
Right-of-use assets		84,138	86,605
Loan receivable		—	—
Interests in associates		—	—
Financial assets at fair value through profit or loss ("FVTPL")		2,151	2,151
Goodwill		—	—
Prepayments for acquisition of property, plant and equipment		26,642	23,887
		2,250,623	2,179,670
Current assets			
Inventories		46,029	45,029
Properties under development for sale		126,451	165,414
Properties held for sale		69,026	77,847
Investments held for trading		34,734	4,951
Trade receivables	<i>11</i>	166,542	143,791
Deposits, prepayments and other receivables		34,427	28,792
Amounts due from related parties		367	437
Pledged bank deposits		76,045	—
Restricted bank deposits		1,274	7,518
Bank balances and cash		743,016	885,428
		1,297,911	1,359,207

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current liabilities			
Trade payables	<i>12</i>	139,345	133,439
Deposits, receipt in advance and accrued charges		403,178	450,111
Contract liabilities		56,621	70,098
Amount due to an associate		6,111	5,978
Amounts due to related parties		361	376
Borrowings		457,497	390,817
Lease liabilities		806	1,543
Current tax liabilities		119,809	113,334
		1,183,728	1,165,696
Net current assets		114,183	193,511
Total assets less current liabilities		2,364,806	2,373,181
Non-current liabilities			
Other payables		37,653	—
Contract liabilities		4,973	5,867
Borrowings		434,169	442,566
Lease liabilities		—	1,282
Deferred tax liabilities		29,271	28,637
		506,066	478,352
Net assets		1,858,740	1,894,829
Capital and reserves			
Equity attributable to owners of the Company			
Share capital		10,810	10,860
Treasury shares		(134)	(869)
Reserves		1,762,680	1,808,983
		1,773,356	1,818,974
Non-controlling interests		85,384	75,855
Total equity		1,858,740	1,894,829

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. BASIS OF PREPARATION

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(a) Application of amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(b) New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²

1 Effective for annual periods beginning on or after a date to be determined

2 Effective for annual periods beginning on or after 1 January 2026

3 Effective for annual periods beginning on or after 1 January 2027

Except for the new HKFRS Accounting Standard mentioned below, the Directors anticipate that the application of all the amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of HKFRS 18) and HKFRS 7 Financial Instruments: Disclosures. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. REVENUE

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from contracts with customers		
Hospital fees and charges	1,582,283	1,581,036
Building management fees	6,068	2,783
Eldercare related services and sales of nutritions	42,200	36,682
Sales of properties	155	105
	<u>1,630,706</u>	<u>1,620,606</u>
Revenue from other sources		
Rental income	<u>7,474</u>	<u>6,593</u>
	<u><u>1,638,180</u></u>	<u><u>1,627,199</u></u>

For outpatient healthcare services, physical examination services and other healthcare services, the Group recognised revenue at a point in time, i.e. when the services are provided. For inpatient healthcare services and sales of pharmaceuticals from inpatient healthcare services, the Group considered it as a single performance obligation and revenue is recognised over time. Since the Group has the right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date, the Group applied a practical expedient in HKFRS 15 to recognise revenue in an amount to which the Group has the right to invoice during the course of the inpatient healthcare services.

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 year ended 31 December 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 (the “PRC”).

Eldercare — property development and leasing 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 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 year ended 31 December 2025

	Healthcare HK\$'000	Eldercare HK\$'000	Property development HK\$'000	Property investment HK\$'000	Financial services HK\$'000	Securities trading and investments HK\$'000	Consolidated HK\$'000
Gross proceeds from sales of investments held for trading	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Revenue	<u>1,582,283</u>	<u>51,463</u>	<u>155</u>	<u>4,279</u>	<u>—</u>	<u>—</u>	<u>1,638,180</u>
Segment profit/(loss)	<u>119,077</u>	<u>(107,195)</u>	<u>(3,928)</u>	<u>(19,480)</u>	<u>(48)</u>	<u>4,159</u>	<u>(7,415)</u>
Unallocated:							
Other gains and losses, and other income							21,222
Net foreign exchange gain							8,115
Central corporate expenses							(22,307)
Finance costs							<u>(84)</u>
Loss before taxation							<u>(469)</u>

For the year ended 31 December 2024

	Healthcare HK\$'000	Eldercare HK\$'000	Property development HK\$'000	Property investment HK\$'000	Financial services HK\$'000	Securities trading and investments HK\$'000	Consolidated HK\$'000
Gross proceeds from sales of investments held for trading	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Revenue	<u>1,581,036</u>	<u>41,827</u>	<u>—</u>	<u>4,336</u>	<u>—</u>	<u>—</u>	<u>1,627,199</u>
Segment profit/(loss)	<u>119,991</u>	<u>(46,334)</u>	<u>(4,000)</u>	<u>(8,363)</u>	<u>1,301</u>	<u>(1,762)</u>	<u>60,833</u>
Unallocated:							
Other gains and losses, and other income							31,443
Net foreign exchange loss							(15,244)
Central corporate expenses							<u>(20,028)</u>
Profit before taxation							<u>57,004</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.

5. OTHER GAINS AND LOSSES, AND OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Gain/(loss) on fair value of investments held for trading	4,233	(1,673)
Loss on fair value of investment properties	(74,070)	(16,921)
Net foreign exchange gain/(loss)	8,126	(15,244)
Net impairment losses on trade receivables	(7,119)	(9,549)
Net impairment losses on other receivables and deposits	(14)	(1,310)
Written-down of inventories	—	(954)
Net impairment loss on property, plant and equipment	—	(1,368)
Written-off of property, plant and equipment	(1,497)	(16,404)
Provision for properties under development for sale	(23,860)	(10,957)
Provision for properties held for sale	(10,322)	(1,664)
Government subsidies (Note)	8,560	7,577
Interest income from bank deposits	21,798	32,497
Sale of vision-aid products	2,902	1,837
Clinical training services	4,520	4,124
Subcontracting income from car parking spaces and canteen	1,480	391
Rental income from shopping and other areas of the hospitals	2,823	3,680
Forfeiture of rental deposit paid	—	(1,580)
Derecognition of right-of-use assets and lease liabilities, net	39	5,502
Other sundry income	5,706	2,467
	<u>(56,695)</u>	<u>(19,549)</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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on:		
Bank and other borrowings	32,193	31,889
Lease liabilities	97	2,344
	<u>32,290</u>	<u>34,233</u>
Less: interest capitalised	(9,917)	(5,119)
	<u>22,373</u>	<u>29,114</u>

7. INCOME TAX EXPENSE

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax		
Corporate income tax (“CIT”) in the PRC	20,337	25,848
Over-provision in prior years	—	(10,820)
	<u>20,337</u>	<u>15,028</u>
Deferred tax		
Origination and reversal of temporary differences	—	—
	<u>20,337</u>	<u>15,028</u>

The Company’s subsidiaries in the PRC are subject to CIT rate at 25%. The tax charge in respect of the current year 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 consolidated financial statements since the group entities have either sufficient tax losses brought forward to set off against current year’s assessable profits or no assessable profits arising in Hong Kong.

8. (LOSS)/PROFIT FOR THE YEAR

(Loss)/profit for the year is stated after charging the following:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Auditor's remuneration	2,049	2,058
Depreciation of property, plant and equipment	89,906	91,395
Depreciation of right-of-use assets	3,568	5,912
Written-off of property, plant and equipment	1,497	16,404
Impairment loss on property, plant and equipment	—	1,368
Employee benefits expense (including Directors' emoluments)	587,189	573,972
Direct operating expenses of investment properties that generated rental income	189	218
Direct operating expenses of investment properties that did not generate rental income	687	664
Cost of inventories sold and properties held for sale recognised as an expense (included in cost of goods and services)	<u>662,133</u>	<u>633,664</u>

9. DIVIDENDS

Dividends for ordinary shareholders of the Company recognised as distribution during the year:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
2024 final dividend of HK2 cents (2024: 2023 final dividend of HK1 cent) per ordinary share	<u>21,663</u>	<u>10,860</u>

The Board of the Company does not recommend any dividend (2024: HK2 cents per ordinary share) in respect of the year ended 31 December 2025.

10. (LOSS)/EARNINGS PER SHARE

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
(Loss)/profit		
(Loss)/profit for the purpose of calculating basic (loss)/earnings per share for the year attributable to owners of the Company	<u>(26,816)</u>	<u>28,773</u>
	2025	2024
Number of shares		
Weighted average number of ordinary shares for the purposes of calculating basic (loss)/earnings per share	<u>1,083,129,101</u>	<u>1,086,000,827</u>

The calculation of the basic (loss)/earnings per share is based on the loss for the year attributable to owners of the Company of HK\$26,816,000 (2024: profit of HK\$28,773,000), and the weighted average number of 1,083,129,101 ordinary shares (2024: 1,086,000,827 ordinary shares), which is adjusted to reflect the effect of the shares repurchased during the year.

No diluted (loss)/earnings per share has been presented as there were no potential dilutive shares outstanding for the years ended 31 December 2025 and 2024.

11. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables arising from hospital operation and eldercare related services operation	174,393	150,141
Debtor from financial services	<u>876</u>	<u>876</u>
	175,269	151,017
Less: Allowance for credit losses	<u>(8,727)</u>	<u>(7,226)</u>
	<u>166,542</u>	<u>143,791</u>

As at 1 January 2024, trade receivables from contracts with customers (net of allowance for credit losses) amounted to HK\$83,486,000.

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 presented based on the invoice date:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–30 days	103,744	109,664
31–60 days	26,964	10,110
61–90 days	6,170	5,243
91–365 days	28,672	16,055
More than 365 days	8,843	9,069
	<u>174,393</u>	<u>150,141</u>

12. TRADE PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables of hospital operation and eldercare related services operation	<u>139,345</u>	<u>133,439</u>

Trade payables of hospital operation and eldercare related services operation principally comprise amounts outstanding for trade purchases. The normal credit period taken for these trade payables is 30–90 days.

The following is an aging analysis of trade payables of hospital operation and eldercare related services operation presented based on the invoice date:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–30 days	75,640	59,973
31–60 days	36,234	38,855
61–90 days	11,294	8,154
91–365 days	11,006	13,767
More than one year but not exceeding two years	2,453	9,405
More than two years but not exceeding five years	2,718	3,285
	<u>139,345</u>	<u>133,439</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 Renminbi (“RMB”) 143 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. The Company, after seeking PRC legal opinion to review, 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*

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the year ended 31 December 2025, the Group recorded a total revenue of HK\$1,638,180,000 (2024: HK\$1,627,199,000) and a loss attributable to owners of the Company of HK\$26,816,000 (2024: profit of HK\$28,773,000).

The loss attributable to owners of the Company was mainly due to (i) the loss on fair value of investment properties of HK\$74,070,000 (2024: HK\$16,921,000); (ii) the provision for properties under development for sale of HK\$23,860,000 (2024: HK\$10,957,000); (iii) the provision for properties held for sale of HK\$10,322,000 (2024: HK\$1,664,000); but were partially off-set by (iv) the net foreign exchange gain of HK\$8,126,000 (2024: loss of HK\$15,244,000); and (v) the absence of net loss related to closure of the polyclinic in 2024.

Loss per share (basic) for the year ended 31 December 2025 was HK2.48 cents (2024: earnings per share (basic) of HK2.65 cents).

The Group's net asset value per share, attributable to shareholders of the Company ("Shareholders"), as at 31 December 2025 amounted to HK\$1.64 (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.

Healthcare Division:

In 2025, under the dual drivers of governmental policy guidance and technological innovation, the domestic healthcare service industry environment continued to evolve towards greater standardization, intelligence and inclusiveness. The domestic medical segment showed simultaneous trends of quality improvement, efficiency enhancement and structural adjustments while facing the fierce industrial challenges for differentiated positioning and adaptive transformation.

Operating in such regulated industry and subjected to extensive regulatory requirements, the Group's 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 revenue of HK\$1,582,283,000 (2024: HK\$1,581,036,000) and a profit of HK\$119,077,000 (2024: HK\$119,991,000) with the absence of net loss related to closure of the polyclinic in Nanjing, the PRC in 2024. Without interest, tax, depreciation and amortization, the Healthcare Division generated an EBITDA, being earnings before interest, tax, depreciation and amortization, of HK\$210,260,000 (2024: HK\$222,522,000) for the year ended 31 December 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 (medical imaging, anesthesiology, clinical laboratory, general surgery, stomatology and pediatrics), as well as the approved NJH’s ENT Hospital, Nanjing Tongren Internet Hospital and Nanjing Tongren Children’s Hospital.

During the year under review:

(i) For operational management:

The management has focused on enhancing the administration of medical technologies while promoting innovation and application. A comprehensive dynamic authorization of medical technologies across the NJH, including surgery, anesthesia, intervention, and endoscopy techniques, has been implemented, with strict adherence to the approved new technologies. In response to the national initiative to improve surgical quality and safety, an internal implementation plan has been drafted and surgical catalogs in various departments are being updated. The optimization of the mechanisms within the three major centers — chest pain, stroke, and trauma — has continued, with the chest pain center achieving certification based on national standards.

Besides, to enhance diagnostic and therapeutic efficacy, NJH has optimized the layout of specialty services and has reconstructed service processes. A more comprehensive specialized diagnosis and treatment system has been established. New centers dedicated to orthopedic sports medicine and gallstone treatments have been inaugurated, streamlining internal medical processes.

A specialized working group has been formed to improve the case mix index (CMI). With the support of performance policies and core data, NJH has seen an effective enhancement in CMI values and a continuous optimization of disease treatment structures. Additionally, there has been a significant reduction in labour costs while improving organizational efficiency. Resources have been directed toward core business areas and a personnel contribution assessment mechanism established to evaluate the impact of hired and part-time staff based on clinical value, discipline development, and operational efficiency.

(ii) For scientific and educational research:

NJH's Department of Medical Imaging successfully hosted the Fourth Academic Annual Meeting of the Radiology Branch of the Jiangsu Provincial Association of Social Medical Institutions, along with the 10th "Head and Neck Imaging and Clinical" Academic Conference. This event also included a continuing education program on "Imaging Diagnosis and Clinical Applications of Vascular Diseases," attracting over 200 professionals from the medical imaging field.

In addition, NJH has made notable progress in research funding applications. NJH completed the submission of nine projects to the Jiangning District Science and Technology Bureau, five applications for special health technology development funding from the Nanjing Municipal Health Committee, one application for a medical research project to the Jiangsu Provincial Health Committee, and two submissions for the Provincial Medical New Technology Introduction Award.

(iii) For specialty and department development:

NJH, along with 11 other hospitals including Nanjing Gulou Hospital, has been designated as a pilot hospital for "Accompaniment-Free Care Services" by the Nanjing Municipal Health Committee. The initiative is being initially implemented in the geriatric and general surgery departments.

NJH has also established a Gallstone Diagnosis and Treatment Center, bringing together multidisciplinary teams from general surgery, health management, and ultrasound departments to create a one-stop service system encompassing screening, diagnosis, treatment, and follow-up care.

In a notable clinical advancement, NJH has begun utilizing Yttrium-90 resin microsphere interventional surgery for the precise treatment of liver cancer. NJH has been recognized as a "Chinese Venous Intervention Alliance Unit," highlighting its technical capabilities and service standards in the field of venous disease intervention.

Moreover, the Rehabilitation and Geriatrics teams from NJH received the "Team Excellence Award" at the 2025 Nanjing Geriatric Rehabilitation Skills Competition. The Endocrinology Department continues to implement a comprehensive hospital-wide diabetes management model, leveraging its interdisciplinary characteristics to enhance blood glucose management and monitoring technologies.

Additionally, the newly established Atrial Fibrillation Center integrates NJH's strengths, bringing together experts from various departments such as cardiology, neurology, ultrasound medicine, and interventional medicine. This center aims to improve the diagnosis and treatment levels of cardiovascular diseases through a collaborative in-hospital and outpatient approach.

(iv) For marketing:

NJH has intensified efforts to promote its “Elderly Care” project by enhancing external collaborations. NJH has actively engaged in business exchanges with prominent public hospitals such as Nanjing Gulou Hospital, Bayi Hospital, and Nanjing Traditional Chinese Medicine Hospital to expand referral channels, yielding positive results.

In celebration of its 18th anniversary, NJH launched a series of activities, including the “I Represent the Hospital” initiative and a promotional campaign offering 18 free medical examinations. These events aimed at benefiting the community and fostering internal cultural engagement among staff received widespread acclaim.

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

For KMH, a Class III A integrated hospital of the Group located in Kunming City, Yunnan Province, PRC, currently it operates 47 clinical medical & technical departments.

During the year under review:

(i) For scientific and educational research:

KMH has successfully completed the mid-term assessment for the expert workstation of Academician Su Guohui, with an anticipated special funding approval of RMB600,000. KMH has also developed the “Kunming Tongren Hospital Practical Teaching Work Manual,” which systematically integrates key elements such as teaching management protocols, mentorship standards, and assessment criteria. This manual provides a comprehensive guide for clinical practice teaching, marking a new phase of standardization in KMH’s educational management system.

In the third Science Popularization Interpretation Competition organized by the Yunnan Medical Association, Dr. Luo Huan from the Anesthesiology Department of KMH earned a second-place award, being the only representative from private hospitals in the province to achieve this recognition.

Additionally, KMH has received approval for five research project initiatives for 2025, which include one major foundation project and four district-level health research projects. The hospital also hosted an award ceremony for the “Xinglin Scholarship” at Kunming Medical University, reflecting its support for medical education and further strengthening its strategic partnership with higher education institutions.

(ii) For specialty and department development:

KMH has inaugurated the “Li Zhiming Workstation” at the Sun Yat-sen University Cancer Prevention and Treatment Center. This collaboration is aimed at enhancing the overall capabilities of KMH’s oncology department through improved surgery, research, and teaching efforts.

Additionally, KMH’s International Medical Department has made its first attempt to collaborate with local organizations in Bangladesh, offering specialized free consultations in orthopedics and neurosurgery. This initiative successfully engaged over 150 patients, significantly improving the efficiency of patient screening and enhancing the hospital’s international profile.

(iii) For marketing:

KMH has focused on promoting key departments such as Gynecology, Cardiology, and Urology by implementing a systematic marketing strategy. This includes in-depth exploration of significant case studies, producing educational short videos, and organizing media interviews to comprehensively showcase KMH’s technological advantages in minimally invasive surgery and complex disease treatment.

Representing Yunnan Province, KMH was invited to participate in an International Medical Tourism Exchange Conference in Bangladesh, where it established a dedicated exhibition booth. The event attracted considerable attention from local residents and institutions, and KMH was invited to visit the Chinese Embassy in Bangladesh. This engagement is expected to lay a solid foundation for future participation in “Belt and Road” healthcare cooperation projects.

(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 year under review, KMH successfully completed the application of the property ownership certificates for KMH Phase II. In November 2025, KMH entered into a renovation work agreement for the renovation works of KMH Phase II, which includes, among others, the decoration and renovation works of the thyroid centre (甲狀腺中心), the integrated in-patient building (綜合住院樓) and the rehabilitation medical building (康復醫學樓) at the consideration of approximately RMB129.8 million. The renovation work was in progress and expected to be completed in the second half of 2026.

For the year under review, NJH recorded a total of 989,988 out-patients visits (2024: 1,040,998), 37,875 in-patient admissions (2024: 38,144) and 49,214 body-checks (2024: 51,716) and KMH recorded a total of 503,019 out-patients visits (2024: 476,111), 22,210 in-patient admissions (2024: 21,628) and 80,951 body-checks (2024: 58,111).

As at 31 December 2025, NJH operated with 409 doctors (2024: 422), 543 nurses (2024: 556) and 1,126 beds (2024: 1,144) and KMH operated with 336 doctors (2024: 289), 428 nurses (2024: 407) and 500 beds (2024: 500).

Eldercare Division:

During the year under review, the management maintained 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 from eldercare institutions in the proximity and in the eldercare services industry.

For the year ended 31 December 2025, the Group's Eldercare Division, operated through its wholly-owned subsidiary, Aveo China (Holdings) Limited, managed to achieve an increased revenue of HK\$51,463,000 (2024: HK\$41,827,000) but a loss of HK\$107,195,000 (2024: HK\$46,334,000) mainly due to non-cash items of a loss on fair value of its investment properties of HK\$52,193,000 (2024: HK\$6,241,000), a provision for properties under development for sale of HK\$22,008,000 (2024: HK\$8,457,000) and a provision for properties held for sale of HK\$9,328,000 (2024: HK\$1,163,000).

As at 31 December 2025, Tide Health Campus (天地健康城) of the Eldercare Division located in Zhujiajiao County, Qingpu District, Shanghai, the PRC, a retirement community village that integrates community eldercare, institutional eldercare, home eldercare and eldercare nursing hospital (Shanghai Deyi Nursing Hospital, "SDH"), sold 857 Independent Living Units ("ILU(s)") out of a total inventory of 868 ILUs. No sale of ILU (2024: HK\$nil) was recorded during the year. Currently, more than 398 residents (2024: 329) 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 (2024: 210) for lease. As at 31 December 2025, the Division leased out 105 SAs (2024: 94).

During the year under review:

(i) For eldercare community operation:

The Division has focused on enhancing community environment quality by implementing an integrated “Property + Elderly Care” operation model. As part of this initiative, comprehensive environmental improvement projects have been completed, including repainting common areas, repairing the main entrance archway, replanting greenery, and updating signage along commercial streets. These efforts have significantly enhanced the overall quality of the community environment.

The community’s cultural system has been enriched, aiming to create a “warm community culture.” A comprehensive service system encompassing entertainment activities and unique spaces has been established. Initiatives include a dance troupe formed by elderly residents and staff, which won a second-place award at a district-level performance. Events such as the “Family Day” at the nursing home and the operation of special spaces like “Leisure Time Café” and “One-Foot Garden” have effectively addressed the needs for sense of belonging, achievement, and social interaction among seniors. These efforts have notably increased customer loyalty and happiness, establishing a competitive edge over traditional elder care facilities.

In response to the diverse aging needs of the community, a pilot program for home care services was officially launched in July, accompanied by the completion of a “Home Care Operational Guideline.” The initiative aims to expand gradually to other communities in Zhujiajiao Town, broadening the scope of coverage.

(ii) For eldercare nursing hospital operation:

The expansion project for SDH which will add 100 beds, is progressing steadily. SDH has completed the necessary steps for the second phase of the project (“SDH Phase II”), including project approval, design optimization, and submission of documentation.

Additionally, SDH has launched a formal clinic rotation service, providing a combination of “clinic and medical” services for residents at the nursing home. This initiative lays a strong foundation for further integrating healthcare with elder care services.

During the year ended 31 December 2025, SDH recorded a total of 21,430 out-patients visits (2024: 19,997) and 12,052 in-patient admissions (2024: 9,052). As at 31 December 2025, SDH operated with 24 doctors (2024: 22), 14 nurses (2024: 13) and 100 beds (2024: 100).

As at 31 December 2025, the Division's investment properties portfolio, 100% attributable to the Group, comprising two SAs (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 value amounted to HK\$282,092,000 (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\$111,667,000 (2024: HK\$131,247,000).

Property Development:

For the year ended 31 December 2025, the Group's property development business recorded a revenue of HK\$155,000 (2024: HK\$nil) and a loss of HK\$3,928,000 (2024: HK\$4,000,000) mainly due to the non-cash items of a provision for properties under development for sale of HK\$1,852,000 (2024: HK\$2,500,000) and a provision for properties held for sale of HK\$994,000 (2024: HK\$501,000).

As at 31 December 2025, following the transfer of a portion of properties under development for sale to investment properties upon change in use during the year, the Division's properties under development for sale decreased to HK\$14,784,000 (2024: HK\$34,167,000) consisted of a parcel of commercial land in Lianyungang, the PRC and an office premise in Guangzhou, the PRC.

Property Investment:

For the year ended 31 December 2025, the Group's investment properties portfolio, for leasing, located in Hong Kong and the PRC recorded a rental income of HK\$4,279,000 (2024: HK\$4,336,000) and a loss of HK\$19,480,000 (2024: HK\$8,363,000) with a non-cash item of a loss on fair value of investment properties of HK\$21,877,000 (2024: HK\$10,680,000) at the midst of the real estate weakness in Hong Kong and the PRC.

As at 31 December 2025, the Division's investment properties portfolio, 100% attributable to the Group, decreased to HK\$193,022,000 (2024: HK\$197,240,000), following the transfer of a portion of properties under development for sale to investment properties upon change in use during the year.

Securities Trading and Investments:

For the year under review, the Group's activities in securities trading and investments recorded no revenue (2024: HK\$nil) and a gain of HK\$4,159,000 (2024: loss of HK\$1,762,000). This was mainly due to the gain on fair value of investments held for trading of HK\$4,233,000 (2024: loss of HK\$1,673,000).

As at 31 December 2025, the Group maintained a portfolio of investments held for trading of HK\$34,734,000 (2024: HK\$4,951,000).

Investments held for trading:

As at 31 December 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	Carrying value	Realized gain/(loss)	Gain/(loss) on fair value	Dividend received	% of carrying value to the Group's total assets
	2025	2024	2025	2025	2025	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	%
Hong Kong	3,785	3,593	—	192	—	0.11%
Australia	30,685	1,059	—	4,076	—	0.86%
Philippines	264	299	—	(35)	—	0.01%
Total	<u>34,734</u>	<u>4,951</u>	<u>—</u>	<u>4,233</u>	<u>—</u>	

As at 31 December 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	Carrying value	Realized gain/(loss)	(Loss)/ gain on fair value	Dividend received	% of carrying value to the Group's total assets
	2025	2024	2025	2025	2025	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	%
Entertainment and media	352	511	—	(159)	—	0.01%
Financial services and investment	66	95	—	(29)	—	0.00%
Healthcare	28,841	—	—	3,291	—	0.81%
Industrial materials	261	242	—	19	—	0.01%
Property and construction	5,214	4,103	—	1,111	—	0.15%
Total	<u>34,734</u>	<u>4,951</u>	<u>—</u>	<u>4,233</u>	<u>—</u>	

As at 31 December 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 year ended 31 December 2025, the Group's money lending business recorded no interest income (2024: HK\$nil) and a loss of HK\$48,000 (2024: profit of HK\$1,301,000), with the absence of receipt related to the enforcement of the loan receivable ("Loan") by the Receivers (defined below) in 2024. As at 31 December 2025, the carrying value of the Loan, after full impairment provision, is HK\$nil (2024: HK\$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, 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, 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 and the paragraph headed "Money Lending" on pages 24 to 25 of the announcement of the interim results for the six months ended 30 June 2025 dated 1 August 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 losses ("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 31 December 2025, the Group's non-current assets of HK\$2,250,623,000 (2024: HK\$2,179,670,000) consisted of investment properties of HK\$475,114,000 (2024: HK\$525,392,000), property, plant and equipment of HK\$1,662,578,000 (2024: HK\$1,541,635,000), right-of-use assets of HK\$84,138,000 (2024: HK\$86,605,000), financial assets at FVTPL of HK\$2,151,000 (2024: HK\$2,151,000) and prepayments for acquisition of property, plant and equipment of HK\$26,642,000 (2024: HK\$23,887,000). These non-current assets are principally financed by the Group's Shareholders' funds.

As at 31 December 2025, the total borrowings of the Group amounted to HK\$891,666,000 (2024: HK\$833,383,000) consisting of secured bank borrowings of HK\$138,314,000 (2024: HK\$35,123,000), unsecured bank borrowings of HK\$391,130,000 (2024: HK\$395,050,000) and unsecured term loans of HK\$362,222,000 (2024: HK\$403,210,000). Among the total borrowings of the Group, HK\$457,497,000 (2024: HK\$390,817,000) was with maturity of less than one year, HK\$48,006,000 (2024: HK\$442,566,000) was with maturity more than one year but not exceeding two years, HK\$368,835,000 (2024: HK\$nil) was with maturity more than two years but not exceeding five years and HK\$17,328,000 (2024: HK\$nil) was with maturity more than five years.

As at 31 December 2025, the Group's gearing ratio, calculated on the basis of the Group's net borrowings (after pledged bank deposits, restricted bank deposits and bank balances and cash) over total equity was 3.8% (2024: no gearing ratio). The Group's gearing ratio would be adjusted to 2.0% (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\$344,316,000 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 31 December 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	Planned use of the net proceeds <i>HK\$'000</i>	Net proceeds used as at 31 December 2025 <i>HK\$'000</i>	Remaining balance of the net proceeds unutilized as at 31 December 2025 <i>HK\$'000</i>
Investment opportunities	200,000	25,564	174,436
General working capital	47,792	47,792	—
Share repurchase	61,500	1,982	59,518
	<u>309,292</u>	<u>75,338</u>	<u>233,954</u>

During the year under review, the Company repurchased a total of 3,970,000 shares (2024: 1,190,000 shares) in the capital of the Company for an aggregate consideration of HK\$3,510,000 (2024: HK\$869,000). All the repurchased shares were subsequently cancelled.

During the year 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 31 December 2025, the Group's investments held for trading of HK\$5,893,000 (2024: HK\$4,951,000), buildings (included in property, plant and equipment) of HK\$639,415,000 (2024: HK\$nil), right-of-use assets of HK\$22,381,000 (2024: HK\$nil), investment properties of HK\$29,800,000 (2024: HK\$13,043,000), pledged bank deposits of HK\$76,045,000 (2024: HK\$nil) and medical equipment (included in property, plant and equipment) of HK\$nil (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 31 December 2025, the Group had capital commitment contracted for but not provided relating to the acquisition of property, plant and equipment of HK\$252,647,000 (2024: HK\$133,747,000).

CONTINGENT LIABILITIES

Save as disclosed in this announcement, as at 31 December 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 year ended 31 December 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 31 December 2025, the Group did not have any plan for material investments or capital assets.

EMPLOYEES

The Group had 2,716 employees as at 31 December 2025 (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:

In terms of business development, the Division will focus on enhancing the substantive aspects of healthcare by strengthening medical service quality, activating operational capabilities, and diligently implementing cost reduction and efficiency improvement strategies. This approach aims to ensure the effective execution of daily operational tasks while maintaining a commitment to healthcare excellence and sustainability.

Furthermore, the two hospitals of Division will upgrade patient service and humanistic care. Initiatives include bedside billing, smart appointments, and self-service admissions. Strict management of outpatient consultations will improve scheduling flexibility, enhancing patient privacy with a one-doctor-one-patient consultation model. Trials for “accompaniment-free wards” and regulated third-party nursing management will be implemented.

Regarding accreditation preparation, the hospitals will closely follow the latest evaluation guidelines in respective province, actively inviting assessment experts for guidance and organizing visits to other hospitals for exchange. Targeted discussion sessions will address challenges identified during self-evaluations and expert reviews to ensure seamless integration of various tasks. Besides, the hospitals will monitor the core medical institutional indicators to achieve statistical reliability and promote a quality culture through institutionalized, standardized practices that encourage participation and continuous improvement. A collaborative effort among various departments will establish clear responsibilities in data quality management.

For specialty development and technology, both hospitals will concentrate on integrating advanced medical technologies, minimally invasive surgeries, and precision diagnosis methods to enhance specialty technical levels and expand treatment capacity. For NJH, this includes pioneering techniques in cardiology, chronic disease management, multidisciplinary collaboration, rehabilitation services, specialized outpatient clinics, and comprehensive patient care to optimize patient satisfaction. KMH aims to fill gaps in disciplines such as nuclear medicine, radiation oncology, psychiatry, and hyperbaric oxygen therapy, focusing on advanced equipment and quality services. The goal is to build a comprehensive talent team, quality management systems, and improve emergency care capabilities by enhancing trauma, chest pain, and stroke centers.

Cost control remains a priority for both hospitals. The hospitals will implement dynamic budget management by controlling costs at the source and quarterly evaluating performance. An intelligent monitoring system will be introduced to track medical insurance expenses in real-time, minimizing violations. Cost accounting will be refined with a focus on disease groups and clinical pathways, while collaborative efforts will optimize high-risk areas.

Eldercare Division:

In 2026, the Division will focus on (i) improving quality; (ii) increasing efficiency; and (iii) expanding scale, such as the SDH Phase II. The ultimate goal is to establish Tide Health Campus as the most reliable health community in Zhujiajiao County, Qingpu District, Shanghai, the PRC.

In the area of community operations, efforts will be made to deepen community member engagement through innovative content design, enhancing service rates. The aim is to create high-frequency, high-value content to attract new members. A refined approach will be taken to identify core customer characteristics, behaviors, and pain points across product lines, creating a dynamic demand matrix to inform targeted outreach and product optimization. Establishing a brand account matrix, leveraging short videos and live streams, will be crucial, alongside collaboration with industry influencers to track sales conversions effectively.

For its property management services, the Division's service model will shift from a property-centered focus to a people-centered approach, offering personalized and customized services in areas such as entertainment, social interaction, and home care.

For the operations of SDH, the Division plans to break down departmental barriers, a flexible and efficient organizational collaboration mechanism will be established to enhance overall operational efficiency and coherence among business units. Regarding SDH Phase II, the Division would use it as a catalyst to focus on innovative content design and overall service quality improvement, creating a standardized and professional service system for an upgrade.

Others:

With the ongoing geopolitical rivalry, the consequential global trade tensions and uncertainties, subdued consumer sentiment and business confidence, the operating environment of the Group will be challenging and difficult. The Group will remain cautious and closely review and adjust its business and investment strategies, as well as its overall investment portfolio, to better suit the prevailing economic and investment landscape and to enhance value and return for the Shareholders.

DIVIDEND

The Board does not recommend the payment of a final dividend (2024: HK2 cents per share) for the year ended 31 December 2025.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company (“AGM”):

The AGM is scheduled to be held on Monday, 18 May 2026. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 13 May 2026 to Monday, 18 May 2026, both dates inclusive, during which period no transfer of shares of the Company will be effected. In order to be eligible to attend and vote at the AGM, all transfers of ordinary shares, duly accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 12 May 2026.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the year ended 31 December 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 on the Stock Exchange.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and the financial statements for the year ended 31 December 2025.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the year, the Company repurchased a total of 3,970,000 Shares on the Stock Exchange at an aggregate consideration (before expenses) of HK\$3,504,550. 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
August	10,000	0.85	0.85	8,500
September	205,000	0.90	0.90	184,500
October	280,000	0.97	0.90	261,250
November	1,250,000	1.00	0.99	1,249,900
December	260,000	1.03	1.03	267,800
Total	3,970,000			3,504,550

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

Hong Kong, 13 March 2026

As at the date of this announcement, the Board comprises Mr. Kong Muk Yin and Mr. Guo Meibao being Executive Directors; Mr. Lee Seng Hui (Chairman), Mr. Mark Wong Tai Chun, Mr. Zhou Haiying, 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.