



天 安 卓 健 有 限 公 司

TIAN AN MEDICARE LIMITED

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 383)

2024

ANNUAL REPORT





This annual report is printed on recycled paper

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Kong Muk Yin  
Mr. Guo Meibao  
Mr. Zhou Haiying

#### Non-Executive Directors

Mr. Lee Seng Hui (*Chairman*)  
Mr. Mark Wong Tai Chun  
Mr. Gao Zhaoyuan  
Ms. Zhang Yuanyuan

#### Independent Non-Executive Directors

Dr. Xia Xiaoning  
Dr. Wong Wing Kuen, Albert  
Ms. Yang Lai Sum, Lisa  
Mr. Cao Dan

### AUDIT COMMITTEE

Dr. Wong Wing Kuen, Albert (*Chairman*)  
Mr. Gao Zhaoyuan  
Dr. Xia Xiaoning  
Ms. Yang Lai Sum, Lisa  
Mr. Cao Dan

### NOMINATION COMMITTEE

Mr. Kong Muk Yin (*Chairman*)  
Dr. Xia Xiaoning  
Dr. Wong Wing Kuen, Albert  
Ms. Yang Lai Sum, Lisa  
Mr. Cao Dan

### REMUNERATION COMMITTEE

Dr. Xia Xiaoning (*Chairman*)  
Mr. Kong Muk Yin  
Mr. Mark Wong Tai Chun  
Mr. Gao Zhaoyuan  
Dr. Wong Wing Kuen, Albert  
Ms. Yang Lai Sum, Lisa  
Mr. Cao Dan

### COMPANY SECRETARY

Ms. Sit Po Ling

### AUDITOR

BDO Limited  
25th Floor, Wing On Centre  
111 Connaught Road Central  
Hong Kong

### SOLICITORS

Robertsons  
P.C. Woo & Co.

### PRINCIPAL BANKERS

Agricultural Bank of China Limited  
Bank of China Limited  
Bank of Hangzhou Co., Ltd.  
Bank of Ningbo Co., Ltd.  
China Construction Bank (Asia) Corporation Limited  
China Guangfa Bank Co., Ltd.  
China Merchants Bank Corporation  
Huishang Bank Corporation Limited  
Industrial and Commercial Bank of China Limited  
Industrial and Commercial Bank of China (Asia) Limited  
Shanghai Pudong Development Bank Co., Ltd.  
Shanghai Rural Commercial Bank Co., Ltd.  
The Hongkong and Shanghai Banking Corporation Limited

### REGISTERED OFFICE

Victoria Place, 5th Floor, 31 Victoria Street  
Hamilton HM 10, Bermuda

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 1904B-5, 19/F  
Allied Kajima Building  
No. 138 Gloucester Road  
Wanchai  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Corporate Services (Bermuda) Limited  
Canon's Court, 22 Victoria Street  
PO Box HM 1179, Hamilton HM EX  
Bermuda

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### STOCK CODE

383

### WEBSITES

[www.tiananmedicare.com.hk](http://www.tiananmedicare.com.hk)  
[www.irasia.com/listco/hk/tiananmedicare/](http://www.irasia.com/listco/hk/tiananmedicare/)



## CHAIRMAN'S STATEMENT

On behalf of the board of directors (the "Board") of Tian An Medicare Limited (the "Company"), I have the pleasure to present the financial results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024.

### FINANCIAL RESULTS

For the year ended 31 December 2024, the Group recorded a total revenue of HK\$1,627,199,000 (2023: HK\$1,572,305,000) representing an approximately 3.49% increase as compared with the total revenue for the year ended 31 December 2023 and a profit attributable to owners of the Company of HK\$28,773,000 (2023 (restated): HK\$14,678,000) representing an approximately 96.03% increase as compared with that for the corresponding year.

The increase in profit attributable to owners of the Company was mainly due to (i) the increase in revenue from operations of the Healthcare Division; (ii) the decrease in finance costs of borrowings in the People's Republic of China ("PRC") but were partially off-set by (iii) the increase in loss on fair value of investment properties; (iv) the increase in net foreign exchange loss; (v) the written-off and provision of trade receivables related to medical insurance settlement; and (vi) the net loss related to closure of the polyclinic in Nanjing, the PRC.

Earnings per share (basic) for the year ended 31 December 2024 was HK2.65 cents (2023 (restated): HK1.59 cents).

The Group's net asset value per share, attributable to shareholders of the Company ("Shareholders"), as at 31 December 2024 amounted to HK\$1.67 (2023 (restated): HK\$1.67).

### DIVIDEND

The Board has recommended a final dividend of HK2 cents per share for the year ended 31 December 2024 (2023: HK1 cent per share) payable on or around Friday, 27 June 2025 to the Shareholders whose names appear on the register of members of the Company on Wednesday, 28 May 2025, subject to approval by the Shareholders at the 2025 annual general meeting of the Company.

### CLOSURE OF REGISTER OF MEMBERS

#### (i) For determining the entitlement to the final dividend:

For determining the entitlement to the final dividend for the year ended 31 December 2024, the register of members of the Company will be closed from Tuesday, 27 May 2025 to Wednesday, 28 May 2025, during which period no transfer of shares of the Company will be registered. In order to qualify for the final dividend, all transfers forms 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 not later than 4:30 p.m. on Monday, 26 May 2025.

#### (ii) 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, 19 May 2025. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 14 May 2025 to Monday, 19 May 2025, 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, 13 May 2025.

## CHAIRMAN'S STATEMENT

### 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 the first quarter of 2024, market demand for healthcare services rose following the relaxation of epidemic preventive measures and resumption of economic and social activities in the PRC which led to a strong performance of the Healthcare Division. However, since the second quarter of 2024, the macro-economic environment declined with consumer sentiment weakened. With the more in-depth implementation of Diagnosis Related Groups ("DRGs") payment reform, the phenomenon of choosing large public hospitals became particularly evident. The overall performance of the medical industry showed weak growth with a significant slowdown on a year-on-year basis.

Under such challenging operating conditions, 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), achieved an increase in revenue of HK\$1,581,036,000 (2023: HK\$1,521,859,000) and a profit of HK\$119,991,000 (2023 (restated): HK\$87,023,000) but inclusive of the written-off and provision of trade receivables related to medical insurance settlement and the net loss related to closure of the polyclinic in Nanjing, the PRC. Without interest, tax, depreciation and amortization, the Healthcare Division generated an EBITDA, being earnings before interest, tax, depreciation and amortization, of HK\$222,479,000 (2023: HK\$202,095,000) for the year ended 31 December 2024.

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 scientific and educational research:

NJH signed a cooperation agreement with the School of Medicine of Jiangsu University, marking a deepening collaboration between the two parties in medical education, clinical practice and scientific research.

Besides, Dr Yang Qingsong, Dean of NJH, was awarded a project in the "2024 Nanjing International/Hong Kong, Macao and Taiwan Science and Technology Cooperation Programme (Joint Research and Development)".



## CHAIRMAN'S STATEMENT

### (ii) For specialty and department development:

NJH established general surgery, paediatrics and stomatology as municipal key disciplines, continuing to lead with key discipline development to promote sustainable growth.

NJH's geriatrics department and clinical nutrition department were awarded the honourable title of "Excellent Geriatric Nutrition Ward in Jiangsu Province". Through standardized nutritional intervention processes and methods, NJH has implemented precise nutritional assessments, personalized nutritional intervention solutions and continuous effectiveness tracking for elderly patients, which significantly improved the nutritional health levels of geriatric patients.

### (iii) For marketing:

In order to promote the construction of regional medical association, NJH has taken the specialty development of ophthalmology, ENT, stomatology, general surgery and other specialties as an opportunity to carry out academic exchanges and referral collaborations with other hospitals such as No. 81 Hospital of Nanjing Military Region, General Hospital of Eastern Theater Command and Nanjing Drum Tower Hospital.

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 44 clinical medical & technical departments.

During the year under review:

#### (i) For scientific and educational research:

KMH has become a teaching hospital of Kunming Medical University in Yunnan Province. The in-depth cooperation with Kunming Medical University in medical resources, teaching staff and scientific research platforms would inject strong momentum into KMH's development.

KMH hosted the "Yunnan Hospital Association Private Hospital Branch 2024 Annual Academic Conference and Private Hospital High-Quality Development Seminar", organizing a national benchmarking hospital workshop for social medical institutions. This effectively enhanced KMH's social influence and brand awareness.

#### (ii) For specialty and department development:

KMH's laboratory and ultrasound departments have met the conditions of mutual recognition of results, making it a hospital in Yunnan Province with recognized inspection and test results.

#### (iii) For marketing:

KMH was awarded "Top 100 Non-Public Enterprises in Yunnan Province" in terms of excellent cases of social responsibility.

#### (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 m<sup>2</sup>. During the year under review, it achieved the overall structural topping-out, substantially completed the works within the scope of civil construction and entered the stage of project completion and acceptance. As for the renovation work, the design of the construction drawings for the landscaping and interior decoration was completed.

## CHAIRMAN'S STATEMENT

Nanjing Cedar Care Polyclinic of the Healthcare Division ("NCCPC"):

Since its commencement of operation, NCCPC has been adversely affected by a number of external factors such as the decline in social spending power and the falling short of expectations of the business environment. Considering the high uncertainty of the domestic economic environment in the medium and long term and in order to safeguard the cash flow of the Division, NCCPC was shut down in September 2024 and the management consolidated and transferred the businesses and teams, such as optometry, orthodontics and children growth and development services to NJH.

For the year under review, NJH recorded a total of 1,040,998 out-patients visits (2023: 1,084,533), 38,144 in-patient admissions (2023: 34,730) and 51,716 body-checks (2023: 61,377), KMH recorded a total of 476,111 out-patients visits (2023: 449,657), 21,628 in-patient admissions (2023: 21,543) and 58,111 body-checks (2023: 68,146) and NCCPC recorded a total of 19,859 out-patients visits (2023: 30,754).

As at 31 December 2024, NJH operated with 422 doctors (2023: 414), 556 nurses (2023: 552) and 1,144 beds (2023: 1,144), KMH operated with 289 doctors (2023: 269), 407 nurses (2023: 390) and 500 beds (2023: 500).

### **Eldercare Division:**

During the year under review, the real estate sales ceased to be the main driving force of the growth of this Division's results. For community village operation, with the increase in supply in the proximity and intensified competition within the industry, the Division saw the decline in number of members and thus the revenue of the Division was affected. In view of this, the management launched new property management business to boost the revenue of the Division. The management also maintained stable operations of the elderly homes, elderly departments and eldercare nursing hospital while streamlining its operation and improving the operational efficiency.

For the year ended 31 December 2024, the Group's Eldercare Division, operated through its wholly-owned subsidiary, Aveo China (Holdings) Limited, recorded a revenue of HK\$41,827,000 (2023: HK\$41,716,000) and a loss of HK\$46,334,000 (2023 (restated): HK\$43,275,000) inclusive of a loss on fair value of its investment properties of HK\$6,241,000 (2023: HK\$4,533,000), a provision for properties under development for sale of HK\$8,457,000 (2023: HK\$2,998,000) and a provision for properties held for sale of HK\$1,163,000 (2023: HK\$3,089,000).

As at 31 December 2024, 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 Nursing Hospital, "SDH"), sold 857 Independent Living Units ("ILU(s)") out of a total inventory of 868 ILUs and among which nil ILU (2023: 1) was recorded as sales in the year under review with more than 329 residents (2023: 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 (2023: 210) for lease. As at 31 December 2024, the Division leased out 94 SAs (2023: 70).



## CHAIRMAN'S STATEMENT

During the year under review:

(i) For eldercare community operation:

The marketing department of the Division has been actively expanding the customer base. It cooperating with agents to launch the property listings, especially boosting the customer referral programme. Besides, the members' daily services (seasonal activities, societies, academies, etc.) as well as health management (medical check-ups, outpatient follow-up visits, health education, etc.) are carried out at an improved quality. Furthermore, the Division implemented an integrated operation mode of property and nursing home to enhance the collection rate of building management fees from ILU owners. Lastly, the Division greened the local environment and upgraded fire protection of the nursing homes as part of the on-site management work.

(ii) For eldercare nursing hospital operation:

The Division mainly focused on improving the billing rate of the in-patient department and increasing the number of rehabilitation treatment programmes to improve the operational efficiency. On the other hand, the Division strengthened public relations with the surrounding elderly institutions, community health service centres and relevant department in various hospitals so as to obtain information of potential customers and take initiative in acquiring customers.

During the year ended 31 December 2024, SDH recorded a total of 19,997 out-patients visits (2023: 18,610) and 9,052 in-patient admissions (2023: 8,731). As at 31 December 2024, SDH operated with 22 doctors (2023: 21), 13 nurses (2023: 16) and 100 beds (2023: 100).

As at 31 December 2024, the Division's investment properties portfolio, 100% attributable to the Group, comprising two SAs (2023: two) (two 11-storey buildings with total gross floor area ("GFA") of 17,117 m<sup>2</sup>) and the retail shopping precinct (retail shops with GFA of 1,980 m<sup>2</sup> and shopping mall with GFA of 7,354 m<sup>2</sup>) with a total value amounted to HK\$328,152,000 (2023: HK\$338,000,000). The Division's property under development for sale consisted of a residential property in Shanghai, the PRC, amounted to HK\$131,247,000 (2023: HK\$141,147,000).

### Property Development:

For the year ended 31 December 2024, the Group's property development business recorded a revenue of nil (2023: HK\$125,000) and a loss of HK\$4,000,000 (2023: HK\$2,065,000) mainly due to a provision for properties under development for sale of HK\$2,500,000 (2023: HK\$1,344,000) and a provision for properties held for sale of HK\$501,000 (2023: HK\$669,000).

As at 31 December 2024, the Division's properties under development for sale decreased to HK\$34,167,000 (2023: HK\$36,826,000) 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 2024, the Group's investment properties portfolio, for leasing, located in Hong Kong and the PRC recorded a rental income of HK\$4,336,000 (2023: HK\$5,124,000) and a loss of HK\$8,363,000 (2023 (restated): profit of HK\$5,289,000) with a loss on fair value of investment properties of HK\$10,680,000 (2023: gain of HK\$1,009,000).

As at 31 December 2024, the Division's investment properties portfolio, 100% attributable to the Group, decreased to HK\$197,240,000 (2023: HK\$207,920,000).



## CHAIRMAN'S STATEMENT

### Securities Trading and Investments:

For the year under review, the Group's activities in securities trading and investments recorded a revenue of nil (2023: HK\$3,481,000) and a loss of HK\$1,762,000 (2023: HK\$2,009,000). This was mainly due to the loss on fair value of investments held for trading of HK\$1,673,000 (2023: HK\$1,984,000).

As at 31 December 2024, the Group maintained a portfolio of investments held for trading of HK\$4,951,000 (2023: HK\$6,624,000).

Investments held for trading:

As at 31 December 2024, 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 2024 HK\$'000	Carrying value 2023 HK\$'000	Realized gain/(loss) 2024 HK\$'000	Loss on fair value 2024 HK\$'000	Dividend received 2024 HK\$'000	% of carrying value to the Group's total assets 2024 %
Hong Kong	3,593	4,949	—	(1,356)	—	0.10%
Australia	1,059	1,236	—	(177)	—	0.03%
Philippines	299	439	—	(140)	—	0.01%
Total	4,951	6,624	—	(1,673)	—	

As at 31 December 2024, 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 2024 HK\$'000	Carrying value 2023 HK\$'000	Realized gain/(loss) 2024 HK\$'000	(Loss)/ gain on fair value 2024 HK\$'000	Dividend received 2024 HK\$'000	% of carrying value to the Group's total assets 2024 %
Entertainment and media	511	737	—	(226)	—	0.01%
Financial services and investment	95	70	—	25	—	0.00%
Industrial materials	242	267	—	(25)	—	0.01%
Property and construction	4,103	5,550	—	(1,447)	—	0.12%
Total	4,951	6,624	—	(1,673)	—	



## CHAIRMAN'S STATEMENT

As at 31 December 2023, 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 2024, the Group's money lending business recorded no interest income (2023: nil) but a profit of HK\$1,301,000 (2023: loss of HK\$2,189,000), which was mainly due to, among others, receipt related to the enforcement of the loan receivable ("Loan") by the Receivers (defined below). As at 31 December 2024, the carrying value of the Loan, after full impairment provision, is nil (2023: 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 and 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. 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.



## CHAIRMAN'S STATEMENT

### *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.



## CHAIRMAN'S STATEMENT

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

As at 31 December 2024, the Group's non-current assets of HK\$2,179,670,000 (2023 (restated): HK\$2,175,485,000) consisted of investment properties of HK\$525,392,000 (2023: HK\$545,920,000), property, plant and equipment of HK\$1,541,635,000 (2023 (restated): HK\$1,483,444,000), right-of-use assets of HK\$86,605,000 (2023: HK\$120,572,000), financial assets at FVTPL of HK\$2,151,000 (2023: HK\$2,151,000) and prepayments for acquisition of property, plant and equipment of HK\$23,887,000 (2023: HK\$23,398,000). These non-current assets are principally financed by the Group's Shareholders' funds.

As at 31 December 2024, the total borrowings of the Group amounted to HK\$833,383,000 (2023: HK\$760,050,000) consisting of secured bank borrowings of HK\$35,123,000 (2023: HK\$82,930,000), unsecured bank borrowings of HK\$395,050,000 (2023: HK\$355,692,000) and unsecured term loans of HK\$403,210,000 (2023: HK\$321,428,000). Among the total borrowings of the Group, HK\$390,817,000 (2023: HK\$312,561,000) was with maturity of less than one year, HK\$442,566,000 (2023: HK\$122,587,000) was with maturity more than one year but not exceeding two years and nil (2023: HK\$324,902,000) was with maturity more than two years but not exceeding five years.

No gearing ratio is presented as the Group had net cash surplus as at 31 December 2024 (2023: same). 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 2024, details of use of net proceeds from the Rights Issue were as follows:

Intended use	Planned use of the net proceeds HK\$'000	Net proceeds used as at 31 December 2024 HK\$'000	Remaining balance of the net proceeds unutilized as at 31 December 2024 HK\$'000
KMH Phase II	309,292	—	309,292

During the year under review, the Company repurchased a total of 1,190,000 shares (2023: nil) in the capital of the Company for an aggregate consideration of HK\$869,000 (2023: nil). These shares have been subsequently cancelled on 10 January 2025.



## CHAIRMAN'S STATEMENT

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 2024, the Group's investments held for trading of HK\$4,951,000 (2023: HK\$6,624,000), buildings (included in property, plant and equipment) of nil (2023 (restated): HK\$155,380,000), investment properties of HK\$13,043,000 (2023: HK\$315,494,000), properties under development for sale of nil (2023: HK\$141,147,000), pledged bank deposits of nil (2023: HK\$32,984,000) and medical equipment (included in property, plant and equipment) of HK\$14,883,000 (2023: HK\$18,220,000) were pledged to banks and a securities broker house to secure credit facilities granted to the Group.

### CAPITAL COMMITMENT

As at 31 December 2024, the Group had capital commitment contracted for but not provided relating to the acquisition of property, plant and equipment of HK\$133,747,000 (2023: HK\$262,346,000).

### CONTINGENT LIABILITIES

Save as disclosed in this Annual Report, as at 31 December 2024, the Group is not aware of any material contingent liabilities.

### MATERIAL ACQUISITIONS AND DISPOSAL, AND FUTURE PLANS

Save as disclosed in this Annual Report, during the year ended 31 December 2024, 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 Annual Report, as at 31 December 2024, the Group did not have any plan for material investments or capital assets.

### EMPLOYEES

The Group had 2,626 employees as at 31 December 2024 (2023: 2,599). 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 consolidate their business foundations. It will develop specialized disciplines to enhance key areas and establish industry leadership through innovative practices. A "1+N" model for specialized disease treatment will be launched to promote multi-disciplinary collaboration to ensure comprehensive patient care.



## CHAIRMAN'S STATEMENT

Besides, the Division will strengthen medical services by simplifying processes and innovating care models to enhance patient experience and improve medical quality. Clinical departments of the two integrated hospitals will detail treatment guidelines and focus on supervision to ensure treatment practices are in compliance with standards.

Regarding the development of KMH Phase II, the hospital will develop relevant projects based on the high-end medical development plan for KMH Phase II. KMH will actively seek and acquire various high-quality resources in the market. It will also obtain the required certifications for its product development, making preparations for the successful development of KMH Phase II.

Lastly, the Division will focus on cost control by setting up a robust mechanism and improving clinical pathway management. This includes encouraging technological innovation and conducting evaluations to boost efficiency while promoting high-value out-patient services to reduce costs and ensure reasonable pricing.

### **Eldercare Division:**

In 2025, the Division will focus on creating smart elderly care communities by enhancing member services, implementing precise dietary management and optimizing the curriculum for seniors. It is crucial to invest in community facilities and equipment for improving the quality of these projects.

The Division will also emphasize and strengthen safety protocols in property management by advancing fire safety facility upgrades and ensuring effective safety management, inspections and education.

For the operation of SDH, the Division plans to enhance the quality and uniqueness of rehabilitation services and continuously improve care for cognitive impairment. Action plans include elevating the training and management of caregivers, conducting free medical consultations in surrounding and target communities and refining admission policies to attract more residents. The Division will also make efforts to improve the overall operational efficiency.

### **Others:**

Given the continuing headwinds of global trade tensions, geopolitical conflicts, economic weakness and lackluster consumption leading to an uncertain operating environment, the Group plans to adopt a cautious approach. 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.

## **APPRECIATION**

On behalf of the Board, I would like to express the Group's appreciation for the efforts of our staff and look forward to their continued support. I would like to thank my fellow Directors and our Shareholders for their support during the year.

**Lee Seng Hui**  
*Chairman*

Hong Kong, 10 March 2025



## BIOGRAPHICAL DETAILS IN RESPECT OF DIRECTORS

### EXECUTIVE DIRECTORS

**Mr. Kong Muk Yin** (“Mr. Kong”), aged 59, was appointed as an Executive Director of the Company in October 2022, and also was an executive director of the Company from May 2002 to May 2021 and the Company Secretary of the Company from November 2023 to January 2025. Mr. Kong was a non-executive director and the company secretary of Pan Asia Data Holdings Inc. (formerly known as Manfield Chemical Holdings Limited) from June 2014 to January 2020 and from June 2014 to December 2018 respectively. From July 2007 to June 2014, he was also an executive director and a non-executive director of Alibaba Pictures Group Limited (formerly known as ChinaVision Media Group Limited). He was an executive director of Shin Hwa World Limited (formerly known as Landing International Development Limited) from October 2009 to January 2010 and an executive director of APAC Resources Limited from November 2009 to March 2016. From September 2010 to September 2015, he was also a director of Mabuhay Holdings Corporation (a company listed on The Philippine Stock Exchange, Inc. (the “Philippine Stock Exchange”)) and Philippine Infradev Holdings, Inc. (formerly known as IRC Properties, Inc., a company listed on the Philippine Stock Exchange).

Mr. Kong graduated from the City University of Hong Kong with a Bachelor’s Degree in Business Studies. He is a fellow member of The Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and a Chartered Financial Analyst and he has extensive experience in corporate finance, financial management, accounting and auditing.

**Mr. Guo Meibao** (“Mr. Guo”), aged 51, was appointed as an Executive Director of the Company in September 2018. Mr. Guo graduated with a major in Financial Accounting in 1995 and obtained an Executive Master of Business Administration from Fudan University, a Master of Business Administration from the Open University of Macau and a Certified Public Accountant in the People’s Republic of China (the “PRC”). He has more than 20 years of financial, operational and investment management experience in the PRC’s medical, property and other industries. Mr. Guo was the chairman of 深圳市大馬化投資有限公司 from March 2017 to September 2018. He was a financial controller and the chief executive officer and chairman of 同仁醫療產業集團有限公司 (Tongren Healthcare Industry Group Co., Ltd., a wholly-owned subsidiary of the Company) from October 2010 to October 2013 and from October 2013 to March 2017 respectively. He was a financial controller and the general manager and chairman of 連雲港嘉泰建設工程有限公司 (Lianyungang Jiatai Construction Co., Ltd., a wholly-owned subsidiary of the Company) from June 2006 to October 2010 and from January 2014 to March 2017 respectively. He was also a financial controller of 長安高爾夫球鄉村俱樂部 (Long Island Golf & Country Club) from December 1998 to June 2006.

**Mr. Zhou Haiying** (“Mr. Zhou”), aged 54, was appointed as an Executive Director of the Company in December 2018. Mr. Zhou graduated from Jiangxi University of Finance and Economics with a Bachelor’s Degree. He acts as the general manager of finance management department of Tsinghua Tongfang Co., Ltd. (“THTF”, a company listed on the Shanghai Stock Exchange and a substantial shareholder of the Company), since August 2024. From April 2020 to August 2024, Mr. Zhou acted as the chief operating officer of THTF, and from January 2018 to February 2020, he acted as a financial controller and the chief financial officer of THTF. From January 2020 to October 2023, Mr. Zhou was a non-executive director of Neo-Neon Holdings Limited. From June 2003 to January 2018, he has served successively as a senior manager, the deputy director of the finance department, head of asset management department, the general manager of the capital finance department and an assistant to the president of Tsinghua Holdings Co., Ltd.. In addition, he also worked as a director of Liaoning Road & Bridge Construction Corporation (遼寧省路橋建設集團有限公司), a director of Beijing Huahuan Electronics Co., Ltd. (北京華環電子股份有限公司) and the supervisor of Unisplendour Corporation Limited (紫光股份有限公司).



## BIOGRAPHICAL DETAILS IN RESPECT OF DIRECTORS

### NON-EXECUTIVE DIRECTORS

**Mr. Lee Seng Hui** ("Mr. Lee"), aged 56, was appointed the Chairman and a non-executive director of the Company in October 2023. Mr. Lee graduated from the Law School of the University of Sydney with Honours. Previously, he worked with Baker & McKenzie and N M Rothschild & Sons (Hong Kong) Limited. Mr. Lee is the chief executive and an executive director of Allied Group Limited, the ultimate holding company of the Company, and a non-executive director of APAC Resources Limited. He is also the chairman and a non-executive director of Tian An China Investments Company Limited, the holding company of the Company, and the non-executive chairman of Mount Gibson Iron Limited, a company listed on the Australian Securities Exchange.

**Mr. Mark Wong Tai Chun** ("Mr. Wong"), aged 60, was appointed as a Non-Executive Director of the Company in October 2023. Mr. Wong has a Master's Degree in Business Administration and is a fellow of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, The Chartered Governance Institute and The Hong Kong Chartered Governance Institute. He is currently the director of investment of Allied Group Limited ("AGL"), the ultimate holding company of the Company and an alternate director to Mr. Arthur George Dew in APAC Resources Limited, Dragon Mining Limited and Tanami Gold NL ("Tanami Gold"). Tanami Gold is a company listed on the Australian Securities Exchange. Mr. Wong was an alternate director to Mr. Arthur George Dew in Tian An Australia Limited ("Tian An Australia") until May 2023. Tian An Australia is a company listed on the Australian Securities Exchange.

**Mr. Gao Zhaoyuan** ("Mr. Gao"), aged 41, was appointed as a Non-Executive Director of the Company in October 2022. Mr. Gao graduated from the Shanghai University of Finance and Economics with a Bachelor's Degree in Economics in 2005 and graduated from the Shanghai Jiao Tong University Shanghai Advanced Institute of Finance with a Master's Degree in Business Administration in 2010. Mr. Gao joined CMIG Assets Management Corporation (Beijing) Co. Ltd. (北京中民資產管理有限公司, a wholly-owned subsidiary of China Minsheng Investment Group Co., Ltd., 中國民生投資股份有限公司) since April 2017. He serves as general manager of strategic investment department of CMIG Asset Management Co., Ltd. (中民投資資產管理有限公司). He also serves as a non-executive director of Link Holdings Limited since March 2024.

Mr. Gao served as a vice president of the Institute Business Group II of DBS Bank (China) Co Ltd. from October 2015 to April 2017. He also worked as the department head of corporate banking department of Shanghai Branch of The Bank of East Asia (China) Co., Ltd. from June 2010 to October 2015, the last position was senior trade finance manager of Ningbo Branch of HSBC Bank (China) Co., Ltd. from July 2007 to June 2010 and the relationship manager of credit department of Shanghai Xuhui Sub-branch of Bank of Communications from September 2005 to July 2007.

**Ms. Zhang Yuanyuan** ("Ms. Zhang"), aged 47, was appointed as a Non-Executive Director of the Company in December 2024. She is currently the vice president, the secretary to the board and the chief capital operating officer of Tsinghua Tongfang Co., Ltd. ("THTF", is a company listed on the Shanghai Stock Exchange and a substantial shareholder of the Company) and is also currently the executive director, the chairman of the board of directors, the president and the chief executive officer of Neo-Neon Holdings Limited. She is experienced in the areas of capital operation, legal affairs, finance management and investment management, and has been successively served as several senior management positions in THTF and its subsidiaries since May 2016. Ms. Zhang graduated in 1999 with a bachelor degree and in 2002 with a master degree both majoring in law from Dongbei University of Finance and Economics (東北財經大學). She obtained lawyers' qualification in People's Republic of China in 2001.



## BIOGRAPHICAL DETAILS IN RESPECT OF DIRECTORS

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Dr. Xia Xiaoning** ("Dr. Xia"), aged 65, was appointed as an Independent Non-Executive Director of the Company in December 2016. Dr. Xia is an independent supervisor of Central China Securities Co., Ltd. He was a non-executive director of Mason Group Holdings Limited from August 2015 to September 2016. Dr. Xia graduated from the electric engineering department of Harbin Institute of Technology in 1982 with a Bachelor's Degree in Electric Engineering. He earned a Doctorate Degree from University Paris Dauphine in 1989.

Dr. Xia has over 23 years private equity/investment experience in Asia. Dr. Xia was a senior consultant/responsible officer (Type 4 and Type 9 licences of the Securities and Futures Commission of Hong Kong) to Vision Finance Group Limited from October 2012 to February 2015. From 2008 to 2012, he was the chief executive officer of CITP Advisors (Hong Kong) Limited. Dr. Xia worked for AIF Capital Limited ("AIF"), a pan Asia private equity firm based in Hong Kong from 1995 to 2008 and his last position with AIF was senior partner/managing director. Dr. Xia also worked for Asian Development Bank in Manila from 1989 to 1995 with his last position as investment officer.

**Dr. Wong Wing Kuen, Albert** ("Dr. Wong"), aged 73, was appointed as an Independent Non-Executive Director of the Company in December 2018. Dr. Wong holds a Doctor of Philosophy in Business Administration Degree from the Bulacan State University, Republic of the Philippines. He is a fellow member of The Chartered Governance Institute, The Hong Kong Chartered Governance Institute, The Taxation Institute of Hong Kong, Association of International Accountants, The Institute of Chartered Accountants in Ireland and Society of Registered Financial Planners. He is a member of Hong Kong Securities and Investment Institute, The Chartered Institute of Arbitrators and The Chartered Institute of Bankers in Scotland and a full member of Macau Society of Certified Practising Accountants. Dr. Wong is currently the principal consultant of KND Associates CPA Limited. He is also an independent non-executive director of each of Solargiga Energy Holdings Limited, China Merchants Land Limited, APAC Resources Limited, China Wan Tong Yuan (Holdings) Limited and Dexin Services Group Limited. Dr. Wong was an independent non-executive director of Dexin China Holdings Company Limited ("Dexin China") between 11 January 2019 up to 11 June 2024 immediately before the winding up order was granted by the High Court of The Hong Kong Special Administrative Region against Dexin China. He was also an independent non-executive director of Capital Finance Holdings Limited between January 2018 to December 2021, and China VAST Industrial Urban Development Company Limited between August 2014 to December 2022.

**Ms. Yang Lai Sum, Lisa** ("Ms. Yang"), aged 58, was appointed an Independent Non-Executive Director of the Company in December 2018. She graduated from the University of Sydney with a Bachelor's Degree in Law and Economics and is also qualified as a solicitor in Australia and England. She is a practicing solicitor in Hong Kong and a consultant of ONC Lawyers. Ms. Yang is also an independent non-executive director of each of Allied Group Limited, the ultimate holding company of the Company, Tian An China Investments Company Limited, the holding company of the Company, and Asiasec Properties Limited, the fellow subsidiary of the Company.

**Mr. Cao Dan** ("Mr. Cao"), aged 50, was appointed as an Independence Non-Executive Director of the Company in December 2024. He holds a Bachelor's Degree in Law from East China University of Political Science and Law and a Master's Degree in Law from Fudan University. Mr. Cao is currently the managing partner of Han Yuan & Partners and an arbitrator of the China Maritime Arbitration Commission. Mr. Cao was a judge of the Shanghai Maritime Court of the People's Republic of China. He has extensive professional experience in both non-litigation and litigation areas. The former includes venture capital and corporate mergers and acquisitions, the latter covers maritime and intellectual property.

## BIOGRAPHICAL DETAILS IN RESPECT OF DIRECTORS

### OTHER INFORMATION

#### Shanghai Stock Exchange Decision

References are made to the announcement of the Company dated 11 May 2020 and the annual report for the year ended 31 December 2021 in relation to Mr. Zhou Haiying and the announcement of the Company dated 30 December 2024 in relation to Ms. Zhang Yuanyuan that they received a decision (“Decision”) on disciplinary measure (紀律處分決定書2020 35號) issued by the Shanghai Stock Exchange. The Decision has come to an end and was not made against the Company or any of its subsidiaries.

#### Hong Kong Market Misconduct Tribunal Proceedings

Reference is made to the announcement of the Company dated 13 May 2021 (the “Announcement”) in relation to the proceedings instituted by the Securities and Futures Commission of Hong Kong (“SFC”) in the Market Misconduct Tribunal of Hong Kong (the “MMT”). Based on the facts, liability and sanctions agreed between the SFC, Mr. Kong Muk Yin (“Mr. Kong”) and five former directors of the Company, the MMT made the order as summarised in the Announcement (the “MMT Order”).

The Company, Mr. Kong and five former directors of the Company have fully complied with the sanctions under the MMT Order and the respective directors have completed the training provided by The Hong Kong Institute of Directors following the MMT Order.

Further, in relation to the MMT Order, the Council of the Hong Kong Institute of Certified Public Accountants and the Consent Orders Chair of The Association of Chartered Certified Accountants concluded that Mr. Kong be reprimanded, and pay costs to the institutes on 23 March 2022 and 14 July 2022 respectively.

Further details of the above are disclosed in the Company’s announcements dated 19 May 2020, 13 May 2021 and 26 October 2022 and the annual report for the year ended 31 December 2021.



## DIRECTORS' REPORT

The board (the "Board") of directors (the "Director(s)") of the Company presents its annual report and the audited consolidated financial statements of the Company and its subsidiaries (collectively "Group") for the year ended 31 December 2024 (the "Year").

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in Note 47 to the consolidated financial statements. Details and respective analysis of the main business segments of the Group during the Year are set out in Note 8 to the consolidated financial statements.

### BUSINESS REVIEW

Further discussion and review on the business activities of the Group as required by Schedule 5 to the Companies Ordinance (Cap. 622) of Hong Kong, including a description of the principal risks and uncertainties facing the Group, material events that have occurred since the year-end date and an indication of likely future development in the Group's business are contained in the Chairman's Statement set out on pages 3 to 13 of this Annual Report. Those relevant contents form part of this Directors' Report. Details of the Group's financial risk management are disclosed in Note 44 to the consolidated financial statements.

Discussions on the Group's compliance with the relevant laws and regulations that have a significant impact on the Group are set out in the section headed "Corporate Governance Report" of this Annual Report on pages 28 to 45 and Environmental, Social and Governance Report of the Company (the "ESG Report") separately released on the website of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the websites of the Company in the "Annual Report" section under "Investor Relations", the discussion of which form part of this report. Except disclosed in the Corporate Governance Report, the Directors were not aware of any non-compliance with the relevant laws and regulations that have a significant impact on the Group during the Year.

To access the online version of the ESG Report, please refer to the website addresses set out in the section headed "Corporate Information" on page 2 of this Annual Report.

### COMPLIANCE WITH LAWS AND REGULATIONS

The Group is highly committed to comply with applicable laws and regulations that govern its businesses from time to time. Being a company listed in Hong Kong, the Company has to comply with the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and Securities and Future Ordinance ("SFO"). Our money lending business segment is governed by the Money Lenders Ordinance and Anti-Money Laundering and Counter-Terrorist Financing Ordinance of Hong Kong.

### ENVIRONMENTAL POLICIES AND PERFORMANCE

For information about the environmental policies and performance of the Group during the Year, please refer to the ESG Report separately released on the website of the Stock Exchange and the websites of the Company, as mentioned above.

### RESULTS AND DIVIDENDS

The results of the Group for the Year are set out in the consolidated statement of profit or loss on page 51.

The Board has recommended a final dividend of HK2 cents per share for the Year (2023: HK1 cent per share) payable on or around Friday, 27 June 2025 to the shareholders of the Company ("Shareholders") whose names appear on the register of members of the Company on Wednesday, 28 May 2025, subject to approval by the Shareholders at the 2025 annual general meeting of the Company.

## DIRECTORS' REPORT

### INVESTMENT PROPERTIES

The Group revalued all of its investment properties as at the year end date. The loss on fair value of investment properties amounted to HK\$16,921,000 and has been recognised in the consolidated statement of profit or loss.

Details of these and other movements in the investment properties of the Group during the Year are set out in Note 17 to the consolidated financial statements.

### PROPERTY, PLANT AND EQUIPMENT

During the Year, the Group acquired property, plant and equipment totalling approximately HK\$179,990,000.

Details of these and other movements in property, plant and equipment of the Group during the Year are set out in Note 18 to the consolidated financial statements.

### PROPERTIES

Particulars of major properties of the Group as at 31 December 2024 are set out on pages 158 to 159.

### SHARE CAPITAL AND SHARES ISSUED

Details of movements in the share capital of the Company during the Year are set out in Note 35 to the consolidated financial statements.

### BORROWINGS

Bank borrowings and other borrowings which are repayable within one year or on demand are classified as current liabilities. Repayment analysis of interest-bearing borrowings are set out in Note 33 to the consolidated financial statements.

### DIRECTORS

The Directors during the Year and up to the date of this report are:

#### Executive Directors:

Mr. Kong Muk Yin  
Mr. Guo Meibao  
Mr. Zhou Haiying

#### Non-Executive Directors:

Mr. Lee Seng Hui (*Chairman*)  
Mr. Mark Wong Tai Chun  
Mr. Gao Zhaoyuan  
Ms. Zhang Yuanyuan (*appointed on 30 December 2024*)

#### Independent Non-Executive Directors:

Dr. Xia Xiaoning  
Dr. Wong Wing Kuen, Albert  
Ms. Yang Lai Sum, Lisa  
Mr. Cao Dan (*appointed on 30 December 2024*)  
Mr. Zhang Jian (*resigned on 30 December 2024*)



## DIRECTORS' REPORT

In accordance with Bye-Law 99 of the Bye-Laws of the Company (the "Bye-Laws"), Mr. Kong Muk Yin, Mr. Gao Zhaoyuan, Dr. Xia Xiaoning and Dr. Wong Wing Kuen, Albert shall retire from their office by rotation and being eligible, offer themselves for re-election at the AGM. In accordance with Bye-Law 102 of the Bye-Laws, Ms. Zhang Yuanyuan and Mr. Cao Dan shall hold office until AGM and, being eligible, offer themselves for re-election at the AGM (the "Retiring Directors").

Details of the Retiring Directors proposed for re-election at the AGM, required to be disclosed under Rule 13.51(2) of the Listing Rules on the Stock Exchange are set out in the Company's circular dated 11 April 2025.

### BIOGRAPHICAL DETAILS OF DIRECTORS

The biographical particulars of the current Directors are set out in the section headed "Biographical Details in Respect of Directors" on pages 14 to 17 of this Annual Report. Directors' other particulars are contained elsewhere in this report and this Annual Report.

### DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

### TERMS OF OFFICE FOR THE NON-EXECUTIVE DIRECTORS

All the non-executive directors of the Company ("NEDs" including the independent non-executive directors of the Company ("INEDs")) were appointed for a specific term of two years. All appointments of NEDs (including INEDs) are subject to the relevant provisions of the Bye-Laws or any other applicable laws whereby the Directors shall vacate or retire from their office but are eligible for re-election.

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in Note 41 to the consolidated financial statements, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which the Directors or an entity connected with the Directors had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

### CONTRACTS OF SIGNIFICANCE

Save as disclosed in Note 41 to the consolidated financial statements, there were (i) no other contract of significance between the Company, or one of its subsidiaries, and a controlling shareholder or any of its subsidiaries; and (ii) no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries.

### MANAGEMENT CONTRACT

Save for employment contracts, no other contracts relating to the management and/or administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the Year.

# DIRECTORS' REPORT

## DIRECTOR'S INTERESTS

As at 31 December 2024, the interests of a Director and his/her associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")), as recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules on the Stock Exchange were as follows:

Name of Director	Name of companies	Number of shares and underlying shares interested	Approximate % of the total number of issued shares	Nature of interests
Lee Seng Hui ("Mr. Lee")	the Company (Note 2)	556,097,010 (Note 1)	51.20%	Other interests
	Allied Group Limited ("AGL") (Note 3)	2,635,105,180 (Note 1)	74.99%	Personal interests (held as beneficial owner) in 458,420 shares and other interests in 2,634,646,760 shares
	Tian An China Investments Company Limited ("TACI") (Note 4)	834,809,096 (Note 1)	56.94%	Other interests
	Asiasec Properties Limited ("ASL") (Note 5)	930,376,898 (Note 1)	74.98%	Other interests
	Sun Hung Kai & Co. Limited ("SHK") (Note 6)	1,444,479,575 (Note 1)	73.51%	Other interests

**Notes:**

- Mr. Lee together with Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. The Lee and Lee Trust controlled approximately 74.99% of the total number of issued shares of AGL (inclusive of Mr. Lee's personal interests) and was therefore deemed to have interests in the shares in which AGL was interested.
- Mr. Lee, by virtue of his interests in AGL, was deemed to be interested in the shares of the Company in which AGL was interested via TACI.
- As at 31 December 2024, AGL was the holding company of TACI and the ultimate holding company of the Company and therefore an associated corporation of the Company within the meaning of Part XV of the SFO.
- As at 31 December 2024, TACI was the holding company of the Company and therefore an associated corporation of the Company within the meaning of Part XV of the SFO.
- As at 31 December 2024, ASL was a non wholly-owned subsidiary of TACI and therefore an associated corporation of the Company within the meaning of Part XV of the SFO.
- As at 31 December 2024, SHK was a non wholly-owned subsidiary of AGL and therefore an associated corporation of the Company within the meaning of Part XV of the SFO.
- All interests stated above represent long positions.



## DIRECTORS' REPORT

Save as disclosed above, as at 31 December 2024, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations, within the meaning of Part XV of the SFO, as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 of the Listing Rules.

### DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the Year and up to the date of this report, the following Directors are considered to have interests in the businesses listed below which compete or are likely to compete with the businesses of the Group pursuant to the Listing Rules as set out below:

Name of Directors	Name of Companies	Interest in Competing Business	Description of Competing Business <sup>#</sup>
Mr. Lee Seng Hui	Allied Group Limited ("AGL")	— Director — Substantial Shareholder*	(1) - (5)
	A non wholly-owned subsidiary of Sun Hung Kai & Co. Limited ("SHK")	— Director — Substantial Shareholder of SHK*	(1), (3), (5)
	APAC Resources Limited ("APAC")	— Director — Substantial Shareholder*	(1)
	Tian An China Investments Company Limited ("TACI")	— Director — Substantial Shareholder*	(1), (2), (3)
	Asiasec Properties Limited ("ASL")	— Substantial Shareholder*	(1), (3)
	Tian An Australia Limited ("TIA")	— Substantial Shareholder*	(2)
Mr. Wong Tai Chun, Mark (alternate to Mr. Arthur George Dew)	Certain subsidiaries of AGL	— Director	(1), (3) - (5)
	APAC	— Director	(1)

Competing business activities of the Group:

- (1) Money lending
- (2) Property development
- (3) Property investment
- (4) Elderly care
- (5) Securities trading and investments

\* Mr. Lee Seng Hui is one of the trustees of Lee and Lee Trust which is a deemed substantial shareholder of each of AGL, SHK, APAC, TACI, ASL and TIA.

<sup>#</sup> Conducted through subsidiary(ies).

## DIRECTORS' REPORT

Although the above-mentioned Directors have competing interests in other companies by virtue of their respective common directorship or shareholding, they will fulfil their fiduciary duties in order to ensure that they will act in the best interests of the Shareholders and the Company as a whole at all times. Hence, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

### ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Year was the Company, its holding companies or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### DEBENTURES

The Group has not issued any debentures during the Year.

### EQUITY-LINKED AGREEMENTS

Apart from the "Share Option Scheme" set out in Note 42 to the consolidated financial statements, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Year or subsisted at the end of the Year.

### INTERESTS OF SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

To the best of Directors' knowledge, as at 31 December 2024, the following Shareholders had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO:

#### Long positions in the shares of the Company

Name of Shareholders	Capacity		Number of ordinary shares held	Approximate percentage of shareholding
Mr. Lee Seng Hui	Held by controlled corporation	(Note 1)	556,097,010	51.20%
Ms. Lee Su Hwei	Held by controlled corporation	(Note 1)	556,097,010	51.20%
Mr. Lee Seng Huang	Held by controlled corporation	(Note 1)	556,097,010	51.20%
Allied Group Limited ("AGL")	Held by controlled corporation	(Note 1)	556,097,010	51.20%
Tian An China Investments Company Limited ("TACI")	Held by controlled corporation	(Note 1)	556,097,010	51.20%



## DIRECTORS' REPORT

Name of Shareholders	Capacity		Number of ordinary shares held	Approximate percentage of shareholding
Tsinghua Tongfang Co., Ltd. ("THTF")	Held by controlled corporation	(Note 2)	200,000,000	18.42%
Resuccess Investments Limited ("Resuccess")	Held by controlled corporation	(Note 2)	200,000,000	18.42%
Cool Clouds Limited ("Cool Clouds")	Beneficial owner	(Note 2)	200,000,000	18.42%
China Minsheng Investment Group Corp., Ltd. 中國民生投資股份有限公司 ("CMI")	Held by controlled corporation	(Note 3)	100,000,000	9.21%
CMIG Asia Asset Management Co., Ltd. 中民投亞洲資產管理有限公司 ("CMIG")	Held by controlled corporation	(Note 3)	100,000,000	9.21%
CMI Financial Holding Corporation ("CMIF")	Held by controlled corporation	(Note 3)	100,000,000	9.21%
CMIG International Capital Limited 中民投國際資本有限公司 ("中民投國際資本")	Held by controlled corporation	(Note 3)	100,000,000	9.21%
CM International Capital Limited ("CMIC")	Held by controlled corporation	(Note 3)	100,000,000	9.21%
Victor Beauty Investments Limited ("Victor Beauty")	Beneficial owner	(Note 3)	100,000,000	9.21%
Ms. Chong Sok Un ("Ms. Chong")	Held by controlled corporation	(Note 4)	97,514,540	8.98%
China Spirit Limited ("China Spirit")	Held by controlled corporation	(Note 4)	97,514,540	8.98%
Vigor Online Offshore Limited ("Vigor")	Beneficial owner	(Note 4)	97,514,540	8.98%

## DIRECTORS' REPORT

### Notes:

The percentage of shareholding is calculated on the basis of the Company's issued share capital of 1,086,005,457 shares as at 31 December 2024.

1. Fareast Global Limited ("Fareast Global"), a wholly-owned subsidiary of TACI, owned 556,097,010 ordinary shares of the Company and TACI was owned as to approximately 56.94% by China Elite Holdings Limited which was in turn wholly-owned by AGL via its subsidiaries.

Mr. Lee Seng Hui, Director, together with Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. The Lee and Lee Trust controlled approximately 74.99% of the total number of issued shares of AGL (inclusive of Mr. Lee Seng Hui's personal interests).

Accordingly, TACI, AGL and Lee and Lee Trust were deemed to have an interest in the shares in which Fareast Global was interested.

2. Cool Clouds, a wholly-owned subsidiary of Resuccess, owned 200,000,000 ordinary shares of the Company. THTF was the sole shareholder of Resuccess as at 31 December 2024. Accordingly, Resuccess and THTF were deemed to have interests in 200,000,000 ordinary shares of the Company in which Cool Clouds was interested.
3. Victor Beauty, a wholly-owned subsidiary of CMIC, owned 100,000,000 ordinary shares of the Company. CMIC was a wholly-owned subsidiary of 中民投國際資本 which in turn was a wholly-owned subsidiary of CMI held directly as to 22.6% interests and indirectly as to 77.4% interests through CMIF and CMIG. CMIF was a wholly-owned subsidiary of CMIG, which in turn was a wholly-owned subsidiary of CMI. Accordingly, CMIC, 中民投國際資本, CMIF, CMIG and CMI were deemed to have interests in 100,000,000 ordinary shares of the Company.
4. Vigor, a wholly-owned subsidiary of China Spirit, owned 97,514,540 ordinary shares of the Company. Ms. Chong maintained 100% beneficial interests in China Spirit. Accordingly, Ms. Chong was deemed to be interested in 97,514,540 ordinary shares of the Company in which Vigor was interested.

Save as disclosed above, as at 31 December 2024, the Company was not notified of any other persons having any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

### MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the Group had no major customers due to the nature of principal activities of the Group. The aggregate purchases attributable to the Group's largest supplier and five largest suppliers were approximately 10% and 25% of the Group's purchases respectively.

None of the Directors, their close associates or any Shareholders, which to the best knowledge of the Directors owned more than 5% of the Company's total number of issued shares, had a beneficial interest in any of the Group's five largest customers and suppliers.



## DIRECTORS' REPORT

### PURCHASE, SALE OR REDEMPTION OF SHARES

Save for the Company's purchase of its own shares on the Stock Exchange which were subsequently cancelled on 10 January 2025 as disclosed below, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the Year. The Directors believe that the repurchases of shares would lead to an enhancement of the net asset value per share and/or earnings per share of the Company.

Date of repurchases	Number of shares repurchased	Purchase price per share		Aggregate consideration paid (before expenses) HK\$
		Highest HK\$	Lowest HK\$	
30 December 2024	500,000	0.73	0.73	365,000
31 December 2024	690,000	0.73	0.73	503,700
<b>Total:</b>	<b>1,190,000</b>			<b>868,700</b>

### RELATED PARTY TRANSACTIONS

During the Year, there were transactions entered into with related parties of the Group, details of which are set out in Note 41 to the consolidated financial statements. These related party transactions constitute a connected transaction or a continuing connected transaction of the Company as defined in and are fully exempt for the connected transaction requirements under Chapter 14A of the Listing Rules and the Company has complied with the disclosure requirements in Chapter 14A of the Listing Rules.

### EMOLUMENT POLICY

The emolument policy of the general staff of the Group is set up by the management of the Group on the basis of their merit, qualifications and competence.

The emoluments of the Directors and senior management of the Group are recommended by the remuneration committee of the Company (the "Remuneration Committee") and determined by the board of Directors (the "Board"), having regard to the Company's operating results, individual performance and comparable market statistics.

The Company adopted the model set out in code provision E.1.2(c)(ii) under Appendix C1 of the Listing Rules as its remuneration model for determining the emoluments of the Directors. This model stipulates that the Remuneration Committee shall make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. The Remuneration Committee would take into consideration, among other things, the duties and responsibilities of the Directors and senior management and prevailing market conditions when determining their remuneration.

## DIRECTORS' REPORT

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-Laws or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

### PERMITTED INDEMNITY PROVISION

The Bye-laws provide that the Directors, Secretary and other officers of the Company shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts. Such provision was in force during the Year. In addition, the Company has maintained appropriate Directors' and officers' liability insurance in respect of relevant legal actions against the Directors and officers.

### DONATIONS

During the Year, the Group made donations amounting to HK\$Nil.

### CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the section headed "Corporate Governance Report" of this Annual Report on pages 28 to 45.

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Company has maintained sufficient public float as required under the Listing Rules.

### AUDITOR

A resolution will be submitted to the AGM to re-appoint BDO Limited as auditor of the Company.

### EVENT AFTER THE REPORTING DATE

There was no significant event affecting the Company that has occurred since the end of the Year.

On behalf of the Board

**Lee Seng Hui**  
*Chairman*

Hong Kong, 10 March 2025



# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving and maintaining high standards of corporate governance, the board of directors of the Company (the “Board”) believes that good corporate governance is essential to the success of the Company and to the enhancement of shareholders’ value. Accordingly, the Company has adopted various measures to ensure that a high standard of corporate governance is maintained.

During the year ended 31 December 2024 (the “Year”), 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 (“CG Code”) under Appendix C1 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Board will continue to monitor and review the corporate governance principle and practices to ensure compliance.

## CORPORATE CULTURE AND STRATEGY

The Board sets the tone and defines the Company’s corporate culture which includes its core value to act lawfully and responsibly, and its relations with its stakeholders. The Board plays a leading role in defining the Company’s purpose, values and strategy which is forward looking, adaptable to a changing environment and ensuring transparency in order to achieve success in its endeavours. The Board monitors and evaluates the Company’s culture, from time to time, by reviewing the Company’s decisions and actions whether they are consistent with its desired culture; staff and stakeholders engagements; employee turnover and training; financial reporting functions; effective and accessible whistleblowing framework; legal and regulatory compliance and staff safety, well-being and support.

## BOARD OF DIRECTORS

During the Year and up to the date of this report, the Board currently comprises eleven directors of the Company (the “Director(s)”) in total, with three Executive Directors (“Executive Directors”), four Non-Executive Directors (“NEDs”) and four Independent Non-Executive Directors (“INEDs”). The composition of the Board is set out as follows:

### Executive Directors:

Mr. Kong Muk Yin  
Mr. Guo Meibao  
Mr. Zhou Haiying

### Non-Executive Directors:

Mr. Lee Seng Hui (*Chairman*)  
Mr. Mark Wong Tai Chun  
Mr. Gao Zhaoyuan  
Ms. Zhang Yuanyuan (*appointed on 30 December 2024*)

### Independent Non-Executive Directors:

Dr. Xia Xiaoning  
Dr. Wong Wing Kuen, Albert  
Ms. Yang Lai Sum, Lisa  
Mr. Cao Dan (*appointed on 30 December 2024*)  
Mr. Zhang Jian (*resigned on 30 December 2024*)

## CORPORATE GOVERNANCE REPORT

The biographical particulars of the Directors are set out in the section headed “Biographical Details in respect of Directors” of this Annual Report on pages 14 to 17.

The Board members have no financial, business, family or other material/relevant relationships with one another. Such balanced Board composition is formed to ensure strong independence exists across the Board.

During the Year, the NEDs (a majority of whom are independent) provided the Company and its subsidiaries (collectively “Group”) with their wide range of skills, expertise and varied backgrounds and qualifications. Their active participation in the Board and committee meetings brought independent, constructive and informed judgement on issues relating to the Group’s strategy, policies, performance and management process, taking into account the interests of all shareholders of the Company (“Shareholder(s)”).

Throughout the Year, the Board has at least one-third in number of its members comprising INEDs under Rule 3.10A of the Listing Rules and at least one of the INEDs possessing appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules.

The Board has received from each INED an annual confirmation of his/her independence and considers that all the INEDs are independent under the guidelines set out in Rule 3.13 of the Listing Rules.

Ms. Zhang Yuanyuan and Mr. Cao Dan were appointed as NED and INED respectively on 30 December 2024. They had obtained the legal advice required under Rule 3.09D of the Listing Rules on 10 December 2024 and confirmed their understanding regarding the obligations as Directors.

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group’s annual and interim results and other ad hoc matters which need to be dealt with. During the Year, 5 Board meetings were held and the attendance of each Director at the Board meetings is set out as follows:

<b>Name of Directors</b>	<b>Number of Board meetings attended/held</b>
<b>Executive Directors:</b>	
Mr. Kong Muk Yin	5/5
Mr. Guo Meibao	5/5
Mr. Zhou Haiying	5/5
<b>Non-Executive Directors:</b>	
Mr. Lee Seng Hui ( <i>Chairman</i> )	5/5
Mr. Mark Wong Tai Chun	5/5
Mr. Gao Zhaoyuan	5/5
Ms. Zhang Yuanyuan ( <i>appointed on 30 December 2024</i> )	N/A
<b>Independent Non-Executive Directors:</b>	
Dr. Xia Xiaoning	5/5
Dr. Wong Wing Kuen, Albert	5/5
Ms. Yang Lai Sum, Lisa	5/5
Mr. Cao Dan ( <i>appointed on 30 December 2024</i> )	N/A
Mr. Zhang Jian ( <i>resigned on 30 December 2024</i> )	4/4



## CORPORATE GOVERNANCE REPORT

The schedule of Board meetings for a year is planned in the preceding year. At least 14 days' notice of a Board meeting is normally given to all Directors and they can include matters for discussion in the agenda if needed. The company secretary of the Company (the "Company Secretary") assists the Chairman of the Board (the "Chairman") in preparing the agenda for meetings and ensures that all applicable rules and regulations are complied with. The agenda and the accompanying Board papers are normally sent to all Directors at least 3 days before the intended date of a regular Board meeting (and so far as practicable for such other Board meetings) so that the Directors have the time to review the documents.

According to the current Board practice, if a substantial Shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by the Board at a duly convened Board meeting. The bye-laws of the Company ("Bye-Laws") also stipulate that save for the exceptions as provided therein, a Director shall abstain from voting on any Board resolution and not be counted in the quorum at meetings for approving any contract or arrangement in which such Director or any of his/her close associates has a material interest.

Every Director is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary, and has the liberty to seek external professional advice if so required. The Company Secretary continuously updates all Directors on the latest development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices.

The Board is responsible for formulating overall strategy, monitoring and controlling the performance of the Group. In addition to its overall supervisory role, the Board also retains specific responsibilities such as approving specific senior appointments, approving financial accounts, recommending dividend payments, approving policies relating to the Board's compliance, etc. whilst managing the Group's business is the responsibility of the management of the Group (the "Management").

When the Board delegates aspects of its management and administration functions to the Management, it has given clear directions, to the powers of the Management, in particular, with respect to the circumstances where the Management shall report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company. The respective functions of the Board and management of the Company have been formalised and will be reviewed and updated by the Board from time to time.

The Chairman has met with the INEDs without the presence of the Executive Directors and the NEDs during the Year.

### **Directors' Continuous Professional Development**

Each newly appointed Director receives comprehensive, formal and tailored induction on appointment so as to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is fully aware of his/her responsibilities under the Listing Rules, legal and other regulatory requirements.

During the Year, the Company has arranged trainings for Directors to provide regular updates relating to the roles, functions and duties, corporate governance and change in regulatory requirements so as to enable the Directors to properly discharge their duties under the code provision C.1.4 of the CG Code.

## CORPORATE GOVERNANCE REPORT

Directors participated the following continuous professional development activities during the Year:

<b>Name of Directors</b>	<b>Reading regulatory updates and other materials relating to Directors' duties and responsibilities</b>	<b>Attending trainings/briefings/seminars/conferences relevant to Directors' duties</b>
<b>Executive Directors:</b>		
Mr. Kong Muk Yin	✓	✓
Mr. Guo Meibao	✓	✓
Mr. Zhou Haiying	✓	✓
<b>Non-Executive Directors:</b>		
Mr. Lee Seng Hui ( <i>Chairman</i> )	✓	✓
Mr. Mark Wong Tai Chun	✓	✓
Mr. Gao Zhaoyuan	✓	✓
Ms. Zhang Yuanyuan ( <i>appointed on 30 December 2024</i> )	N/A	N/A
<b>Independent Non-Executive Directors:</b>		
Dr. Xia Xiaoning	✓	✓
Dr. Wong Wing Kuen, Albert	✓	✓
Ms. Yang Lai Sum, Lisa	✓	✓
Mr. Cao Dan ( <i>appointed on 30 December 2024</i> )	N/A	N/A
Mr. Zhang Jian ( <i>resigned on 30 December 2024</i> )	✓	✓

### Directors' and Officers' Liabilities Insurance

The Company has arranged appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against the Directors and officers of the Company and its subsidiaries arising out of corporate activities of the Group under the code provision C.1.8 of the CG Code.

### Roles of Chairman and Chief Executive

The code provision C.2.1 of the CG Code requires that the roles of the chairman and the chief executive are segregated and should not be performed by the same individual, to strike a balance of power and authority so that the job responsibilities are not concentrated on any one individual.

The Chairman is responsible for the leadership and effective running of the Board. The functions of the chief executive are performed by the Executive Directors, Mr. Kong Muk Yin ("Mr. Kong"), who is in charge of finance and accounts aspect and Mr. Guo Meibao who is in charge of day-to-day operation of healthcare and eldercare business in the People's Republic of China. The functions and responsibilities between the Chairman and the Executive Directors performing the functions of the chief executive are clearly segregated.

The list of Directors and their roles and functions are available on the website of the Stock Exchange and the websites of the Company.



# CORPORATE GOVERNANCE REPORT

## Board Diversity Policy

The Company has adopted a board diversity policy (the “Board Diversity Policy”) on 30 August 2013 which sets out the approach to achieve diversity of the Board in order to maintain a sustainable and balanced development of the Company and enhance the quality of performance of the Board.

The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The eleven Directors are from diverse and complementary backgrounds, including healthcare and eldercare, corporate finance, investment and management, legal, accounting and financing management. The valuable experience and expertise they bring to our business are critical for the long-term growth of the Group.

During the Year, the Board conducted an annual review of the implementation and effectiveness of the Board Diversity Policy and is satisfied that the Board Diversity Policy has been properly implemented and is effective.

As at 31 December 2024, the Board consists of two female Directors and nine male Directors, which is not a single-gender Board. As at 31 December 2024, the ratio of male to female in the workforce of the Company (excluding Directors) was approximately 28:72. With the objective of further optimising the gender diversity in mind, the Group will continue to take gender diversity into account in its ongoing recruitment process. For details of gender distribution, please refer to the Environment, Social and Governance (“ESG”) Report of the Company separately released on the website of the Stock Exchange and the websites of the Company.

## Appointment and Re-election of Directors

Each of the NEDs (including INEDs) has entered into a letter of appointment with the Company and is appointed for a specific term, subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company (the “AGM”) in accordance with the Bye-Laws. Any new Director appointed by the Board to fill a casual vacancy shall be subject to re-election by the Shareholders at the next following AGM after appointment in accordance with the Bye-Laws.

In considering the appointment or re-appointment of Directors, in addition to the diversity criteria set out in the paragraphs headed “Board Diversity Policy” above, the Board, with the assistance and recommendation from the Nomination Committee, will also take into account a number of factors, including but not limited to the structure, size and composition of the Board, the candidates’ qualifications and their ability to devote sufficient time as and when required to discharge their responsibilities as a director and to make positive contribution to the development of the Company’s strategy, policies and performance.

## Board Independence

The Company has established mechanisms to ensure independent views and input are available to the Board and conducted review of such mechanisms on an annual basis, including the procedures and channels for Directors to seek external professional advice and information, and the qualifications of INEDs, the number of people and the time contributed, etc., to ensure that the Board can obtain independent views and opinions, and will review the implementation and effectiveness of the mechanism every year.

# CORPORATE GOVERNANCE REPORT

## Corporate Governance Function

The Board has adopted the written terms of reference on corporate governance function on 27 February 2012 so as to assist the Board in supervising the management of the business and office of the Group. During the Year, the Board has performed the corporate governance duties in accordance with its terms of reference.

The duties of the Board in respect of corporate governance function are summarized as follows:

- i) to develop and review the Company's policies and practices on corporate governance;
- ii) to review and monitor the training and continuous professional development of Directors and senior management of the Group (the "Senior Management");
- iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- iv) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- v) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

## BOARD COMMITTEES

The Board has established six committees, namely, the Executive Committee, Investment Committee, ESG Committee, Remuneration Committee, Nomination Committee and Audit Committee to assist it in carrying out its responsibilities and to oversee particular aspects of the Group's affairs. Each of the committees has defined terms of reference setting out its duties, powers and functions. The committees report regularly to the Board and, where appropriate, make recommendations on matters discussed.

The list of the chairman and members of each Board committee is set out in the Corporate Information section of this Annual Report.

### Executive Committee

The Executive Committee was established on 23 May 1998 with its written terms of reference adopted on 21 July 2005. The committee is composed of two Executive Directors. The Executive Committee is responsible for approving and monitoring the daily operations of the Group. The Executive Committee held 61 meetings during the Year.

### Investment Committee

The Investment Committee was established on 2 February 2000 with its written terms of reference adopted on 19 December 2005. The committee is composed of two Executive Directors and two NEDs. The Investment Committee is responsible for approving and monitoring the Group's investment related activities. No Investment Committee meeting was held during the Year.



# CORPORATE GOVERNANCE REPORT

## Environmental, Social and Governance Committee

The ESG Committee was established on 1 June 2022 with its written terms of reference adopted on the same date. The ESG Committee is composed of two Executive Directors, one NED and one INED. The ESG Committee is responsible for approving and monitoring the ESG-related issue of the Group. One ESG Committee meeting was held during the Year.

## Remuneration Committee

The Remuneration Committee was established on 15 April 2005 with its written terms of reference adopted on the same date and updates last made on 1 February 2023. The Remuneration Committee is provided with sufficient resources to discharge its duties and has accessed to independent professional advices according to the Company's policy if considered necessary. The terms of reference of the Remuneration Committee are available on the website of the Stock Exchange and the websites of the Company.

The Remuneration Committee comprises one Executive Director, two NEDs and four INEDs. The composition of the Remuneration Committee has complied with the requirements as set out in Rule 3.25 of the Listing Rules that the Remuneration Committee should be chaired by an INED and a majority of its members should be INEDs.

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of the Senior Management (other than Executive Directors) by band for the Year is set forth below:

Remuneration bands	Number of individuals
Nil to HK\$1,000,000	—
HK\$1,000,001 to HK\$1,500,000	2
HK\$1,500,001 to HK\$2,000,000	1

Further particulars regarding highest paid employees as required to be disclosed pursuant to Appendix D2 of the Listing Rules are set out in Note 12 to the consolidated financial statements.

The meeting of the Remuneration Committee shall be held at least once a year. One meeting was held during the Year and the attendance of each member is set out as follows:

Name of members	Number of meetings attended/held
Dr. Xia Xiaoning ( <i>Chairman</i> )	1/1
Mr. Kong Muk Yin	1/1
Mr. Mark Wong Tai Chun	1/1
Mr. Gao Zhaoyuan	1/1
Dr. Wong Wing Kuen, Albert	1/1
Ms. Yang Lai Sum, Lisa	1/1
Mr. Cao Dan ( <i>appointed on 30 December 2024</i> )	N/A
Mr. Zhang Jian ( <i>resigned on 30 December 2024</i> )	1/1

The remuneration policy of the Group is to ensure all its employees are remunerated in line with market terms and individual performance.

## CORPORATE GOVERNANCE REPORT

In addition to the Remuneration Committee meeting, the Remuneration Committee also dealt with matters by way of circulation during the Year. In 2024 and up to the date of this report, the Remuneration Committee performed the works as summarised below:

- (i) reviewed and recommended for the Board's approval the policy and structure for the remuneration of Directors;
- (ii) reviewed and noted the overall pay trend in Hong Kong of 2024;
- (iii) reviewed and recommended for the Board's approval the remuneration of all Directors; and
- (iv) reviewed and recommended for the Board's approval the Director's fee for the newly appointed NED and INED.

The major roles and functions of the Remuneration Committee are as follows:

- i) to make recommendations on the establishment of procedures for developing the remuneration policy and structure for all Directors and the Senior Management, which policy and structure shall ensure, amongst other matters, that no Director or any of his/her associates (as defined in the Listing Rules) will participate in deciding his/her own remuneration;
- ii) to review and recommend remuneration proposals of the Management by reference to the Board's corporate goals and objectives;
- iii) to review and recommend to the Board the remuneration packages of all Directors and the Senior Management by reference to the salaries paid by comparable companies, their time commitment and responsibilities as well as the employment terms and conditions offered by other member companies within the Group; and
- iv) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct.

The Remuneration Committee has adopted the model that it will review the proposals made by the Management on the remuneration of Executive Directors and the Senior Management, and makes recommendations to the Board. The Board will have final authority to approve the recommendations made by the Remuneration Committee.



## CORPORATE GOVERNANCE REPORT

### Nomination Committee

The Nomination Committee was established on 27 February 2012 with its written terms of reference adopted on the same date and updates last made on 25 August 2022. The Nomination Committee is provided with sufficient resources to discharge its duties and has accessed to independent professional advices according to the Company's policy if considered necessary. The terms of reference of the Nomination Committee are available on the website of the Stock Exchange and the websites of the Company.

The Nomination Committee comprises one Executive Director and four INEDs. The meeting of the Nomination Committee shall be held at least once a year. One meeting was held during the Year and the attendance of each member is set out as follows:

Name of members	Number of meetings attended/held
Mr. Kong Muk Yin	1/1
Dr. Xia Xiaoning	1/1
Dr. Wong Wing Kuen, Albert	1/1
Ms. Yang Lai Sum, Lisa	1/1
Mr. Cao Dan ( <i>appointed on 30 December 2024</i> )	N/A
Mr. Zhang Jian ( <i>resigned on 30 December 2024</i> )	1/1

The Nomination Committee is responsible for formulating nomination policy for the Board's consideration and implementing the Board's approved nomination policy and making recommendations to the Board on the appointment or re-appointment of the Directors, and Board succession.

The Company has adopted a nomination policy on 1 January 2019 for formalising the current nomination practice of the Company. The policy sets out the criteria, process and procedures for the selection, appointment and re-election of the Directors so as to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business as set out in the Board Diversity Policy, the candidate's time and commitment and integrity, and the independence criteria under Rule 3.13 of the Listing Rules if the candidate is proposed to be appointed as an INED. The Nomination Committee will review the nomination policy, as appropriate, to ensure its effectiveness.

The Nomination Committee may identify potential candidates from any source as it may consider appropriate and review the curriculum vitae submitted by potential candidates to assess whether they are 'fit and proper' for the proposed appointment.

The Nomination Committee shall evaluate potential candidates by considering the relevant criteria as set out in the nomination policy including, without limitation, their business and financial experience, skills, expertise, varied backgrounds and qualifications and diversity to be brought to the Company through attendance and participation in the Board or committee meetings. The Nomination Committee shall also consider (i) the commitment of the potential candidates in devoting sufficient time and attention to the affairs of the Group; (ii) their potential contribution to Board diversity; (iii) any material conflict of interest or potential material conflict of interest with the Group; and (iv) their independence with reference to the independence guidelines set out in the Listing Rules if the potential candidates will be appointed as INEDs.

## CORPORATE GOVERNANCE REPORT

Upon recommendation by the Nomination Committee, the proposed appointment will be reviewed and, if thought fit, approved by the Board.

In addition to the Nomination Committee meeting, the Nomination Committee also dealt with matters by way of circulation during the Year. In 2024 and up to the date of this report, the Nomination Committee performed the works as summarised below:

- (i) reviewed and recommended for the Board's approval the proposed resolutions for re-election of the retiring Directors at the 2024 AGM and the 2025 AGM;
- (ii) reviewed the structure, size, composition and diversity of the Board and assessed the qualifications, time commitments, contributions and independence of each INED;
- (iii) reviewed the Board Diversity Policy; and
- (iv) considered and recommended to the Board for the appointment of a NED and an INED of the Company.

The major roles and functions of the Nomination Committee are as follows:

- i) to review the structure, size, composition and diversity of the Board (including but not limited to gender, age, cultural background, educational background, skills, knowledge, experience and diversity of perspectives) at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- iii) to assess the independence of INEDs;
- iv) to make recommendations to the Board on the appointment or re-appointment of the Directors and succession planning for Directors, in particular the chairman and the chief executive; and
- v) to review the Board Diversity Policy, and review the measurable objectives that the Board has set for implementing the Board Diversity Policy; and the progress on achieving the objectives.

### Audit Committee

The Audit Committee was established on 29 January 1999 with its written terms of reference adopted on the same date and updates last made on 25 August 2022. The Audit Committee is provided with sufficient resources to discharge its duties and has accessed to independent professional advices according to the Company's policy if considered necessary. The terms of reference of the Audit Committee are available on the website of the Stock Exchange and the websites of the Company.

The Audit Committee comprises one NED and four INEDs. The composition of the Audit Committee has complied with the requirements as set out in Rule 3.21 of the Listing Rules that a majority of the members of the Audit Committee should be INEDs.



## CORPORATE GOVERNANCE REPORT

The Audit Committee shall meet at least twice a year. Seven meetings were held during the Year. The minutes of the Audit Committee meetings were tabled to the Board for noting and for action by the Board where appropriate. The attendance of each member is set out as follows:

Name of members	Number of meetings attended/held
Dr. Wong Wing Kuen, Albert ( <i>Chairman</i> )	7/7
Mr. Gao Zhaoyuan	7/7
Dr. Xia Xiaoning	7/7
Ms. Yang Lai Sum, Lisa	6/7
Mr. Cao Dan ( <i>appointed on 30 December 2024</i> )	N/A
Mr. Zhang Jian ( <i>resigned on 30 December 2024</i> )	6/7

In addition to the Audit Committee meetings, the Audit Committee also dealt with matters by way of circulation during the Year. In 2024 and up to the date of this report, the Audit Committee performed the works as summarised below:

- (i) reviewed and recommended for the Board's approval the financial reports for the Year ended 31 December 2023, for the six months ended 30 June 2024 and for the year ended 31 December 2024 together with the relevant management representation letters and announcements;
- (ii) reviewed the audit plan and engagement letters of the external auditors of the Group (the "External Auditor");
- (iii) reviewed and recommended for the Board's approval the audit scope and fees for the six months ended 30 June 2024 and for the year ended 31 December 2024;
- (iv) reviewed the internal audit reports;
- (v) reviewed and recommended for the Board's annual review the Group's risk management and internal control systems;
- (vi) reviewed and recommended for the Board's approval the updated reports on the substantiation of the resources, qualifications and experience of staff of the Group's accounting, internal audit and financial reporting functions, as well as those relating to ESG performance and reporting, and their training programmes and budget; and
- (vii) reviewed and recommend for the Board's annual review of the new whistle blowing policy, procedures for the identification and monitoring of connected transaction and notifiable transaction, related party transaction policies and procedures, policy on the disclosure of inside information and risk management policy.

## CORPORATE GOVERNANCE REPORT

The major roles and functions of the Audit Committee are as follows:

- i) to review the relationship with the External Auditors by reference to the work performed by the External Auditors, as well as their independence, fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of External Auditors;
- ii) to discuss the nature and scope of the audit with the External Auditor;
- iii) to review the interim and annual financial statements before submission to the Board and to discuss any problem and reservation arising therefrom;
- iv) to review the External Auditor's management letter and Management's response; and to ensure that the Board will provide a timely response to the issues raised in the External Auditor's management letter;
- v) to review the Group's financial controls, internal control and risk management systems to ensure that they are appropriate and functioning properly;
- vi) to consider any findings of major investigations of internal control and risk management matters and Management's response; and
- vii) to review arrangements that employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Group, and to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action.

### WHISTLE BLOWER POLICY

On 15 March 2024, the Board has adopted the new Whistle Blower Policy and system for employees and those who deal with the Group to raise concern, in confidence and anonymity, if required and appropriate, with the Audit Committee about possible improprieties in any matter related to the Group.

### AUDITOR'S REMUNERATION

During the Year under review, the remuneration paid or payable to the External Auditor, BDO Limited, is set out as follows:

Services rendered	Fees paid/ payable HK\$'000
Audit services	1,636
Non-audit services (including review of interim results)	100
	1,736



# CORPORATE GOVERNANCE REPORT

## RISK MANAGEMENT AND INTERNAL CONTROL

The main features of the risk management and internal control systems are to provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations.

The Group has established a risk management framework, which consists of the Board, the Audit Committee and the risk management taskforce of the Group (the “Risk Management Taskforce”). The Board determines the nature and extent of risks that shall be taken in achieving the Group’s strategic objectives, and has the overall responsibility for monitoring the design, implementation and the overall effectiveness of risk management and internal control systems.

The Group has formulated and adopted risk management policy in providing direction in identifying, evaluating and managing significant risks. At least on an annual basis, the Risk Management Taskforce identifies risks that would adversely affect the achievement of the Group’s objectives, and assesses and prioritizes the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established for those risks considered to be significant.

The internal control system of the Company comprises a well-established organizational structure and comprehensive policies and standards. The Board has clearly defined the authorities and key responsibilities of each business and operational unit to ensure adequate checks and balances.

The Management assists the Board in the implementation of the Board’s policies and procedures on risk and control by identifying and assessing the risks faced, and involving in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

In addition, the Group has established an internal audit function to assist the Board and the Audit Committee in ongoing monitoring of the risk management and internal control systems of the Group. Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the Audit Committee and the Board on a timely basis to ensure prompt remediation actions are taken.

The key processes that have been established in reviewing the adequacy and integrity of the system of internal controls include the following:

- a) The Executive Committee was established to ensure the effectiveness of the Group’s daily operations and that the Group’s operations are in accordance with the corporate objectives, strategies and the annual budget as well as the policies and business directions that have been approved.
- b) The Audit Committee reviews internal control issues identified by internal control consultant, regulatory authorities and the Management, and evaluates the adequacy and effectiveness of the Group’s risk management and internal control systems. To further enhance control awareness, the Group has also approved launching the Whistle Blower Policy and system for employees and those who deal with the Group to raise concern, in confidence and anonymity, if required and appropriate, with the Audit Committee about possible improprieties in any matter related to the Group.

## CORPORATE GOVERNANCE REPORT

- c) The Investment Committee was established to monitor the Group's investment related activities and respective operating and financial policies.
- d) The Remuneration Committee was established to ensure all the Directors and the Senior Management are remunerated in line with market terms and individual performance.
- e) The corporate reporting functions are delegated to the accounting department in terms of proper and regular reviews on the deployment of resources and financial reporting systems. The corporate governance practices and compliance with the Listing Rules, the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") and other applicable regulations are delegated to the company secretarial department. The Management reviews the system of internal controls and briefs the reporting systems with the Executive Directors regularly and the Audit Committee annually.
- f) Every newly appointed Director is provided with a comprehensive handout detailing the responsibilities and duties of being a director. In particular highlighting the respective applicable rules and regulations, including the Listing Rules, which a Director should aware and be informed on the first occasion of his/her appointment with the Company.
- g) The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 of the Listing Rules (the "Model Code") as the code of conduct regarding Directors' and relevant employees' securities transactions. A copy of the Model Code was sent to each Director and the relevant employees of the Group who are required to be provided under the Model Code. Enquiries have been made with Directors and all the Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the Year. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company.

Risk management report and internal control report are submitted to the Audit Committee and the Board at least once a year.

The Board is of the view that the systems of risk management and internal control in place for the Year under review and up to the date of issuance of this Annual Report and financial statements are effective and sufficient to safeguard the interests of the Shareholders, employees, and the Group's assets.

The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

### **Procedures and internal controls for the handling and dissemination of inside information**

The Group has established policies and procedures on inside information and complies with requirements of SFO and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the Safe Harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.



## CORPORATE GOVERNANCE REPORT

### ACCOUNTABILITY AND AUDIT

The Directors are responsible for overseeing the preparation of accounts of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the Year, the Directors have selected suitable accounting policies and have applied them consistently, adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards which are pertinent to its operations and relevant to the financial statements, made judgments and estimates that are prudent and reasonable, and have prepared the accounts on a going concern basis.

### SHAREHOLDERS' COMMUNICATION

A shareholder's communication policy was established on 27 February 2012. The Company has maintained different communication channels with the Shareholders through the publication of annual and interim reports, circulars and announcements.

During the Year, an AGM and a special general meeting ("SGM") were held and the attendance of each Director at the AGM is set out as follows:

Name of Directors	Number of AGM attended/held	Number of SGM attended/held
Mr. Kong Muk Yin	1/1	1/1
Mr. Guo Meibao	1/1	1/1
Mr. Zhou Haiying	1/1	1/1
Mr. Lee Seng Hui ( <i>Chairman</i> )	1/1	1/1
Mr. Mark Wong Tai Chun	1/1	1/1
Mr. Gao Zhaoyuan	1/1	1/1
Ms. Zhang Yuanyuan ( <i>appointed on 30 December 2024</i> )	N/A	N/A
Dr. Xia Xiaoning	1/1	1/1
Dr. Wong Wing Kuen, Albert	1/1	1/1
Ms. Yang Lai Sum, Lisa	1/1	1/1
Mr. Cao Dan ( <i>appointed on 30 December 2024</i> )	N/A	N/A
Mr. Zhang Jian ( <i>resigned on 30 December 2024</i> )	1/1	1/1

The AGM provides a useful forum for the Shareholders to exchange views with the Board. At the Company's last AGM, the Chairman as well as Chairmen of the Audit Committee, Nomination Committee and Remuneration Committee were present to answer the Shareholders' questions.

Separate resolutions are proposed at the general meetings for each substantial issue, including the re-election of the retiring Directors.

The Company's last AGM was held on 20 May 2024 and the Securities Repurchase Circular was sent to the Shareholders at least 21 days prior to the meeting, setting out details of each proposed resolution, voting procedures (including the procedures for conducting a poll) and other relevant information. The Chairman explained the procedures for conducting a poll again at the beginning of the meeting and revealed the level of proxies voted in respect of each resolution. All Shareholders are encouraged to attend the general meetings or to appoint proxies to attend and vote at the meetings on their behalf if they are unable to attend the meetings.

## CORPORATE GOVERNANCE REPORT

The next AGM will be held on 19 May 2025, the notice of which will be sent to the Shareholders at least 21 days before the meeting and to be sent at least 14 days in case of all other general meetings. An explanation of the detailed procedures for conducting a poll will be provided to the Shareholders at the commencement of the meeting. The Chairman will answer any questions from the Shareholders regarding voting by way of a poll. The poll results will be published in accordance with the requirements of the Listing Rules.

During the Year, the Board conducted a review of the implementation and effectiveness of the Shareholders Communication Policy. Having considered the multiple channels of communication and engagement in place as detailed above and in the Shareholders Communication Policy, the Board is satisfied that the Shareholders Communication Policy has been properly implemented and is effective.

### SHAREHOLDERS' RIGHTS

#### Right to put enquiries to the Board

The Shareholders should direct their enquiries about their shareholdings to 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. Other Shareholders' enquiries can be directed to the head office and principal place of business of the Company in Hong Kong as set out in the Corporate Information section of this Annual Report for the attention of the Company Secretary.

#### Right to convene special general meeting

Pursuant to Section 74(1) of the Bermuda Companies Act and Bye-Laws 62 of the Bye-Laws, the Shareholder(s) holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company may request the Board to convene a special general meeting of the Company.

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda for the attention of the Company Secretary and may consist of several documents in like form each signed by one or more requisitionists.

If the Directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of 3 months from the said date.

#### Right to put forward proposals at general meetings

On the requisition in writing of either (i) any number of the Shareholders representing not less than one-twentieth of the total voting rights of all the Shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or (ii) not less than 100 Shareholders, the Company shall, at the expense of the requisitionists:

- a) give to the Shareholders entitled to receive notice of the next AGM notice of any resolution which may properly be moved and is intended to be moved at that meeting; and
- b) circulate to the Shareholders entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The requisition must be signed by the requisitionists and deposited at the head office of the Company in Hong Kong at Rooms 1904B-5, 19/F, Allied Kajima Building, No. 138 Gloucester Road, Wanchai, Hong Kong for the attention of the Company Secretary.



# CORPORATE GOVERNANCE REPORT

## INVESTOR RELATIONS

The Company maintains websites at ([www.tiananmedicare.com.hk](http://www.tiananmedicare.com.hk) and [www.irasia.com/listco/hk/tiananmedicare/](http://www.irasia.com/listco/hk/tiananmedicare/)) where information and updates on the list of Directors and their roles and functions, constitutional documents, terms of reference of the Board committees, procedures for nomination of Directors for election, announcements, circulars and reports released to the Stock Exchange and other information are posted. Information on the Company's websites will be updated from time to time.

## CONSTITUTIONAL DOCUMENTS

On 1 March 2024, the Shareholders have approved at the SGM the proposed amendments to the Bye-Laws (the "Proposed Amendments") by adoption of a new set of bye-laws in substitution for, and to the exclusion of, the Bye-Laws in order to, among others, bring the Bye-Laws in line with the relevant requirements of the Listing Rules and applicable laws of Bermuda, including (i) sending or otherwise making available the corporate communication to the relevant holders of its securities using electronic means or (ii) making the corporate communication available on its website and the Stock Exchange's website. Details of the Second Proposed Amendments were set out in the circular of the Company dated 8 February 2024.

## DIVIDEND POLICY

The Board has adopted the dividend policy effective on 1 January 2019. The Company's dividend policy aims at providing reasonable and sustainable returns to the Shareholders whilst maintaining a position of financial stability which allows the Company to take advantage of any investment and expansion opportunities that may arise from time to time.

The Company in general meeting may from time to time declare dividends in any currency to be paid to the Shareholders but no dividend shall be declared in excess of the amount recommended by the Board. Dividends may be declared and paid out of the profits of the Company, realized or unrealized, or from any reserve set aside from profits which the Directors determine is no longer needed.

Under the Bye-Laws, the Directors have the power to pay interim dividends but only if they are justified by the profits of the Company. Proposal or declaration of dividends by the Board is subject to consideration of the financial performance of the Group's operations; financial condition and position of the Group; capital expenditure and development requirement of the Group; and accumulated earnings of the Company, gearing level and liquidity position of the Group, general economic and investment conditions and outlook which may have an impact on the financial performance and position of the Group, and such other factors the Board may deem relevant.

## CORPORATE GOVERNANCE REPORT

### COMPANY SECRETARY

The Company Secretary reports to the Chairman of the Board on board governance matters, and is responsible for ensuring that Board procedures are followed and for facilitating communications among Directors as well as with the Shareholders and management. All Directors have access to the advice and services of the Company Secretary.

During the Year and up to the date of 9 January 2025, Mr. Kong is the Company Secretary of the Company. After his resignation as the Company Secretary, Mr. Kong remains as the Executive Director of the Company. Mr. Kong is a fellow member of The Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and a Chartered Financial Analyst. Mr. Kong undertook over 15 hours of relevant professional training to update his skills and knowledge. The biographical details of Mr. Kong is set out in the section headed “Biographical Details in respect of Directors” of this Annual Report on pages 14 to 17.

Ms. Sit Po Ling (“Ms. Sit”) has been appointed as the Company Secretary of the Company with effect from 10 January 2025. Ms. Sit is an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

On behalf of the Board

**Lee Seng Hui**  
*Chairman*

Hong Kong, 10 March 2025



## INDEPENDENT AUDITOR'S REPORT



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### TO THE SHAREHOLDERS OF TIAN AN MEDICARE LIMITED

天安卓健有限公司

*(incorporated in Bermuda with limited liability)*

### OPINION

We have audited the consolidated financial statements of Tian An Medicare Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 51 to 157, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><i>Valuation of investment properties</i></p> <p>Refer to Note 17 to the consolidated financial statements.</p> <p>The Group's investment properties which represent industrial, commercial and residential properties located in the People's Republic of China, except Hong Kong (the "PRC") and Hong Kong were stated at fair value of approximately HK\$525,392,000 as at 31 December 2024 with a fair value loss of approximately HK\$16,921,000 recognised in the profit or loss for the year ended 31 December 2024.</p> <p>All investment properties are measured at fair value with reference to valuations performed by an independent qualified professional valuer. The fair values of the Group's investment properties were measured using investment approach, or wherever appropriate, direct comparison approach.</p> <p>Due to the significance of investment properties (representing approximately 15% of total assets) to the consolidated financial statements and the existence of significant management's judgements and estimations involved in valuations, we identified the valuation of investment properties as a key audit matter.</p>	<p>Our procedures in relation to the valuation of investment properties included:</p> <ul style="list-style-type: none"> <li>— Assessing the appropriateness of the valuation methodologies and the reasonableness of the key assumptions and evaluating the appropriateness of key data inputs used in the valuation of the fair value of the investment properties;</li> <li>— Involving an auditor's expert to assist our assessment on the appropriateness of valuation methodologies and key data inputs, and the reasonableness of key assumptions used; and</li> <li>— Assessing the competence, capabilities and objectivity of the independent external valuer and auditor's expert.</li> </ul>



## INDEPENDENT AUDITOR'S REPORT

### OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The audit committee of the Company (the "Audit Committee") assists the directors in discharging their responsibilities in this regard.

## INDEPENDENT AUDITOR'S REPORT

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



## INDEPENDENT AUDITOR'S REPORT

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **BDO Limited**

*Certified Public Accountants*

**Lee, Alfred**

Practising Certificate no. P04960

Hong Kong, 10 March 2025

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 HK\$'000	2023 HK\$'000 (restated)
Revenue	7	<b>1,627,199</b>	1,568,824
Gross proceeds from sales of investments held for trading		—	3,481
Total		<b>1,627,199</b>	1,572,305
<b>Revenue</b>	7		
Goods and services from contracts with customers		<b>1,620,606</b>	1,561,188
Rental		<b>6,593</b>	7,636
		<b>1,627,199</b>	1,568,824
Cost of goods and services		<b>(1,290,979)</b>	(1,278,490)
<b>Gross profit</b>		<b>336,220</b>	290,334
Other gains and losses, and other income	9	<b>(19,549)</b>	33,749
Selling and distribution costs		<b>(6,871)</b>	(5,751)
Administrative expenses		<b>(223,682)</b>	(229,720)
<b>Profit from operations</b>		<b>86,118</b>	88,612
Finance costs	10	<b>(29,114)</b>	(47,807)
<b>Profit before taxation</b>		<b>57,004</b>	40,805
Income tax expense	13	<b>(15,028)</b>	(14,912)
<b>Profit for the year</b>	14	<b>41,976</b>	25,893
<b>Attributable to:</b>			
Owners of the Company		<b>28,773</b>	14,678
Non-controlling interests		<b>13,203</b>	11,215
		<b>41,976</b>	25,893
<b>Earnings per share</b>	16		
Basic		<b>HK2.65 cents</b>	HK1.59 cents
Diluted		<b>N/A</b>	N/A



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 HK\$'000	2023 HK\$'000 (restated)
<b>Profit for the year</b>	<b>41,976</b>	25,893
<b>Other comprehensive income:</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign operations	(7,111)	1,923
<b>Total comprehensive income for the year</b>	<b>34,865</b>	27,816
<b>Attributable to:</b>		
Owners of the Company	22,404	9,297
Non-controlling interests	12,461	18,519
	<b>34,865</b>	27,816

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	31.12.2024 HK\$'000	31.12.2023 HK\$'000 (restated)	1.1.2023 HK\$'000 (restated)
<b>Non-current assets</b>				
Investment properties	17	525,392	545,920	557,089
Property, plant and equipment	18	1,541,635	1,483,444	1,394,255
Right-of-use assets	19	86,605	120,572	130,156
Loan receivable	27	—	—	—
Interests in associates	20	—	—	—
Financial assets at fair value through profit or loss ("FVTPL")	21	2,151	2,151	802
Goodwill	22	—	—	—
Prepayments for acquisition of property, plant and equipment		23,887	23,398	30,114
		<b>2,179,670</b>	<b>2,175,485</b>	<b>2,112,416</b>
<b>Current assets</b>				
Inventories	23	45,029	48,752	35,313
Properties under development for sale	24	165,414	177,973	185,606
Properties held for sale	24	77,847	80,463	91,688
Investments held for trading	25	4,951	6,624	12,089
Trade receivables	26	143,791	83,486	72,136
Deposits, prepayments and other receivables	26	28,792	40,084	22,518
Amounts due from related parties	41	437	—	—
Pledged bank deposits	28	—	32,984	24,319
Restricted bank deposits	28	7,518	136	714
Bank balances and cash	28	885,428	890,266	589,050
		<b>1,359,207</b>	<b>1,360,768</b>	<b>1,033,433</b>
<b>Current liabilities</b>				
Trade payables	29	133,439	162,798	146,508
Deposits, receipts in advance and accrued charges	29	450,111	485,401	273,197
Deposits received on sales of properties		—	212	1,757
Contract liabilities	31	70,098	53,859	40,744
Amount due to an associate	32	5,978	6,044	6,178
Amounts due to related parties	41	376	—	—
Borrowings	33	390,817	312,561	544,816
Lease liabilities	30	1,543	3,389	5,979
Current tax liabilities		113,334	120,608	111,539
		<b>1,165,696</b>	<b>1,144,872</b>	<b>1,130,718</b>



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	31.12.2024 HK\$'000	31.12.2023 HK\$'000 (restated)	1.1.2023 HK\$'000 (restated)
<b>Net current assets/(liabilities)</b>		<b>193,511</b>	215,896	(97,285)
<b>Total assets less current liabilities</b>		<b>2,373,181</b>	2,391,381	2,015,131
<b>Non-current liabilities</b>				
Other payables		—	—	12,689
Contract liabilities	31	5,867	8,104	10,276
Borrowings	33	442,566	447,489	388,787
Lease liabilities	30	1,282	35,193	39,439
Deferred tax liabilities	34	28,637	28,950	29,403
		<b>478,352</b>	519,736	480,594
<b>Net assets</b>		<b>1,894,829</b>	1,871,645	1,534,537
<b>Capital and reserves</b>				
Equity attributable to owners of the Company				
Share capital	35	10,860	10,860	7,240
Treasury shares	35	(869)	—	—
Reserves	36	1,808,983	1,797,391	1,482,422
		<b>1,818,974</b>	1,808,251	1,489,662
Non-controlling interests	37	75,855	63,394	44,875
<b>Total equity</b>		<b>1,894,829</b>	1,871,645	1,534,537

The consolidated financial statements on pages 51 to 157 were approved and authorised for issue by the Board of Directors on 10 March 2025 and are signed on its behalf by:

\_\_\_\_\_  
**Mr. Kong Muk Yin**  
Director

\_\_\_\_\_  
**Mr. Guo Meibao**  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Attributable to owners of the Company										Non-controlling interests	Total equity
	Share capital HK\$'000	Treasury shares HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Properties revaluation reserve HK\$'000	Capital redemption reserve HK\$'000	Other reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000		
As at 31 December 2022 (audited)	7,240	—	2,621,374	—	160,267	2,496	(796,531)	1,356	(441,260)	1,554,942	23,917	1,578,859
Effect on change in accounting policy (Note 4)	—	—	—	—	(160,267)	—	—	9,865	85,122	(65,280)	20,958	(44,322)
As at 1 January 2023 (restated)	7,240	—	2,621,374	—	—	2,496	(796,531)	11,221	(356,138)	1,489,662	44,875	1,534,537
Profit for the year (restated)	—	—	—	—	—	—	—	—	14,678	14,678	11,215	25,893
Other comprehensive income: Exchange differences on translating foreign operations (restated)	—	—	—	—	—	—	—	(5,381)	—	(5,381)	7,304	1,923
Total comprehensive income for the year (restated)	—	—	—	—	—	—	—	(5,381)	14,678	9,297	18,519	27,816
Issuance of rights issue (Note 35)	3,620	—	305,672	—	—	—	—	—	—	309,292	—	309,292
At 31 December 2023 (restated)	10,860	—	2,927,046	—	—	2,496	(796,531)	5,840	(341,460)	1,808,251	63,394	1,871,645



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 DECEMBER 2024

	Attributable to owners of the Company											
	Share capital HK\$'000	Treasury shares HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Properties revaluation reserve HK\$'000	Capital redemption reserve HK\$'000	Other reserve HK\$'000	Translation reserve HK\$'000	(Accumulated losses)/ retained earnings HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
As at 31 December 2023 (audited)	10,860	—	2,927,046	—	163,290	2,496	(796,531)	(4,707)	(429,965)	1,872,489	37,854	1,910,343
Effect on change in accounting policy (Note 4)	—	—	—	—	(163,290)	—	—	10,547	88,505	(64,238)	25,540	(38,698)
As at 1 January 2024 (restated)	10,860	—	2,927,046	—	—	2,496	(796,531)	5,840	(341,460)	1,808,251	63,394	1,871,645
Profit for the year	—	—	—	—	—	—	—	—	28,773	28,773	13,203	41,976
Other comprehensive income:												
Exchange differences on translating foreign operations	—	—	—	—	—	—	—	(6,369)	—	(6,369)	(742)	(7,111)
Total comprehensive income for the year	—	—	—	—	—	—	—	(6,369)	28,773	22,404	12,461	34,865
Share premium reduction (Note 36(b)(vi))	—	—	(2,600,000)	342,801	—	—	—	—	2,257,199	—	—	—
Dividend recognised as distribution (Note 15)	—	—	—	(10,860)	—	—	—	—	—	(10,860)	—	(10,860)
Forfeiture of unclaimed dividends	—	—	—	48	—	—	—	—	—	48	—	48
Repurchase of shares (Note 35)	—	(869)	—	—	—	—	—	—	—	(869)	—	(869)
At 31 December 2024	10,860	(869)	327,046	331,989	—	2,496	(796,531)	(529)	1,944,512	1,818,974	75,855	1,894,829

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 HK\$'000	2023 HK\$'000 (restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	57,004	40,805
Adjustments for:		
Interest income	(32,497)	(24,466)
Depreciation of property, plant and equipment	91,395	83,693
Depreciation of right-of-use assets	5,912	9,124
Derecognition of a right-of-use asset and a lease liability, net	(5,502)	—
Recognition of impairment loss under expected credit losses ("ECLs") model, net	10,859	3,777
Impairment loss of property, plant and equipment	1,368	—
Written-down of inventories	954	—
Forfeiture of rental deposit paid	1,580	—
Provision for properties under development for sale	10,957	4,342
Provision for properties held for sale	1,664	3,758
Written-off of property, plant and equipment	16,404	1,397
Finance costs	29,114	47,807
Fair value gain on financial assets at FVTPL	—	(1,349)
Loss on fair value of investments held for trading	1,673	1,984
Loss on fair value of investment properties	16,921	3,524
Net unrealised foreign exchange loss	13,642	—
Operating cash flows before working capital changes	221,448	174,396
Decrease/(increase) in inventories	2,239	(14,364)
Decrease in properties held for sale	—	1,664
Decrease in trade receivables	(71,164)	(16,770)
Decrease/(increase) in deposits, prepayments and other receivables	9,712	(17,566)
Increase in amounts due from related parties	(437)	—
Increase in amounts due to related parties	376	—
(Decrease)/increase in trade payables	(29,359)	16,290
(Decrease)/increase in deposits, receipt in advance	(18,434)	204,088
Decrease in deposits received on sales of properties	(212)	(1,524)
Increase in contract liabilities	14,002	12,257
Cash generated from operations	128,171	358,451
Income taxes paid, net	(22,196)	(2,371)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>105,975</b>	<b>356,080</b>



# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 HK\$'000	2023 HK\$'000 (restated)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Placement of pledged bank deposits/restricted bank deposits	(18,245)	(170,236)
Withdrawal of pledged bank deposits/restricted bank deposits	44,041	161,509
Interest received	32,497	24,466
Additions of property, plant and equipment	(182,508)	(184,031)
Additions of right-of-use assets	—	(2,267)
Prepayments paid for acquisition of property, plant and equipment	(10,374)	(11,748)
Gross proceeds from sales of investments held for trading	—	3,481
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(134,589)</b>	<b>(178,826)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New borrowings raised	408,365	552,480
Repayments of borrowings	(330,187)	(707,457)
Proceeds from issue of shares under rights issue	—	309,292
Repurchase of shares	(869)	—
Principal element of lease payments	(3,098)	(5,935)
Interest paid	(31,889)	(44,460)
Dividend paid	(10,860)	—
Interest on lease liabilities	(2,344)	(3,347)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>29,118</b>	<b>100,573</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>504</b>	<b>277,827</b>
Effect of foreign exchange rate changes	(5,342)	23,389
<b>CASH AND CASH EQUIVALENTS AS AT 1 JANUARY</b>	<b>890,266</b>	<b>589,050</b>
<b>CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER</b>	<b>885,428</b>	<b>890,266</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and cash	885,428	890,266

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 1. GENERAL INFORMATION

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

The intermediate holding company is Tian An China Investments Company Limited (“TACI”, incorporated in Hong Kong and listed on the Stock Exchange). The ultimate holding company is Allied Group Limited (“AGL”, incorporated in Hong Kong and listed on the Stock Exchange). The ultimate controlling party of the Company is the trustees of Lee & Lee Trust. TACI, AGL and trustees of Lee & Lee Trust have become the Company’s intermediate holding company, ultimate holding company and ultimate controlling party respectively since 5 October 2023. The addresses of the registered office and principal place of business of the Company are disclosed on page 2 of this annual report.

The Company is an investment holding company. The activities of its principal subsidiaries are set out in Note 47 to the consolidated financial statements.

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

### (b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values as explained in the accounting policies set out below.

### (c) Functional and presentation currencies

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 3. ADOPTION OF NEW AND REVISED HKFRSs

### (a) Application of revised HKFRSs

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

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

The impacts of the adoption of the revised HKFRSs have been summarised below.

#### ***Amendments To HKAS 1 “Classification of Liabilities As Current Or Non-Current, Non-Current Liabilities With Covenants And Related Amendments to Hong Kong Interpretation 5 (Revised)”***

Amendments made to HKAS 1 Presentation of Financial Statements in 2020 and 2022 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period.

Classification is unaffected by the entity’s expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either on or before the reporting date, this needs to be considered in the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 3. ADOPTION OF NEW AND REVISED HKFRSs (CONTINUED)

### (a) Application of revised HKFRSs (Continued)

#### ***Amendments To HKAS 1 “Classification of Liabilities As Current Or Non-Current, Non-Current Liabilities With Covenants And Related Amendments to Hong Kong Interpretation 5 (Revised)” (Continued)***

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability;
- information about the covenants (including the nature of the covenants and when the entity is required to comply with them); and
- facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants.

The amendments must be applied retrospectively in accordance with the requirements in HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

#### ***Amendments To HKFRS 16 “Lease Liability in a Sale and Leaseback”***

The HKICPA finalized narrow-scope amendments to the requirements for sale and leaseback transactions in HKFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines “lease payments” and “revised lease payments” in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 3. ADOPTION OF NEW AND REVISED HKFRSs (CONTINUED)

### (a) Application of revised HKFRSs (Continued)

#### *Amendments To HKAS 7 and HKFRS 7 “Supplier Finance Arrangements”*

The amendments respond to the investors’ need for more information about Supplier Finance Arrangements (“SFAs”) to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk.

New disclosures are required to provide information about:

- (1) The terms and conditions of SFAs.
- (2) The carrying amount of financial liabilities that are part of SFAs, and the line items in which those liabilities are presented.
- (3) The carrying amount of the financial liabilities in (2), for which the suppliers have already received payment from the finance providers.
- (4) The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
- (5) Non-cash changes in the carrying amounts of financial liabilities in (2).
- (6) Access to SFA facilities and concentration of liquidity risk with the finance providers.

Entities will be required to aggregate the information that they provide about SFAs. However, entities should disaggregate information about terms and conditions that are dissimilar, disclose explanatory information where the range of payment due dates is wide, and disclose the type and effect of non-cash changes that are needed for comparability between periods.

The HKICPA has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for 31 December 2024 year-ends, unless an entity has a financial year of less than 12 months.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 3. ADOPTION OF NEW AND REVISED HKFRSs (CONTINUED)

### (b) Revised HKFRSs in issue but not yet effective

The Group has not applied any new standards, amendments to standards and interpretation that have been issued but are not yet effective for the financial year beginning on 1 January 2024. These amendments to standards and interpretation include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 21 — Lack of Exchangeability	1 January 2025
Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to HKFRS 9 and HKFRS 7 — Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 — Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that except for HKFRS 18 which would bring changes to the presentation and disclosure to the consolidation financial statements, the adoption of the above new/amended HKFRSs is unlikely to have a significant impact on these consolidated financial statements.

## 4. CHANGE OF ACCOUNTING POLICY FOR MEASUREMENT OF LAND AND BUILDINGS

The Group re-assessed its accounting policy for leasehold land and buildings, including leasehold land and buildings in Hong Kong, hospital buildings in the People's Republic of China, except Hong Kong (the "PRC") and other buildings in the PRC (collectively as the "Land and Buildings") held by the Group after initial recognition. The Group had previously adopted the revaluation model to measure the carrying amount of its Land and Buildings whereby, after initial recognition, the Land and Buildings were stated at fair value, based on annual valuations by independent professional qualified valuers, less subsequent accumulated depreciation and impairment losses, if any.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 4. CHANGE OF ACCOUNTING POLICY FOR MEASUREMENT OF LAND AND BUILDINGS (CONTINUED)

The Group elected to change its accounting policy for the measurement of the Land and Buildings, as the Group believes that the cost model would align the accounting policy of the Group with those of its holding companies and industry practice, more reliable and more relevant to reflect the Group's operational performance. Under the cost model, the Land and Buildings are measured at their costs less accumulated depreciation and accumulated impairment losses. The Group applied the cost model retrospectively and the comparative figures in the consolidated statements of financial position as at 1 January 2023 and 31 December 2023, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of changes in equity for the year ended 31 December 2023 have been restated.

Consolidated statement of profit or loss for the year ended 31 December 2023

	As previously reported HK\$'000	Effect HK\$'000	As restated HK\$'000
Cost of goods and services	1,282,604	(4,114)	1,278,490
Gross profit	286,220	4,114	290,334
Administrative expenses	231,007	(1,287)	229,720
Profit from operations	83,211	5,401	88,612
Profit before taxation	35,404	5,401	40,805
Profit for the year	20,492	5,401	25,893
Attributable to:			
Owners of the Company	11,295	3,383	14,678
Non-controlling interests	9,197	2,018	11,215
	20,492	5,401	25,893
Basic earnings per share	HK1.22 cents	HK0.37 cents	HK1.59 cents

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 4. CHANGE OF ACCOUNTING POLICY FOR MEASUREMENT OF LAND AND BUILDINGS (CONTINUED)

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023

	As previously reported HK\$'000	Effect HK\$'000	As restated HK\$'000
Profit for the year	20,492	5,401	25,893
Other comprehensive income:			
<i>Item that may be reclassified     subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations	1,054	869	1,923
<i>Items that will not be reclassified to     profit or loss:</i>			
Gain on revaluation of leasehold land and buildings included in property, plant and equipment	847	(847)	—
Deferred tax arising from revaluation of leasehold land and buildings included in property, plant and equipment	(201)	201	—
Other comprehensive income for the year, net of tax	1,700	223	1,923
Total comprehensive income for the year	22,192	5,624	27,816
Attributable to:			
Owners of the Company	8,255	1,042	9,297
Non-controlling interests	13,937	4,582	18,519
	22,192	5,624	27,816



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 4. CHANGE OF ACCOUNTING POLICY FOR MEASUREMENT OF LAND AND BUILDINGS (CONTINUED)

Consolidated statement of financial position as at 31 December 2023

	As previously reported HK\$'000	Effect HK\$'000	As restated HK\$'000
Property, plant and equipment	1,564,586	(81,142)	1,483,444
Total non-current assets	2,256,627	(81,142)	2,175,485
Total assets less current liabilities	2,472,523	(81,142)	2,391,381
Deferred tax liabilities	71,394	(42,444)	28,950
Total non-current liabilities	562,180	(42,444)	519,736
Net assets	1,910,343	(38,698)	1,871,645
Reserves	1,861,629	(64,238)	1,797,391
Equity attributable to owners of the Company	1,872,489	(64,238)	1,808,251
Non-controlling interests	37,854	25,540	63,394
Total equity	1,910,343	(38,698)	1,871,645

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 4. CHANGE OF ACCOUNTING POLICY FOR MEASUREMENT OF LAND AND BUILDINGS (CONTINUED)

Consolidated statement of financial position as at 1 January 2023

	As previously reported HK\$'000	Effect HK\$'000	As restated HK\$'000
Property, plant and equipment	1,480,940	(86,685)	1,394,255
Total non-current assets	2,199,101	(86,685)	2,112,416
Total assets less current liabilities	2,101,816	(86,685)	2,015,131
Deferred tax liabilities	71,766	(42,363)	29,403
Total non-current liabilities	522,957	(42,363)	480,594
Net assets	1,578,859	(44,322)	1,534,537
Reserves	1,547,702	(65,280)	1,482,422
Equity attributable to owners of the Company	1,554,942	(65,280)	1,489,662
Non-controlling interests	23,917	20,958	44,875
Total equity	1,578,859	(44,322)	1,534,537



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 5. MATERIAL ACCOUNTING POLICY INFORMATION

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 6 to the consolidated financial statements.

The material accounting policy information applied in the preparation of these consolidated financial statements are set out below.

### (a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

### (b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: (i) power over the investee, (ii) exposure, or has rights, to variable returns from the investee, and (iii) the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, interests in subsidiaries are stated at cost less accumulated impairment losses, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

### (c) Foreign currency translation

#### (i) Transactions and balances in each entity's financial statements

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (c) Foreign currency translation (Continued)

#### (i) *Transactions and balances in each entity's financial statements (Continued)*

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the entity initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

#### (ii) *Translation on consolidation*

The results and financial position of all foreign operations (none of which has the currency of hyperinflationary economy) that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (d) Property, plant and equipment

Property, plant and equipment, other than construction-in-progress, are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives/principal annual rates are as follows:

Leasehold land and buildings	Over the shorter of the lease terms, and 30–50 years
Leasehold improvement	Over the lease terms
Computer, medical and electronic equipment	10–20%
Furniture and fixtures	20%
Office equipment	20%
Motor vehicles	20%–50%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (d) Property, plant and equipment (Continued)

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Construction in progress represents buildings under construction and plant and equipment pending installation, and is stated at cost less accumulated impairment losses. Depreciation begins when the relevant assets are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

### (e) Investment properties

Investment property is property held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time.

An investment property is derecognised upon disposal or when the investment property is withdrawn from use. Any gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss. Rental income from investment properties is accounted for as described in Note 5(i) to the consolidated financial statements.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (f) Leases

#### *The Group as a lessee*

All leases are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases. The Group has elected not to recognise right-of-use assets and lease liabilities for leases for which at the commencement date have a lease term of less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

#### *Right-of-use assets*

The right-of-use assets are initially recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessees and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use assets at cost, less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liability. Right-of-use assets are depreciated on a straight-line basis over the lease terms.

#### *Lease liabilities*

The lease liabilities are recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted, the Group uses the Group's incremental borrowing rate.

#### *The Group as a lessor*

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (g) Properties under development for sale and properties held for sale

Properties under development for sale and properties held for sale are stated at the lower of cost and net realisable value. Costs include the acquisition cost of interest in leasehold land, construction costs, borrowing costs capitalised and other direct costs attributable to such properties. When development is completed, borrowing costs and other holding charges are expensed as incurred. Net realisable value is the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

On completion, the properties under development for sale are reclassified to properties held for sale at the then carrying amount.

### (h) Financial instruments

#### (i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

#### *Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (h) Financial instruments (Continued)

#### (i) Financial assets (Continued)

##### *Debt instruments (Continued)*

FVTPL: Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

##### *Equity instruments*

For the equity instruments are held for trading and classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

#### (ii) Impairment loss on financial assets

The Group recognises loss allowances for ECLs on trade receivables and other financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade receivables using HKFRS 9 "Financial Instruments" simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (h) Financial instruments (Continued)

#### (ii) *Impairment loss on financial assets (Continued)*

##### *Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (h) Financial instruments (Continued)

#### (ii) *Impairment loss of financial assets (Continued)*

##### *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### *Write-off policy*

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written-off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

##### *Measurement and recognition of ECLs*

The measurement of ECLs is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (h) Financial instruments (Continued)

#### (ii) Impairment loss of financial assets (Continued)

##### *Measurement and recognition of ECLs (Continued)*

For financial assets, ECLs are estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the ECLs is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECLs in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECLs are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECLs at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

#### (iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

##### *Financial liabilities at amortised cost*

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (i) Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added taxes or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

The Group's inpatient healthcare services is considered 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (i) Revenue recognition (Continued)

For inpatient healthcare services, the Group previously recognised revenue for sales of pharmaceutical and inpatient healthcare services provided to its customers at a point in time based on the time that its customers received the pharmaceutical and inpatient healthcare services and their standalone selling prices. During the preparation of the Group's consolidated financial statements, management reassessed that the sales of pharmaceutical and inpatient healthcare services provided to its customers for inpatient healthcare service should be considered as a single performance obligation under HKFRS 15 because in context of the Group's inpatient healthcare services, these goods and services are not distinct. Consequently, revenue recognition of a single performance obligation should be over time during the inpatient medical treatment period which the Group's customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. Due to the application of the practical expedient available for over time recognition as mentioned in the paragraph above, the Group assessed that under circumstances of its inpatient healthcare services, the revenue recognition by an over time approach would not differ materially from the Group's previous point in time approach. Therefore, no correction is needed for the revenue recognised by the Group in prior years. For the timing of revenue recognition in respect of point in time and over time, please refer to Note 7(a) to the consolidated financial statements.

The Group recognised revenue for the performance obligations of other healthcare services at a point in time.

For revenue from certain eldercare related services and building management services, for which the control of the services is transferred when the Group had provided the related services over the time, revenue is recognised when the customers simultaneously receive and consume the benefits provided by the eldercare related services over time. For revenue from remaining eldercare related services is recognised at a point in time, i.e. when the services are provided.

Save for the above, revenue from sales of pharmaceutical and nutritions for outpatient healthcare services is recognised at the point when the control of the products has transferred, being at the point the customer receives the pharmaceutical and nutritions.

Revenue from sales of completed properties is recognised at a point in time when the underlying property is transferred to the customer. Deposits and instalments received on properties sold prior to the date of revenue recognition are contract liabilities.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (i) Revenue recognition (Continued)

Interest income from a financial asset is accrued on a time basis using the effective interest method, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on the initial recognition.

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

### *Contract liabilities*

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

### (j) Employee benefits

#### (i) Retirement benefits scheme

The Group operates a number of defined contribution retirement schemes in Hong Kong. Contributions are made based on certain percentages of the employee's basic salaries.

The employees of the Group's subsidiaries established in the PRC are members of a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of these subsidiaries. The only obligation of these subsidiaries with respect to the central pension scheme is to meet the required contributions under the scheme.

The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (j) Employee benefits (Continued)

#### (ii) Short-term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of reporting period.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

### (k) Government subsidies

Government subsidies are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government subsidies that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

### (l) Taxation

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income tax.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (I) Taxation (Continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill not deductible for tax purposes, taxable temporary differences arising on investments in subsidiaries, associates and joint ventures where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, provided that the deductible temporary differences are not arises from initial recognition of assets and liabilities in a transaction other than in a business combination that affects neither taxable profit nor the accounting profit. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period, and reflects any uncertainty related to income taxes.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, deferred taxation in relation to the Group's investment properties has been measured based on the tax consequences of recovering the carrying amounts entirely through use.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (m) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- right-of-use assets;
- goodwill; and
- interests in subsidiaries and associates.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

Value in use is based on the estimated future cash flows expected to be derived from the asset or cash-generating units ("CGU"), discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 6. CRITICAL JUDGEMENTS AND KEY ESTIMATES

In applying the Group's accounting policies, which are described in Note 5 to the consolidated financial statements, the directors of the Company are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors of the Company have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

#### (a) *Deferred tax for investment properties*

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in the opinion of directors, all of the Group's investment properties which are depreciable are held within this business model. Accordingly, deferred taxation in relation to the Group's investment properties has been measured based on the tax consequences of recovering the carrying amounts entirely through use.

#### (b) *Significant increase in credit risk*

As explained in Note 5 to the consolidated financial statements, ECLs are measured as an allowance equal to 12-month ECLs for stage 1 assets, or lifetime ECLs for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 6. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

### Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### (a) Fair values of investment properties

The Group appointed an independent qualified professional valuer to assess the fair values of the investment properties. In determining the fair values, the independent qualified professional valuer has utilised valuation approaches which involve certain estimates. Management of the Group has exercised its judgement and is satisfied that the valuation approaches and inputs used are reflective of the current market conditions.

As at 31 December 2024, the carrying amount of investment properties was HK\$525,392,000 (2023: HK\$545,920,000).

Note 17 to the consolidated financial statements provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair values of the investment properties.

#### (b) Impairment assessment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and accumulated impairment losses, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (i) whether an event has occurred or any indicators that may affect the asset value; (ii) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (iii) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of CGU to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 December 2024, the carrying amounts of property, plant and equipment and right-of-use assets were HK\$1,541,635,000 (2023 (restated): HK\$1,483,444,000) and HK\$86,605,000 (2023: HK\$120,572,000) respectively.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 6. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

### Key sources of estimation uncertainty (Continued)

#### (c) *Impairment assessment of trade receivables*

Management of the Group estimates the amount of impairment loss for ECLs on trade receivables based on the credit risk of trade receivables. The amount of the impairment loss based on ECLs model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

As at 31 December 2024, the carrying amount of trade receivables is HK\$143,791,000 (net of allowance for credit losses of HK\$7,226,000) (2023: HK\$83,486,000 (net of allowance for credit losses of HK\$9,495,000)).

#### (d) *Provision for properties under development for sale and properties held for sale*

The Group performs regular reviews on the estimated net realisable values of the properties under development for sale and properties held for sale in order to assess if, when the estimated net realisable values declining below the corresponding carrying amounts, any provision for properties under development for sale and properties held for sale is required. Management of the Group has taken into account of the prevailing market conditions and internally available information and exercised considerable judgements in making these estimates.

Provision for properties under development for sale of HK\$10,957,000 (2023: HK\$4,342,000) and properties held for sale of HK\$1,664,000 (2023: HK\$3,758,000) were made for the year ended 31 December 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 7. REVENUE

	2024 HK\$'000	2023 HK\$'000
<b>Revenue from contracts with customers</b>		
Hospital fees and charges	1,581,036	1,521,859
Building management fees	2,783	—
Eldercare related services and sales of nutritions	36,682	36,178
Sales of properties	105	3,151
	<u>1,620,606</u>	<u>1,561,188</u>
<b>Revenue from other sources</b>		
Rental income	<u>6,593</u>	<u>7,636</u>
	<u>1,627,199</u>	<u>1,568,824</u>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 7. REVENUE (CONTINUED)

### (a) Disaggregation of revenue from contracts with customers

For the year ended 31 December 2024

Segments	Healthcare HK\$'000	Eldercare HK\$'000	Property development HK\$'000	Total HK\$'000
<b>Types of goods or services</b>				
Hospital fees and charges				
— Inpatient healthcare services	568,299	—	—	568,299
— Outpatient healthcare services	445,723	—	—	445,723
— Other healthcare services	27,541	—	—	27,541
— Physical examination services	111,952	—	—	111,952
— Sales of pharmaceutical	427,521	—	—	427,521
Building management fees	—	2,783	—	2,783
Eldercare related services	—	30,300	—	30,300
Sales of nutritions	—	6,382	—	6,382
Sales of properties	—	105	—	105
Total	1,581,036	39,570	—	1,620,606
<b>Timing of revenue recognition</b>				
At a point in time	844,549	15,854	—	860,403
Over time	736,487	23,716	—	760,203
Total	1,581,036	39,570	—	1,620,606

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 7. REVENUE (CONTINUED)

### (a) Disaggregation of revenue from contracts with customers (Continued)

For the year ended 31 December 2023

Segments	Healthcare HK\$'000	Eldercare HK\$'000	Property development HK\$'000	Total HK\$'000
<b>Types of goods or services</b>				
Hospital fees and charges				
— Inpatient healthcare services	543,533	—	—	543,533
— Outpatient healthcare services	448,295	—	—	448,295
— Other healthcare services	27,517	—	—	27,517
— Physical examination services	101,226	—	—	101,226
— Sales of pharmaceutical	401,288	—	—	401,288
Building management fees	—	—	—	—
Eldercare related services	—	28,643	—	28,643
Sales of nutritions	—	7,535	—	7,535
Sales of properties	—	3,026	125	3,151
Total	1,521,859	39,204	125	1,561,188
<b>Timing of revenue recognition (restated)</b>				
At a point in time	817,425	20,987	125	838,537
Over time	704,434	18,217	—	722,651
Total	1,521,859	39,204	125	1,561,188

All the revenue from contracts with customers are derived from the PRC.

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 7. REVENUE (CONTINUED)

### (a) Disaggregation of revenue from contracts with customers (Continued)

For the year ended 31 December 2024

	Healthcare HK\$'000	Eldercare HK\$'000	Property development HK\$'000
Revenue disclosed in segment information	1,581,036	41,827	—
Less: Rental income	—	(2,257)	—
Revenue from contracts with customers	1,581,036	39,570	—

For the year ended 31 December 2023

	Healthcare HK\$'000	Eldercare HK\$'000	Property development HK\$'000
Revenue disclosed in segment information	1,521,859	41,716	125
Less: Rental income	—	(2,512)	—
Revenue from contracts with customers	1,521,859	39,204	125

### (b) Transaction price allocated to the remaining performance obligation for contracts with customers

All the Group's contracts with customers in relation to healthcare services, eldercare related services, sales of pharmaceutical and nutritions and property development had an original expected duration of one year or less. The Group has applied the practical expedient in paragraph 121 of HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 8. 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 2024, 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 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.

The accounting policies of the operating and reportable segments are the same as the Group’s accounting policies described in Note 5 to the consolidated financial statements.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 8. SEGMENT INFORMATION (CONTINUED)

### 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 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	—	—	—	—	—	—	—
Revenue	1,581,036	41,827	—	4,336	—	—	1,627,199
Segment profit/(loss)	119,991	(46,334)	(4,000)	(8,363)	1,301	(1,762)	60,833
Unallocated:							
Other gains and losses, and other income							31,443
Net foreign exchange loss							(15,244)
Central corporate expenses							(20,028)
Finance costs							—
Profit before taxation							57,004

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 8. SEGMENT INFORMATION (CONTINUED)

### Segment revenue and results (Continued)

For the year ended 31 December 2023

	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	—	—	—	—	—	3,481	3,481
Revenue	1,521,859	41,716	125	5,124	—	—	1,568,824
Segment profit/(loss) (restated)	87,023	(43,275)	(2,065)	5,289	(2,189)	(2,009)	42,774
Unallocated:							
Other gains and losses, and other income							23,103
Net foreign exchange loss							(694)
Central corporate expenses							(24,341)
Finance costs							(37)
Profit before taxation (restated)							40,805

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 loss, central corporate expenses and certain finance costs.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 8. SEGMENT INFORMATION (CONTINUED)

### Segment assets and liabilities

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

*As at 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
Segment assets	1,906,411	667,677	52,184	200,499	621	5,223	2,832,615
Corporate assets							706,262
Consolidated assets							3,538,877
Segment liabilities	1,032,871	553,099	46,612	1,569	1,515	—	1,635,666
Corporate liabilities							8,382
Consolidated liabilities							1,644,048

*As at 31 December 2023*

	Healthcare HK\$'000 (restated)	Eldercare HK\$'000 (restated)	Property development HK\$'000	Property investment HK\$'000 (restated)	Financial services HK\$'000	Securities trading and investments HK\$'000	Consolidated HK\$'000 (restated)
Segment assets	1,865,838	687,982	47,346	211,476	133	6,922	2,819,697
Corporate assets							716,556
Consolidated assets							3,536,253
Segment liabilities	1,019,296	587,150	47,535	1,834	1,867	—	1,657,682
Corporate liabilities							6,926
Consolidated liabilities							1,664,608

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 8. SEGMENT INFORMATION (CONTINUED)

### Segment assets and liabilities (Continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating and reportable segments other than certain property, plant and equipment, certain right-of-use assets, financial assets at FVTPL, certain deposits, prepayments and other receivables and certain bank balances and cash.
- all liabilities are allocated to operating and reportable segments other than certain deposits, receipts in advance and accrued charges and certain lease liabilities.

### Other segment information

For the year ended 31 December 2024

	Healthcare	Eldercare	Property development	Property investment	Financial services	Securities trading and investments	Unallocated	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Amounts (credited)/charged included in the measure of segment results or segment assets								
Interest income	(1,049)	(5)	—	—	—	—	(31,443)	(32,497)
Derecognition of a right-of-use asset and a lease liability, net	(5,502)	—	—	—	—	—	—	(5,502)
Finance costs	12,209	16,900	—	5	—	—	—	29,114
Income tax expense/(credit)	25,848	(10,820)	—	—	—	—	—	15,028
Depreciation of property, plant and equipment	84,704	5,837	—	—	—	—	854	91,395
Depreciation of right-of-use assets	5,618	—	—	—	—	—	294	5,912
Additions to prepayments for acquisition of property, plant and equipment	10,374	—	—	—	—	—	—	10,374
Additions to property, plant and equipment	178,229	21	—	—	—	—	1,740	179,990
Loss on fair value of investment properties	—	6,241	—	10,680	—	—	—	16,921
Loss on fair value of investments held for trading	—	—	—	—	—	1,673	—	1,673
Provision for properties under development for sale	—	8,457	2,500	—	—	—	—	10,957
Provision for properties held for sale	—	1,163	501	—	—	—	—	1,664
Impairment loss on property, plant and equipment	—	1,368	—	—	—	—	—	1,368
Written-off of property, plant and equipment	16,404	—	—	—	—	—	—	16,404
Reversal of impairment loss of loan receivable	—	—	—	—	(500)	—	—	(500)
Written-off and provision/(reversal) for trade receivables	9,636	(87)	—	—	—	—	—	9,549
Provision for other receivables and deposits	1,310	—	—	—	—	—	—	1,310
Written-down of inventories	954	—	—	—	—	—	—	954
Forfeiture of rental deposit paid	1,580	—	—	—	—	—	—	1,580
Net foreign exchange loss	—	—	—	—	—	—	15,244	15,244



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 8. SEGMENT INFORMATION (CONTINUED)

### Other segment information (Continued)

For the year ended 31 December 2023

	Healthcare HK\$'000	Eldercare HK\$'000	Property development HK\$'000	Property investment HK\$'000	Financial services HK\$'000	Securities trading and investments HK\$'000	Unallocated HK\$'000	Total HK\$'000
Amounts (credited)/charged included in the measure of segment results or segment assets								
Interest income	(1,355)	(8)	—	(2)	—	—	(23,101)	(24,466)
Finance costs	30,846	16,919	—	5	—	—	37	47,807
Income tax expense	13,246	1,284	—	382	—	—	—	14,912
Depreciation of property, plant and equipment (restated)	77,404	6,177	—	—	—	—	112	83,693
Depreciation of right-of-use assets	6,822	—	—	—	—	—	2,302	9,124
Additions to prepayments for acquisition of property, plant and equipment	11,748	—	—	—	—	—	—	11,748
Additions to property, plant and equipment	201,256	262	—	—	—	—	390	201,908
Loss/(gain) on fair value of investment properties	—	4,533	—	(1,009)	—	—	—	3,524
Loss on fair value of investments held for trading	—	—	—	—	—	1,984	—	1,984
Recognition of impairment loss under ECLs model	3,494	283	—	—	—	—	—	3,777
Fair value gain on financial assets at FVTPL	—	—	—	—	—	—	(1,349)	(1,349)
Provision for properties under development for sale	—	2,998	1,344	—	—	—	—	4,342
Provision for properties held for sale	—	3,089	669	—	—	—	—	3,758
Written-off of property, plant and equipment	1,397	—	—	—	—	—	—	1,397
Net foreign exchange loss/(gain)	1,597	—	—	(279)	—	—	(694)	624

### Information about major customers

None of the customers has individually contributed to 10% or more of the total revenue of the Group for the years ended 31 December 2024 and 2023.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 8. SEGMENT INFORMATION (CONTINUED)

### Geographical information

The Group's securities trading and investments and financial services are mainly carried out in Hong Kong. The Group's operation in property investment is carried out in Hong Kong and the PRC. The Group's operations in property development, healthcare and eldercare are located in the PRC.

The Group's revenue from external customers and information about its non-current assets by geographical location of the customers and assets (where the investment properties, property, plant and equipment, right-of-use assets and prepayments for acquisition for property, plant and equipment are located) respectively are detailed below:

	Revenue from external customers		Non-current assets (Note)	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000 (restated)
The PRC	<b>1,622,863</b>	1,563,700	<b>1,978,251</b>	1,962,726
Hong Kong	<b>4,336</b>	5,124	<b>199,268</b>	210,608
	<b>1,627,199</b>	1,568,824	<b>2,177,519</b>	2,173,334

Note: Non-current assets excluded financial instruments.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 9. OTHER GAINS AND LOSSES, AND OTHER INCOME

	2024 HK\$'000	2023 HK\$'000
Loss on fair value of investments held for trading	(1,673)	(1,984)
Loss on fair value of investment properties	(16,921)	(3,524)
Net foreign exchange loss	(15,244)	(624)
Written-off and provision of trade receivables	(9,549)	(3,777)
Provision of other receivables and deposits	(1,310)	—
Written-down of inventories	(954)	—
Fair value gain on financial assets at FVTPL	—	1,349
Impairment loss on property, plant and equipment	(1,368)	—
Written-off of property, plant and equipment	(16,404)	(1,397)
Provision for properties under development for sale	(10,957)	(4,342)
Provision for properties held for sale	(1,664)	(3,758)
Government subsidies (Note)	7,577	10,125
Interest income from bank deposits	32,497	24,466
Sale of vision-aid products	1,837	4,931
Clinical training services	4,124	4,812
Subcontracting income from car parking spaces and canteen	391	432
Rental income from shopping and other areas of the hospitals	3,680	1,640
Forfeiture of customers' deposits and claims from suppliers	—	1,194
Forfeiture of rental deposit paid	(1,580)	—
Derecognition of a right-of-use asset and a lease liability, net	5,502	—
Other sundry income	2,467	4,206
	<b>(19,549)</b>	<b>33,749</b>

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.

## 10. FINANCE COSTS

The finance costs represent interest as follows:

	2024 HK\$'000	2023 HK\$'000
Interest on:		
Bank and other borrowings	31,889	44,460
Lease liabilities	2,344	3,347
	<b>34,233</b>	<b>47,807</b>
Less: Interest capitalised	(5,119)	—
	<b>29,114</b>	<b>47,807</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 11. BENEFITS AND INTERESTS OF DIRECTORS

### (a) Directors' emoluments

The emoluments paid to or received by each of the directors and the chief executive whether of the Company or its subsidiary undertaking are as follows:

Name of directors	For the year ended 31 December 2024			
	Directors' fees	Salaries and other benefits	Retirement benefits scheme contributions	Total emoluments
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Executive directors (Note (a))</b>				
Mr. Kong Muk Yin	—	2,080	18	2,098
Mr. Guo Meibao	—	1,437	150	1,587
Mr. Zhou Haiying (Note (d))	—	—	—	—
<b>Non-executive directors (Note (b))</b>				
Mr. Gao Zhaoyuan (Note (e))	150	—	—	150
Mr. Lee Seng Hui (Note (f))	150	—	—	150
Mr. Mark Wong Tai Chun (Note (g))	150	—	—	150
Ms. Zhang Yuanyuan (Note (h))	—	—	—	—
<b>Independent non-executive directors (Note (c))</b>				
Mr. Zhang Jian (Note (i))	150	—	—	150
Dr. Xia Xiaoning	150	—	—	150
Dr. Wong Wing Kuen, Albert	180	—	—	180
Ms. Yang Lai Sum, Lisa	150	—	—	150
Mr. Cao Dan (Note (j))	1	—	—	1
	<b>1,081</b>	<b>3,517</b>	<b>168</b>	<b>4,766</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 11. BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

### (a) Directors' emoluments (Continued)

Name of directors	For the year ended 31 December 2023			
	Directors' fees	Salaries and other benefits	Retirement benefits scheme contributions	Total emoluments
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Executive directors (Note (a))</b>				
Ms. Chong Sok Un (Note (k))	—	347	15	362
Mr. Kong Muk Yin	—	2,050	18	2,068
Mr. Guo Meibao	—	1,444	153	1,597
Mr. Zhou Haiying (Note (d))	—	—	—	—
<b>Non-executive directors (Note (b))</b>				
Mr. Lai Hin Wing Henry Stephen (Note (l))	117	—	—	117
Mr. Gao Zhaoyuan (Note (e))	150	—	—	150
Mr. Lee Seng Hui (Note (f))	34	—	—	34
Mr. Mark Wong Tai Chun (Note (g))	34	—	—	34
<b>Independent non-executive directors (Note (c))</b>				
Mr. Zhang Jian (Note (i))	150	—	—	150
Dr. Xia Xiaoning	150	—	—	150
Dr. Wong Wing Kuen, Albert	180	—	—	180
Ms. Yang Lai Sum, Lisa	150	—	—	150
	<u>965</u>	<u>3,841</u>	<u>186</u>	<u>4,992</u>

Notes:

- (a) The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.
- (b) The non-executive directors' emoluments shown above were mainly for the service as directors of the Company.
- (c) The independent non-executive directors' emoluments shown above were mainly for their service as directors of the Company.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 11. BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

### (a) Directors' emoluments (Continued)

Notes: (Continued)

- (d) Under the service agreements for Mr. Zhou Haiying, he will not receive the director's remuneration.
- (e) Mr. Gao Zhaoyuan will not receive the director's remuneration with effect from 1 January 2025.
- (f) Mr. Lee Seng Hui was appointed as non-executive director on 10 October 2023. He will not receive the director's remuneration with effect from 1 January 2025.
- (g) Mr. Mark Wong Tai Chun was appointed as non-executive director on 10 October 2023. He will not receive the director's remuneration with effect from 1 January 2025.
- (h) Ms. Zhang Yuanyuan ("Ms. Zhang") was appointed as non-executive director on 30 December 2024. Under the letter of appointment for Ms. Zhang, she will not receive the director's remuneration.
- (i) Mr. Zhang Jian resigned as independent non-executive director on 30 December 2024.
- (j) Mr. Cao Dan was appointed as independent non-executive director on 30 December 2024.
- (k) Ms. Chong Sok Un resigned as executive director on 5 October 2023.
- (l) Mr. Lai Hin Wing Henry Stephen resigned as non-executive director on 10 October 2023.

Mr. Guo Meibao and Mr. Kong Muk Yin are also the chief executives of the Company and their emoluments disclosed above include those for services rendered by them as the chief executives during the years.

Neither the chief executives nor any of the directors of the Company waived any emoluments during the years ended 31 December 2024 and 2023.

### (b) Directors' material interests in transactions, arrangements or contracts

Except as disclosed in Note 41 to the consolidated financial statements, no other significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 12. FIVE HIGHEST PAID INDIVIDUALS

During the year, the five highest paid individuals in the Group included two (2023: two) directors of the Company, details of whose emoluments are set out in Note 11 to the consolidated financial statements. The emoluments for the remaining three (2023: three) highest paid individuals are as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries and other benefits	3,081	6,618
Discretionary bonus	722	637
Retirement benefits scheme contributions	420	598
	<u>4,223</u>	<u>7,853</u>

The emoluments fell within the following bands:

	Number of individuals	
	2024	2023
HK\$1,000,001 to HK\$1,500,000	2	1
HK\$1,500,001 to HK\$2,000,000	<u>1</u>	<u>2</u>

## 13. INCOME TAX EXPENSE

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

	2024 HK\$'000	2023 HK\$'000
Current tax		
Corporate income tax ("CIT") in the PRC	25,848	14,136
Land appreciation tax ("LAT") in the PRC	—	151
(Over)/under-provision in prior years	<u>(10,820)</u>	<u>790</u>
	<u>15,028</u>	<u>15,077</u>
Deferred tax (Note 34)		
Origination and reversal of temporary differences	<u>—</u>	<u>(165)</u>
	<u>15,028</u>	<u>14,912</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 13. INCOME TAX EXPENSE (CONTINUED)

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 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.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 13. INCOME TAX EXPENSE (CONTINUED)

The taxation for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss as follows:

	2024 HK\$'000	2023 HK\$'000 (restated)
Profit before taxation	57,004	40,805
Tax at the domestic income tax rate of 16.5%	9,406	6,732
Tax effect of expenses that are not deductible	10,292	6,158
Tax effect of income that is not taxable	(6,567)	(5,466)
Tax effect of utilisation of tax losses not previously recognised	(25,388)	(20,675)
Tax effect of tax losses not recognised	31,867	23,206
Tax effect of LAT	—	113
(Over)/under-provision in prior years	(10,820)	790
Effect of different tax rates of subsidiaries	6,238	4,054
Income tax expense	15,028	14,912

## 14. PROFIT FOR THE YEAR

Profit for the year is stated after charging the following:

	2024 HK\$'000	2023 HK\$'000 (restated)
Auditor's remuneration	2,058	1,925
Depreciation of property, plant and equipment	91,395	83,693
Depreciation of right-of-use assets	5,912	9,124
Written-off of property, plant and equipment	16,404	1,397
Impairment loss on property, plant and equipment	1,368	—
Employee benefits expense (including Directors' emoluments)	573,972	564,219
Direct operating expenses of investment properties that generated rental income	218	216
Direct operating expenses of investment properties that did not generate rental income	664	481
Cost of inventories sold and properties held for sale recognised as an expense (included in cost of goods and services)	633,664	636,623

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 15. DIVIDENDS

Dividends attributable to the year:

	2024 HK\$'000	2023 HK\$'000
Final dividend of HK2 cents (2023: HK1 cent) per ordinary share	21,696	10,860

Subsequent to the end of the reporting period, the Board has recommended a final dividend of HK2 cents per share for the year ended 31 December 2024 (2023: HK1 cent per share).

The final dividend proposed after the reporting date for the year ended 31 December 2024 is subject to shareholders' approval at the forthcoming annual general meeting and has not been recognised as a liability as at 31 December 2024.

## 16. EARNINGS PER SHARE

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

	2024 HK\$'000	2023 HK\$'000 (restated)
<b>Profit</b>		
Profit for the purpose of calculating basic earnings per share for the year attributable to owners of the Company	28,773	14,678
	2024	2023
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	1,086,000,827	923,826,274

The calculation of the basic earnings per share is based on the profit for the year attributable to owners of the Company of HK\$28,773,000 (2023 (restated): HK\$14,678,000), and the weighted average number of 1,086,000,827 ordinary shares, which is adjusted to reflect the effect of the shares repurchased during the year (2023: 923,826,274 ordinary shares).

No diluted earnings per share has been presented as there were no potential dilutive shares outstanding for the years ended 31 December 2024 and 2023.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 17. INVESTMENT PROPERTIES

	Completed investment properties HK\$'000
<b>Fair value</b>	
As at 1 January 2023	557,089
Decrease in fair value recognised in profit or loss	(3,524)
Exchange differences	(7,645)
	<hr/>
As at 31 December 2023 and 1 January 2024	545,920
Decrease in fair value recognised in profit or loss	(16,921)
Exchange differences	(3,607)
	<hr/>
As at 31 December 2024	<b>525,392</b>

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

Details of pledged investment properties are set out in Note 38 to the consolidated financial statements.

### Valuation processes

The Group measures its investment properties at fair value as at 31 December 2024 and 2023. The investment properties were revalued by Norton Appraisals Holdings Limited ("Norton Appraisals"), being an independent qualified professional valuer not related to the Group.

The Group's management is responsible for the review of the valuations performed by Norton Appraisals for financial reporting purposes and reports directly to the Board of Directors of the Company. Discussions of valuation processes and results are held between management of the Group and Norton Appraisals at least once a year, in line with the Group's annual reporting date.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 17. INVESTMENT PROPERTIES (CONTINUED)

### Valuation processes (Continued)

At each financial year end, management of the Group:

- Verifies all major inputs to the independent valuation reports
- Assesses property valuation movements when compared to the prior year valuation reports
- Holds discussions with Norton Appraisals

### Valuation techniques

The fair values of investment properties were derived from:

- (i) investment approach, the market value of these properties are the aggregate of its term value, which is calculated by capitalised the existing rent for its unexpired term of the contractual tenancy and its reversionary value, which derives from the capitalised current market rent arise from lease renewal or new letting or from the disposal based on the current market price; or
- (ii) direct comparison approach, assuming these properties are capable of being sold in their existing states and on a strata-titled basis with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant markets.

All of the fair value measurements of the Group's investment properties were categorised into Level 3 of the fair value hierarchy.

There were no transfers into or out of Level 3 during the years.

There was no change in the valuation techniques used during the years.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 17. INVESTMENT PROPERTIES (CONTINUED)

### Valuation techniques (Continued)

#### Information about recurring fair value measurements using significant unobservable inputs (Level 3)

The following table shows the valuation techniques used in the determination of fair values for investment properties and key unobservable inputs used in the valuation models:

	Fair value HK\$'000	Valuation techniques	Unobservable inputs	Range/weighted average of significant inputs	Effect on fair value for increase of inputs
<b>As at 31 December 2024</b>					
Industrial property units located in Hong Kong	<b>176,700</b>	Investment approach	(i) Capitalisation rate (ii) Monthly market rent per square feet	3.00%–3.40% HK\$14–HK\$16 per square feet	Decrease Increase
Land in Hong Kong	<b>16,900</b>	Direct comparison approach	Market unit rate	HK\$193–HK\$355 per square feet	Increase
Residential property units located in the PRC	<b>3,730</b>	Investment approach	(i) Capitalisation rate (ii) Monthly market rent per square feet	4.25%–4.75% Renminbi ("RMB") 14–RMB22 per square meter	Decrease Increase
Commercial and residential property units located in the PRC	<b>328,062</b>	Investment approach	(i) Capitalisation rate (ii) Monthly market rent per square meter	4.00%–4.30% RMB26–RMB34 per square meter	Decrease Increase
	<b>525,392</b>				

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 17. INVESTMENT PROPERTIES (CONTINUED)

### Valuation techniques (Continued)

**Information about recurring fair value measurements using significant unobservable inputs (Level 3) (Continued)**

	Fair value HK\$'000	Valuation techniques	Unobservable inputs	Range/weighted average of significant inputs	Effect on fair value for increase of inputs
<u>As at 31 December 2023</u>					
Industrial property units located in Hong Kong	188,100	Investment approach	(i) Capitalisation rate (ii) Monthly market rent per square feet	2.70%–3.30% HK\$14.99–HK\$16.37 per square feet	Decrease Increase
Land in Hong Kong	15,800	Direct comparison approach	Market unit rate	HK\$230–HK\$340 per square feet	Increase
Residential property units located in the PRC	4,020	Investment approach	(i) Capitalisation rate (ii) Monthly market rent per square feet	4.63% Renminbi ("RMB") 15–RMB23 per square meter	Decrease Increase
Commercial and residential property units located in the PRC	338,000	Investment approach	(i) Capitalisation rate (ii) Monthly market rent per square meter	4.00%–4.25% RMB27–RMB55 per square meter	Decrease Increase
	<u>545,920</u>				



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 18. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings in Hong Kong HK\$'000	Leasehold improvement HK\$'000	Hospital buildings in the PRC HK\$'000	Other buildings in the PRC HK\$'000	Construction in progress HK\$'000	Computer, medical and electronic equipment HK\$'000	Furniture and fixtures HK\$'000	Office equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
<b>COST</b>										
As at 1 January 2023 (restated)	3,905	16,857	1,327,718	222,468	118,713	467,152	27,363	21,474	3,887	2,209,537
Additions	—	—	35,138	77	78,568	83,998	3,233	894	—	201,908
Transfer from properties held for sale	—	—	—	3,914	—	—	—	—	—	3,914
Transfers	—	22,994	6,733	—	(30,572)	845	—	—	—	—
Written-off	—	—	—	—	—	(20,212)	(431)	(483)	(325)	(21,451)
Exchange differences (restated)	—	(609)	(33,042)	(3,622)	(3,091)	(10,828)	(545)	(471)	(81)	(52,289)
As at 31 December 2023 and 1 January 2024 (restated)	3,905	39,242	1,336,547	222,837	163,618	520,955	29,620	21,414	3,481	2,341,619
Additions	—	1,740	—	—	146,683	30,803	305	337	122	179,990
Transfers	—	—	21,214	—	(21,214)	—	—	—	—	—
Written-off	—	(17,458)	—	—	—	(18,353)	(8)	(177)	—	(35,996)
Exchange differences	—	(232)	(6,285)	(2,662)	(3,645)	(4,187)	(147)	(234)	(39)	(17,431)
<b>As at 31 December 2024</b>	<b>3,905</b>	<b>23,292</b>	<b>1,351,476</b>	<b>220,175</b>	<b>285,442</b>	<b>529,218</b>	<b>29,770</b>	<b>21,340</b>	<b>3,564</b>	<b>2,468,182</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold land and buildings in Hong Kong HK\$'000	Leasehold improvement HK\$'000	Hospital buildings in the PRC HK\$'000	Other buildings in the PRC HK\$'000	Construction in progress HK\$'000	Computer, medical and electronic equipment HK\$'000	Furniture and fixtures HK\$'000	Office equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
<b>ACCUMULATED</b>										
<b>DEPRECIATION AND IMPAIRMENT</b>										
As at 1 January 2023 (restated)	1,499	1,181	499,850	54,115	—	225,959	19,121	10,695	2,862	815,282
Provided for the year (restated)	100	1,887	35,051	7,212	—	36,142	1,975	943	383	83,693
Written-off	—	—	—	—	—	(18,877)	(408)	(460)	(309)	(20,054)
Exchange differences (restated)	—	(37)	(13,489)	(1,496)	—	(5,070)	(353)	(238)	(63)	(20,746)
As at 31 December 2023 and 1 January 2024 (restated)	1,599	3,031	521,412	59,831	—	238,154	20,335	10,940	2,873	858,175
Provided for the year	100	2,076	36,544	10,413	—	39,104	1,764	977	417	91,395
Impairment	—	—	—	—	—	—	1,368	—	—	1,368
Written-off	—	(2,684)	—	—	—	(16,741)	(7)	(160)	—	(19,592)
Exchange differences	—	(149)	(437)	(715)	—	(3,184)	(150)	(128)	(36)	(4,799)
<b>As at 31 December 2024</b>	<b>1,699</b>	<b>2,274</b>	<b>557,519</b>	<b>69,529</b>	<b>—</b>	<b>257,333</b>	<b>23,310</b>	<b>11,629</b>	<b>3,254</b>	<b>926,547</b>
<b>CARRYING AMOUNTS</b>										
<b>As at 31 December 2024</b>	<b>2,206</b>	<b>21,018</b>	<b>793,957</b>	<b>150,646</b>	<b>285,442</b>	<b>271,885</b>	<b>6,460</b>	<b>9,711</b>	<b>310</b>	<b>1,541,635</b>
As at 31 December 2023 (restated)	2,306	36,211	815,135	163,006	163,618	282,801	9,285	10,474	608	1,483,444



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The construction in progress represents hospital buildings and elderly nursing home under construction which are situated in the PRC.

Details of pledged property, plant and equipment are set out in Note 38 to the consolidated financial statements.

During the year ended 31 December 2023, properties held for sale with a carrying amount of HK\$3,914,000 were transferred to property, plant and equipment upon the change in use. No such transfer was made in 2024.

## 19. RIGHT-OF-USE ASSETS

	Leasehold land HK\$'000	Leased properties HK\$'000	Total HK\$'000
As at 1 January 2023	88,410	41,746	130,156
Additions	2,267	—	2,267
Depreciation	(2,009)	(7,115)	(9,124)
Exchange differences	(1,922)	(805)	(2,727)
As at 31 December 2023 and 1 January 2024	86,746	33,826	120,572
Additions	—	3,487	3,487
Depreciation	(1,997)	(3,915)	(5,912)
Derecognition	—	(30,622)	(30,622)
Exchange differences	(911)	(9)	(920)
<b>As at 31 December 2024</b>	<b>83,838</b>	<b>2,767</b>	<b>86,605</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 19. RIGHT-OF-USE ASSETS (CONTINUED)

	2024 HK\$'000	2023 HK\$'000
Depreciation expenses on right-of-use assets	5,912	9,124
Interest expense on lease liabilities (included in finance costs)	2,344	3,347
Expenses relating to short-term lease (included in cost of goods and services and administrative expenses)	8,097	2,854

Details of total cash outflow for leases is set out in Note 46(b) to the consolidated financial statements.

For both years, the Group leases various offices and a commercial premise for its operations. Lease contracts are entered into for fixed term ranged from 2 years to 3 years (2023: 2 years to 10 years). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns several office, hospitals and commercial buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

### Restrictions or covenants on leases

In addition, lease liabilities of HK\$2,825,000 (2023: HK\$38,582,000) are recognised with related right-of-use assets of HK\$2,767,000 (2023: HK\$33,826,000) as at 31 December 2024. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 20. INTERESTS IN ASSOCIATES

	2024 HK\$'000	2023 HK\$'000
Unlisted investments:		
Shares of net assets	—	—

At the end of the reporting period, the Group had interests in the following associates:

Name of entity	Form of business structure	Country/ place of incorporation/ registration	Principal place of operation	Class of share held	Number of shares/ paid-up capital held by the Group as at 31 December 2024	Proportion of nominal value of issued capital held by the Group		Proportion of voting power held		Principal activities
						2024	2023	2024	2023	
						%	%	%	%	
Printronic Electronics Limited (Note)	Incorporated	Hong Kong	Hong Kong	Ordinary	2 (2023: 2)	40	40	40	40	Inactive
Jiaozuo Tongren Medical Industry Company Limited (焦作同仁醫療實業有限公司)	Incorporated	The PRC	The PRC	Registered	RMB13,000,000 (2023: RMB13,000,000)	21.67	21.67	21.67	21.67	Ceased business

Note: As at 12 December 2024, Printronics Electronics Limited applied the process of the deregistration and the process is not completed.

None of the associates is material to the Group.

## 21. FINANCIAL ASSETS AT FVTPL

	2024 HK\$'000	2023 HK\$'000
Financial assets designated at FVTPL:		
Club debentures	2,151	2,151

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 22. GOODWILL

	2024 HK\$'000	2023 HK\$'000
<b>Cost</b>		
As at 1 January	31,002	31,690
Exchange differences	(337)	(688)
As at 31 December	30,665	31,002
<b>Accumulated impairment losses</b>		
As at 1 January	31,002	31,690
Exchange differences	(337)	(688)
As at 31 December	30,665	31,002
<b>Carrying amount</b>		
As at 31 December	—	—

Goodwill acquired in a business combination is allocated, at acquisition, to the CGU of the Group's business of the provision of eldercare and health services on the retirement community (the "Eldercare and Health Services CGU"), that is expected to benefit from that business combination.

Given the unsatisfactory financial performance of the Eldercare and Health Services CGU for the year ended 31 December 2021, the cash flow forecasts under the valuation of Eldercare and Health Services CGU as at 31 December 2020, in particular, for the operation of the nursing hospital (Shanghai Deyi Nursing Hospital ("SDH")) were not achieved; anticipating that SDH requires additional time to operate at its full capacity for phase one of SDH; and due to a delay in the development of phase two of SDH, accordingly the Group had revised its cash flow forecasts for the Eldercare and Health Services CGU and the goodwill was fully impaired as at 31 December 2021.

## 23. INVENTORIES

	2024 HK\$'000	2023 HK\$'000
Medicines	33,304	35,966
Medical consumables	11,725	12,786
	45,029	48,752



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 24. PROPERTIES UNDER DEVELOPMENT FOR SALE AND PROPERTIES HELD FOR SALE

### Properties under development for sale

	2024 HK\$'000	2023 HK\$'000
As at 1 January	177,973	185,606
Provision	(10,957)	(4,342)
Exchange differences	(1,602)	(3,291)
As at 31 December	165,414	177,973
Properties under development for sale of which:		
— expected to be realised over 12 months	165,414	177,973

The properties under development for sale of the Group are situated in the PRC.

A provision of properties under development for sale of HK\$10,957,000 (2023: HK\$4,342,000) was made for the year ended 31 December 2024.

Details of pledged properties under development for sale are set out in Note 38 to the consolidated financial statements.

### Properties held for sale

The Group's properties held for sale are situated in the PRC. All the properties held for sale are stated at lower of cost and net realisable values. In the opinion of the directors of the Company, properties held for sale are expected to be realised within 12 months.

A provision for properties held for sale of HK\$1,664,000 (2023: HK\$3,758,000) was made for the year ended 31 December 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 25. INVESTMENTS HELD FOR TRADING

Investments held for trading include:

	2024 HK\$'000	2023 HK\$'000
Equity securities, at fair value:		
— Listed in Hong Kong	3,593	4,949
— Listed in Australia	1,059	1,236
— Listed in the Philippines	299	439
	<b>4,951</b>	<b>6,624</b>

The carrying amounts of the above financial assets are measured at FVTPL in accordance with HKFRS 9.

The investments included above represent investments in listed equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate.

The carrying amounts of the Group's investments held for trading are denominated in the following currencies:

	2024 HK\$'000	2023 HK\$'000
HK\$	3,593	4,949
Australian dollars ("AUD")	1,059	1,236
Philippine Pesos ("PHP")	299	439
	<b>4,951</b>	<b>6,624</b>

The fair values of listed securities are based on current bid prices.

Details of pledged investments held for trading are set out in Note 38 to the consolidated financial statements.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 26. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2024 HK\$'000	2023 HK\$'000
Trade receivables:		
Trade receivables arising from hospital operation and eldercare related services operation	150,141	92,105
Debtor from financial services	876	876
	151,017	92,981
Less: Allowance for credit losses	(7,226)	(9,495)
	143,791	83,486
Deposits, prepayments and other receivables:		
Prepayments, other debtors and deposits	29,324	45,100
Deposits with and receivables from the financial institutions	763	262
	30,087	45,362
Less: Allowance for credit losses	(1,295)	(5,278)
	28,792	40,084

As at 31 December 2024 and 2023, trade receivables from contracts with customers amounted to HK\$150,141,000 and HK\$92,105,000 respectively.

The settlement terms of debtors from leasing of properties are before the 16th of each month (2023: 16th of each month) and they are aged more than 90 days (2023: 90 days).

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 26. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

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

	2024 HK\$'000	2023 HK\$'000
0–30 days	109,664	55,621
31–60 days	10,110	12,366
61–90 days	5,243	2,460
91–365 days	16,055	18,217
More than 365 days	9,069	3,441
	<b>150,141</b>	<b>92,105</b>

As at 31 December 2024, included in the Group's trade receivables balance are receivables with aggregate carrying amount of HK\$30,367,000 (2023: HK\$24,118,000) which are past due as at the reporting date. Out of the past due balances, HK\$25,124,000 (2023: HK\$21,658,000) has been past due 30 days or more and is not considered as in default because the receivables were related to a number of independent customers that have good repayment records with the Group.

Details of impairment assessment of debtors are set out in Notes 44(c)(i) and 44(c)(ii) to the consolidated financial statements.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 27. LOAN RECEIVABLE

	2024 HK\$'000	2023 HK\$'000
Fixed-rate loan	94,715	95,215
Less: Allowance for credit losses	(94,715)	(95,215)
	—	—

The balance represents secured loan from a subsidiary of the Company (the "Subsidiary") as lender, to an independent third party corporate borrower, the shares of which were listed on the Stock Exchange (the "Borrower"). The loan is secured by (i) a debenture created by the chargor, a wholly owned subsidiary of the Borrower (the "Chargor") in favour of the Subsidiary by way of a first fixed and floating charge over all the undertaking, property and assets of the Chargor; (ii) a share mortgage in favour of the Subsidiary by way of a first fixed mortgage of the 75% of the entire issued share capital of the Chargor; (iii) an additional deed of assignment of shareholder's loan owed by another non-wholly-owned subsidiary of the Borrower and held by the Borrower; and (iv) a deed of assignment of shareholder's loan owed by Chargor and held by the Borrower.

During the year ended 31 December 2024, the Group recovered an aggregate amount of HK\$500,000 from the sales of the pledged securities under enforcement of the loan receivable by the Receivers, and therefore the Group recognised a reversal of impairment loss for loan receivable of HK\$500,000.

Details of impairment assessment are set out in Note 44(c)(iii) to the consolidated financial statements.

As at 31 December 2024, based on the assessment of the directors of the Company, the loan receivable is not expected to be settled within the next 12 months and therefore classified as a non-current asset.

## 28. PLEDGED BANK DEPOSITS, RESTRICTED BANK DEPOSITS AND BANK BALANCES AND CASH

	2024 HK\$'000	2023 HK\$'000
Pledged bank deposits	—	32,984
Restricted bank deposits	7,518	136
Bank balances and cash	885,428	890,266
	892,946	923,386

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 28. PLEDGED BANK DEPOSITS, RESTRICTED BANK DEPOSITS AND BANK BALANCES AND CASH (CONTINUED)

Pledged bank deposits, restricted bank deposits, and bank balances of the Group carry interest at market rates per annum at the end of the reporting period are as follows:

	2024	2023
Pledged bank deposits	—	1.3%–2.3%
Restricted bank deposits	0.1%–0.95%	0.25%
Bank balances	0.01%–4.78%	0.01%–5.35%

The carrying amounts of the Group's pledged bank deposits, restricted bank deposits, and bank balances and cash are denominated in the following currencies:

	2024 HK\$'000	2023 HK\$'000
HK\$	536,590	540,066
USD	26,467	25,179
AUD	135,600	142,644
RMB	194,289	215,492
PHP	—	5
	892,946	923,386

The Group's pledged bank deposits represent deposits pledged to secure certain bills payable and borrowings of the Group as set out in Note 38 to the consolidated financial statements. These deposits are subject to regulatory restrictions and are therefore not available for general use by the Group.

The Group's restricted bank deposits of HK\$7,065,000 represent deposits placed in a designated bank account which could only be used in the designated legal case as a deposit.

Bank balances and cash comprise cash at bank earns interest at floating rates based on daily bank deposits rates. Short-term bank deposits are placed with banks with original maturity of three months or less.

As at 31 December 2024, pledged bank deposits, restricted bank deposits and bank balances and cash of the Group in the PRC denominated in RMB amounted to HK\$194,269,000 (2023: HK\$215,436,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

Details of impairment assessment are set out in Note 44(c)(iv) to the consolidated financial statements.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 29. TRADE PAYABLES, DEPOSITS, RECEIPTS IN ADVANCE AND ACCRUED CHARGES

	2024 HK\$'000	2023 HK\$'000
Trade payables of hospital operation, of eldercare related services operation and to construction contractors	<b>133,439</b>	162,798
Deposits, receipt in advance and accrued charges:		
Bills payable	<b>50,000</b>	64,725
Accrued compensation for late delivery of properties held for sale	—	5,861
Accrued construction costs for properties under development for sale and properties held for sale	<b>28,837</b>	30,677
Construction cost payable for hospital buildings classified as property, plant and equipment	<b>109,567</b>	126,713
Deposits and receipts in advance	<b>52,353</b>	64,267
Dividend payables	<b>1,005</b>	—
Other payables and accrued charges	<b>208,349</b>	193,158
	<b>450,111</b>	485,401

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 29. TRADE PAYABLES, DEPOSITS, RECEIPTS IN ADVANCE AND ACCRUED CHARGES (CONTINUED)

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:

	2024 HK\$'000	2023 HK\$'000
0–30 days	59,973	84,168
31–60 days	38,855	32,773
61–90 days	8,154	15,794
91–365 days	13,767	21,711
More than one year but not exceeding two years	9,405	1,452
More than two years but not exceeding five years	3,285	6,900
	<b>133,439</b>	<b>162,798</b>

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

	2024 HK\$'000	2023 HK\$'000
91–365 days	50,000	64,725



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 30. LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Within one year	1,653	6,398	1,543	3,389
More than one year but not exceeding two years	1,241	6,635	1,214	3,917
More than two years but not exceeding five years	70	20,320	68	14,244
More than five years	—	19,159	—	17,032
	<b>2,964</b>	52,512	<b>2,825</b>	38,582
Less: Future finance charges	<b>(139)</b>	(13,930)	<b>N/A</b>	N/A
Present value of lease obligations	<b>2,825</b>	38,582	<b>2,825</b>	38,582
Less: Amount due for settlement within 12 months (shown under current liabilities)			<b>(1,543)</b>	(3,389)
Amount due for settlement after 12 months			<b>1,282</b>	35,193

The Group's weighted average incremental borrowing rates applied to lease liabilities range from 4% to 6% (2023: 3% to 8%).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 30. LEASE LIABILITIES (CONTINUED)

The carrying amount of the Group's lease liabilities is denominated in the following currencies:

	2024 HK\$'000	2023 HK\$'000
HK\$	1,957	—
RMB	868	38,582
	<b>2,825</b>	<b>38,582</b>

## 31. CONTRACT LIABILITIES

	2024 HK\$'000	2023 HK\$'000
Billings in advance of performance obligation — Healthcare and eldercare services	<b>75,965</b>	61,963
Analysed as:		
Current liabilities	<b>70,098</b>	53,859
Non-current liabilities	<b>5,867</b>	8,104
	<b>75,965</b>	<b>61,963</b>

Contract liabilities relating to healthcare and eldercare services are balances of advance payment from customers before the service commences, this will give rise to contract liabilities at the start of the relevant services, until the revenue is recognised and the services rendered for the period ranging from one month to three years. The Group typically receives the advance payment based on the estimated fee quote on admission of customers.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 31. CONTRACT LIABILITIES (CONTINUED)

Movements in contract liabilities:

	2024 HK\$'000	2023 HK\$'000
As at 1 January	61,963	51,020
Decrease in contract liabilities as a result of recognising revenue during the year was included in the contract liabilities at the beginning of the year	(56,095)	(40,546)
Increase in contract liabilities as a result of receiving advance payment from customers	70,740	52,803
Exchange differences	(643)	(1,314)
As at 31 December	75,965	61,963

## 32. AMOUNT DUE TO AN ASSOCIATE

The amount due is unsecured, interest-free and repayable on demand.

## 33. BORROWINGS

The following table provides an analysis of the borrowings:

	2024 HK\$'000	2023 HK\$'000
Bank borrowings, secured	35,123	82,930
Bank borrowings, unsecured	395,050	355,692
Term loans, unsecured	403,210	321,428
	833,383	760,050

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 33. BORROWINGS (CONTINUED)

The carrying amounts of the Group's bank and other borrowings are repayable as follows:

	2024 HK\$'000	2023 HK\$'000
Within one year	390,817	312,561
More than one year but not exceeding two years	442,566	122,587
More than two years but not exceeding five years	—	324,902
	<b>833,383</b>	760,050
Less: Amount due for settlement within 12 months (shown under current liabilities)	<b>(390,817)</b>	(312,561)
Amount due for settlement after 12 months	<b>442,566</b>	447,489

As at 31 December 2024, the Group's bank and other borrowings are secured by certain assets of the Group and corporate guarantee given by the Company and certain subsidiaries of the Group. Details of pledged assets are set out in Note 38 to the consolidated financial statements.

The Group has not breached the financial covenants of any interest-bearing borrowings for the years ended 31 December 2024 and 2023.

All borrowings are denominated in RMB.

Bank borrowings and term loans of HK\$330,485,000 (2023: HK\$254,153,000) and HK\$403,210,000 (2023: HK\$321,428,000) respectively are arranged at fixed interest rates and expose the Group to fair value interest rate risk. The remaining bank borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

The directors of the Company estimate that the carrying amounts of the Group's borrowings are not materially different from their fair values as at 31 December 2024 and 2023.

### Effect of covenants

As at 31 December 2024, included in the Group's non-current loans and borrowings of HK\$442,566,000, there is a secured borrowing from a bank amounted to HK\$16,304,000 (2023: nil) which is repayable on 25 November 2026. The contract includes a covenant that requires one of the subsidiaries' debt-to-asset ratio, being total liabilities divided by the total assets, to remain below 90%. The loan would become repayable on demand if the covenant is not met. The subsidiary met the covenant requirement as at 31 December 2024 and the borrowing is classified as a non-current liability.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 34. DEFERRED TAX LIABILITIES

The following are the deferred tax liabilities recognised and movements thereon during the current and prior years:

	Revaluation of leasehold land and buildings HK\$'000 (restated)	Withholding tax in respect of undistributed earnings of PRC subsidiaries HK\$'000	Fair value adjustment on business combination HK\$'000	Total HK\$'000 (restated)
As at 1 January 2023	—	1,427	27,976	29,403
Charge to profit or loss (Note 13)	—	—	(165)	(165)
Exchange differences	—	(31)	(257)	(288)
As at 31 December 2023 and 1 January 2024	—	1,396	27,554	28,950
Exchange differences	—	—	(313)	(313)
As at 31 December 2024	—	<b>1,396</b>	<b>27,241</b>	<b>28,637</b>

As at 31 December 2024, the Group had estimated unused tax losses of HK\$2,198 million (2023: HK\$2,017 million) available for offset against future profits. No deferred tax asset has been recognised in respect of estimated tax losses due to the unpredictability of future profit streams. The estimated unused tax losses of HK\$1,820 million (2023: HK\$1,802 million) may be carried forward indefinitely. Other unused tax losses of HK\$378 million (2023: HK\$215 million) will expire after 5 years from the year of assessment they related to.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 35. SHARE CAPITAL AND TREASURY SHARES

	Nominal value per share	Number of ordinary shares	Carrying value HK\$'000
Authorised:			
As at 1 January 2023	HK\$0.0005	600,000,000,000	300,000
Share Consolidation (Note (a))		(570,000,000,000)	—
As at 31 December 2023, 1 January 2024 and 31 December 2024	HK\$0.01	30,000,000,000	300,000
Issued and fully paid:			
As at 1 January 2023	HK\$0.0005	14,480,072,773	7,240
Share Consolidation (Note (a))		(13,756,069,135)	—
Shares issued under Rights Issue (Note (b))	HK\$0.01	724,003,638	7,240
	HK\$0.01	362,001,819	3,620
As at 31 December 2023, 1 January 2024 and 31 December 2024	HK\$0.01	1,086,005,457	10,860

A summary of movement in the Company's treasury shares is as follows:

	Treasury shares HK\$'000
At 1 January 2023, 31 December 2023 and 1 January 2024	—
Shares repurchased (Note (c))	869
At 31 December 2024	869



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2024

### 35. SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

Notes:

- (a) On 24 February 2023, the Company completed the consolidation of every twenty issued and unissued ordinary shares of HK\$0.0005 each in the share capital of the Company into one ordinary share of HK\$0.01 each in the share capital of the Company (the "Share Consolidation"). As a result of the Share Consolidation, the number of authorised ordinary shares was reduced from 600,000,000,000 of HK\$0.0005 each to 30,000,000,000 of HK\$0.01 each while the number of issued and fully paid ordinary shares was reduced from 14,480,072,773 of HK\$0.0005 each to 724,003,638 of HK\$0.01 each.
- (b) On 16 June 2023, the Company issued 362,001,819 ordinary shares of HK\$0.01 each by way of rights on the basis of one rights share for every two issued shares of the Company at subscription price of HK\$0.88 per rights share (the "Rights Issue"). The net proceeds after deducting all relevant professional fees and related expenses of HK\$9,270,000 were HK\$309,292,000 and are intended for financing the development of the phase II of Kunming hospital.
- (c) During the year, the Company repurchased 1,190,000 shares on the Stock Exchange for a total consideration of HK\$869,000 and all the shares were subsequently cancelled on 10 January 2025.

#### Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes borrowings, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure by considering the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements, except for the financial covenant requirements of loan agreements with external parties.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 35. SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

### Capital management (Continued)

The capital to overall financing ratio at the reporting date was as follows:

	2024 HK\$'000	2023 HK\$'000 (restated)
Capital		
— Total equity	<u>1,894,829</u>	<u>1,871,645</u>
Overall financing		
— Borrowings	<u>833,383</u>	<u>760,050</u>
Capital-to-overall financing ratio	<u>2.27 times</u>	<u>2.46 times</u>

## 36. RESERVES

### (a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 36. RESERVES (CONTINUED)

### (b) Nature and purpose of reserves

#### (i) *Contributed surplus*

The contributed surplus represented the implementation of the Share Premium Reduction. The amount standing to the credit of the Share Premium Account as at 31 December 2023, based on the audited consolidated financial statements of the Company, was approximately HK\$2,972,046,000. It is proposed that an amount of HK\$2,600,000,000 standing to the credit of the Share Premium Account as at the Effective Date be reduced in accordance with section 46 of the Companies Act and the Bye-laws and that HK\$2,600,000,000 be used to offset the entire debit amount of the Accumulated Losses Account and the balance credit arising therefrom be transferred to the Contributed Surplus Account.

Under the Companies Act of Bermuda, the contributed surplus account of the Company is available for distribution. However the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- it is, or would after the payment be, unable to pay its liabilities as they become due; or
- the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

#### (ii) *Capital redemption reserve*

The capital redemption reserve represents the nominal amount of share capital repurchased through the Stock Exchange and cancelled by the Company. The issued share capital was reduced by the nominal value thereof and transfer to the capital redemption reserve is made upon cancellation of the repurchased shares.

#### (iii) *Other reserve*

The other reserve represents the effect of changes in the Group's ownership interests in existing subsidiaries without losing control.

#### (iv) *Translation reserve*

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations and is dealt with in accordance with the accounting policy set out in Note 5 to the consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 37. NON-CONTROLLING INTERESTS

	Share of net assets of subsidiaries HK\$'000
As at 1 January 2023 (restated)	44,875
Share of profit for the year (restated)	11,215
Share of other comprehensive income for the year (restated)	7,304
Share of total comprehensive income for the year (restated)	18,519
As at 31 December 2023 and 1 January 2024 (restated)	63,394
Share of profit for the year	13,203
Share of other comprehensive income for the year	(742)
Share of total comprehensive income for the year	12,461
<b>As at 31 December 2024</b>	<b>75,855</b>

## 38. PLEDGE OF ASSETS

At the end of the reporting period, the following assets of the Group were pledged to banks and a securities broker house to secure credit facilities granted to the Group:

	2024 HK\$'000	2023 HK\$'000 (restated)
Investments held for trading	4,951	6,624
Buildings (included in property, plant and equipment)	—	155,380
Investment properties	13,043	315,494
Properties under development for sale	—	141,147
Pledged bank deposits	—	32,984
Medical equipments (included in property, plant and equipment)	14,883	18,220
	<b>32,877</b>	<b>669,849</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 39. OPERATING LEASING ARRANGEMENTS AND CAPITAL COMMITMENTS

### Operating leasing arrangements

#### *The Group as lessee*

The Group regularly entered into short-term leases for medical equipment, business premises, carparks and motor vehicles. As at 31 December 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in Note 19 to the consolidated financial statements.

#### *The Group as lessor*

Property rental income earned during the year was HK\$6,593,000 (2023: HK\$7,636,000). The properties held have committed tenants for lease terms ranging from one to six years (2023: one to ten years). The lessee does not have an option to purchase the property at the expiry of the lease period.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments receivable under non-cancellable operating leases in respect of rented premises which fall due as follows:

	2024 HK\$'000	2023 HK\$'000
Within one year	5,406	4,121
In the second year	2,702	2,145
In the third year	775	1,313
In the fourth year	599	751
In the fifth year	529	884
After five years	662	905
	<b>10,673</b>	<b>10,119</b>

### *Capital commitments*

	2024 HK\$'000	2023 HK\$'000
Capital expenditure contracted for at the end of reporting period but not yet incurred:		
— Property, plant and equipment	<b>133,747</b>	<b>262,346</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 40. RETIREMENT BENEFITS SCHEMES

### Hong Kong

The Group participates in defined contribution schemes which are registered under the Occupational Retirement Schemes Ordinance (the “ORSO Scheme”) in 1995 and under the Mandatory Provident Fund Scheme (the “MPF Scheme”) established under the Mandatory Provident Fund Schemes Ordinance (the “MPFSO”) in December 2000. The assets of the scheme are held, separately from those of the Group, in funds under the control of independent trustees.

### ORSO Scheme

The Group and employees contribute 10% (2023: 10%) and 5% (2023: 5%) of relevant payroll costs respectively to the ORSO Scheme. The maximum monthly amount of contributions is limited to HK\$1,500 (2023: HK\$1,500) per employee. The Group’s contributions may be reduced by contributions forfeited by those employees who leave the schemes prior to vesting fully in the contributions.

### MPF Scheme

The Group contributes 5% (2023: 5%) of relevant payroll costs to the MPF Scheme, which contributions are matched by the employees. The maximum monthly amount of contributions is limited to HK\$1,500 (2023: HK\$1,500) per employee. The Group has participated in a master trust MPF Scheme since December 2000 and made contributions to the MPF Scheme in accordance with the statutory requirements of the MPFSO.

### PRC

Pursuant to the relevant laws and regulations in the PRC, the Company’s subsidiaries in the PRC have joined defined contribution retirement schemes for the employees arranged by local municipal government labour and security authorities (the “PRC Retirement Schemes”). The subsidiaries in the PRC make contributions to the PRC Retirement Schemes at the applicable rates of 16% (2023: 16%) based on the amounts stipulated by the local municipal government organisations. Upon retirement, the local municipal government labour and security authorities are responsible for the payment of the retirement benefits to the retired employees.

During the years ended 31 December 2024 and 2023, the Group had no forfeited contributions under the ORSO Scheme, MPF Scheme and PRC Retirement Scheme and which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available as at 31 December 2024 and 2023 under the ORSO Scheme, MPF Scheme and PRC Retirement Scheme which may be used by the Group to reduce the contribution payable in future years.

During the year, the retirement benefits scheme contributions charged to consolidated statement of profit or loss were HK\$44,305,000 (2023: HK\$38,863,000).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 41. RELATED PARTY TRANSACTIONS

The Group had following transactions and balances with its related parties:

### (a) Transactions with related parties

	2024 HK\$'000	2023 HK\$'000
The ultimate holding company of the Company, AGL and its subsidiaries		
— Administrative expenses charged to the Group	19	—
— Short-term lease expenses charged to the Group	1,729	216
— Interest expense on borrowings charged to the Group	—	200
— Interest expense on lease liabilities charged to the Group	—	2
An associate of AGL, APAC Resources Limited		
— Interest expense on borrowings charged to the Group	—	722
The intermediate holding company of the Company, TACI and its subsidiaries		
— Interest expense on borrowings charged to the Group	17,085	2,726
— Interest expense on lease liabilities charged to the Group	—	1
— Short-term lease expenses charged to the Group	184	—
A related company		
— Legal and professional services fee charged to the Group (Note)	—	101
— Short-term lease expenses charged to the Group	973	—
A joint venture of AGL		
— Management fee charged to the Group	78	—
A joint venture of TACI		
— Interest expense on lease liabilities charged to the Group	76	—

Note: The related company is a partnership of which a former non-executive director of the Company is a partner and is considered as a related party of the Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 41. RELATED PARTY TRANSACTIONS (CONTINUED)

### (b) Balances with related parties

	2024 HK\$'000	2023 HK\$'000
The ultimate holding company of the Company, AGL and its subsidiaries		
— Deposits	—	745
The intermediate holding company of the Company, TACI and its subsidiaries		
— Deposits	—	86
— Term loans, unsecured (included in borrowings)	403,210	321,428
— Accrued charges	376	436
A joint venture of AGL		
— Deposits	367	—
A joint venture of TACI		
— Deposits	70	—

### (c) Compensation of key management personnel

The remuneration of directors of the Company, who are also the key management of the Group during the year is as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries and other short-term employee benefits	4,598	4,806
Retirement benefits costs	168	186
	4,766	4,992

The remuneration of directors of the Company is determined by the Remuneration Committee having regard to the performance of individuals and market trends.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 42. SHARE OPTION SCHEME

The Company operates a share option scheme (the “Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations and to recruit and retain high calibre eligible persons and attract human resources that are valuable to the Group. Eligible participants include the full-time and part-time employees, executive, non-executive and independent non-executive director, supplier, technical supporter, adviser or consultants of the Company and the Company’s subsidiaries. The Scheme became effective on 7 March 2019 and will remain in force for 10 years from that date and in the absence of determination, the period commencing from the date of acceptance and ending in accordance with the terms of Scheme or on the day immediately preceding the tenth anniversary of the offer date, whichever is earlier. The remaining life of the Scheme is 4.2 years. The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee.

The exercise price of the share options is determined by the board of the Company, but may not be less than the highest of (a) the closing price of the shares of the Company (the “Shares”) as stated in the Stock Exchange’s daily quotation sheet on the date of grant, (b) the average closing price of the Shares as stated in the Stock Exchange’s daily quotation sheets for the five trading days immediately preceding the date of grant, and (c) the nominal value of the Share on the date of grant, when applicable.

The maximum number of shares to be granted under the Scheme shall not exceed 10% of the total number of Shares in issue on the adoption date, unless the Company seeks the approval of the shareholders of the Company for refreshing the 10% limit under the Scheme.

Besides, the maximum number of shares which may be issued upon exercise of all outstanding option must not exceed 30% of the total number of Shares from time to time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the Shares in issue at any time. Any further grant of shares options in excess of this limit is subject to shareholders’ approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the Shares in issue at any time or with an aggregate value (based on the price of the Shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 42. SHARE OPTION SCHEME (CONTINUED)

Share options do not confer rights on the holder to dividends or to vote at shareholders' meeting.

No share options were granted by the Company nor exercised by any eligible participants during the years ended 31 December 2024 and 2023. There are no share options outstanding as at 31 December 2024 and 2023.

## 43. 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. 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

## 44. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

### (a) Categories of financial instruments at 31 December

	2024 HK\$'000	2023 HK\$'000
<b>Financial assets</b>		
Financial assets at amortised cost	1,053,036	1,038,399
Financial assets at FVTPL		
— Designated at FVTPL	2,151	2,151
— Mandatorily measured at FVTPL	4,951	6,624
<b>Financial liabilities</b>		
Financial liabilities at amortised cost	1,416,006	1,393,776
Lease liabilities	2,825	38,582



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 44. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (b) Market risk

#### (i) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the group entities in HK\$ and RMB. Accordingly, the Group is not exposed to significant foreign currency risk, except for the bank deposits denominated in USD and AUD. The Group currently does not have a foreign currency hedging policy. However, management of the Group closely monitors its foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

As HK\$ is pegged to USD, the Group does not expect any significant movements in the USD/HK\$ exchange rates.

As at 31 December 2024, if HK\$ had weakened/strengthened by 10% against the AUD with all other variables held constant, the Group's consolidated profit after taxation for the year would have been HK\$13,582,000 (2023: HK\$14,357,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of bank deposits denominated in AUD.

As at 31 December 2024, if HK\$ had weakened/strengthened by 10% against the RMB with all other variables held constant, the Group's consolidated profit after taxation for the year would have been HK\$15,000 (2023: HK\$236,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of bank deposits denominated in RMB.

#### (ii) Price risk

The Group is exposed to equity price risk through its investments held for trading. The Group's investments held for trading have significant concentration of price risk in Hong Kong, Australian and the Philippines stock markets. Management of the Group manages the exposure by maintaining a portfolio of equity investments of the Group with different risk and return profiles.

The sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period. For sensitivity analysis purpose, the sensitivity rate remains at 30% in the current period.

If the prices of the respective equity instruments had been 30% (2023: 30%) higher/lower and all other variables were held constant, the Group's consolidated profit after taxation for the year would increase/decrease by HK\$1,485,000 (2023: HK\$1,987,000) as a result of the changes in fair value of investments held for trading.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 44. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (b) Market risk (Continued)

#### (iii) Interest rate risk

The Group is exposed to fair value interest rate risk relates primarily to pledged bank deposits, restricted bank deposits, loan receivable and certain of its borrowings which bear interests at fixed interest rates.

The Group's exposure to cash flow interest rate risk relates to its bank deposits and certain of its borrowings which bear interests at variable rates that varied with the then prevailing market conditions.

The Group currently does not have an interest rate hedging policy. However, management of the Group closely monitors its interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of prime rate arising from the Group's variable interest rate instruments.

Management of the Group considers that the Group's exposure to future cash flow risk on variable-rate bank deposits as a result of the change of market interest rate is insignificant and thus variable-rate bank deposits are not included in the sensitivity analysis.

A 100 basis point change is used which represents management's assessment of the reasonably possible change in interest rates. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year.

If the interest rate of variable-rate borrowings had been 100 basis point higher/lower and all other variables were held constant, the Group's consolidated profit after taxation for the year would decrease/increase by HK\$748,000 (2023: HK\$1,384,000).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 44. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's credit risk exposures are primarily attributable to trade receivables arising from contracts with customers, other receivables and deposits, pledged/restricted bank deposits, bank balances and loan receivable. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except for the loan receivable which is secured by the collaterals as set out in Note 27 to the consolidated financial statements.

The table below details the credit risk exposures of the Group's financial assets which are subject to ECLs assessment:

	Notes	External credit rating	Internal credit rating (Note (iii))	12-month or lifetime ECLs	Gross carrying amounts	
					2024 HK\$'000	2023 HK\$'000
<b>Financial assets at amortised cost</b>						
Trade receivables arising from contracts with customers	26	N/A	Note (ii)	Lifetime ECLs	150,141	92,105
Debtor from financial services	26	N/A	Loss (Note (i))	Lifetime ECLs — credit-impaired	876	876
Deposits and other receivables	26	N/A	Low risk	12-month ECLs	17,594	31,527
			Loss (Note (i))	Lifetime ECLs — credit-impaired	—	5,278
Loan receivable	27	N/A	Loss (Note (i))	Lifetime ECLs — credit-impaired	94,715	95,215
Pledged bank deposits	28	2024: Baa2 (2023: Baa2)	N/A	12-month ECLs	—	32,984
Restricted bank deposits	28	2024: Baa2 (2023: Baa2)	N/A	12-month ECLs	7,518	136
Bank balances	28	2024: Baa2 (2023: Ba1-Aa3)	N/A	12-month ECLs	884,773	890,108

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 44. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (c) Credit risk (Continued)

Notes:

- (i) For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.
- (ii) For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance on lifetime ECLs basis.
- (iii) The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past due amounts	Lifetime ECLs — not credit-impaired	12-month ECLs
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECLs — not credit-impaired	12-month ECLs
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECLs — not credit-impaired	Lifetime ECLs — not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECLs — credit-impaired	Lifetime ECLs — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written-off	Amount is written-off



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 44. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (c) Credit risk (Continued)

#### (i) Trade receivables arising from contracts with customers

The Group, being a provider of healthcare services to patients, has a highly diversified customer base, without any single customer contributing material revenue. However, the Group has concentrated debtor's portfolio, as majority patients will claim their medical expenses from local governments' social insurance schemes. Subject to the relevant local government's medical insurance payment and settlement policies, the reimbursement from the local social insurance bureau or similar government departments normally take three months. The Group has a policy in place to ensure the treatments and medicines prescribed and provided to such insured patients are in line with the respective policies and within reimbursement limits, provided fulfilling all ethics and moral responsibilities as a healthcare provider. The Group also has controls to closely monitor the patients' billings and claim status to minimise the credit risk. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. The Group performs impairment assessment on trade receivables by applying simplified approach using provision matrix based on the factors and in accordance with the write-off policy as described in Note 5(h)(ii) to the consolidated financial statements.

Other than concentration of credit risk on trade receivables from top 4 customers of HK\$86,928,000, 58% (2023: top 4 customers of HK\$67,321,000, 73%) located in the PRC, the Group does not have any other significant concentration of credit risk on trade receivables.

As part of the Group's credit risk management, the Group applies internal credit rating for its customers in relation to its hospital operation and eldercare related services operation. The following table provides information about the exposure to credit risk for trade receivables arising from hospital operation and eldercare related services operation:

	2024 HK\$'000	2023 HK\$'000
No past due or past due less than 30 days	125,017	70,447
Past due 30 days or more	25,124	21,658
	<b>150,141</b>	<b>92,105</b>

The estimated loss rate is estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management of the Group to ensure relevant information about specific debtors is updated.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 44. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (c) Credit risk (Continued)

#### (i) Trade receivables arising from contracts with customers (Continued)

Movement in the loss allowances for trade receivables arising from hospital operation and eldercare related services operation is as follows:

	2024 HK\$'000	2023 HK\$'000
As at 1 January	8,619	4,991
Provision for the year	9,549	3,777
Written-off	(11,748)	—
Exchange differences	(70)	(149)
As at 31 December	6,350	8,619

#### (ii) Trade receivables arising from other sources and other receivables and deposits

Management of the Group makes periodic collective assessment or individual assessment for debtors with significant balances on the recoverability of trade receivables arising from other sources and other receivables and deposits based on historical settlement records, past experience, quantitative and qualitative information that is reasonable and supportive and forward-looking information that is available without undue cost or effort.

Movement in the loss allowances for trade receivables arising from other sources and other receivables and deposits is as follows:

	2024 HK\$'000	2023 HK\$'000
As at 1 January	6,154	6,154
Provision for the year	1,310	—
Written-off	(5,278)	—
Exchange differences	(15)	—
As at 31 December	2,171	6,154



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 44. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (c) Credit risk (Continued)

#### (iii) *Loan receivable*

The Group has a policy for assessing the impairment on loan receivable on an individual basis. The assessment includes evaluation of collectability and aging analysis of the loan receivable and on management's judgement on creditworthiness, collaterals and past collection history of each borrower.

In determining the recoverability of the loan receivable, the Group considers the change in the credit quality of the loan receivable, if any, from the date the loan was initially granted up to the reporting date. This includes assessing the credit history of the borrower, such as past experience of financial difficulties or default in payments, current market conditions, value of collaterals and the anticipated receipts of shareholder's loan.

The Group had concentration of credit risk on loan receivable as 100% (2023: 100%) of the loan receivable as at 31 December 2024 was due from one (2023: one) borrower.

Given the unsettled loan and interest receivables in 2020, the Group had issued demand letter and final notice to the Borrower, appointed receivers for enforcement of securities of the loan, and had been in discussion with the Borrower and its joint provisional liquidators for the settlement of the total outstanding amount. The Borrower and its joint provisional liquidators had represented that they were in the process of executing certain plans for asset realisation and/or financing to settle the loan.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 44. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (c) Credit risk (Continued)

#### (iii) Loan receivable (Continued)

As at 31 December 2024 and 2023, the directors of the Company considered that the estimated cash flow of the loan receivable and/or the realisation of the relevant collaterals was expected to be zero due to the adverse development of value of collaterals (inclusive of the anticipated receipts of the shareholder's loan held by the Borrower that are assigned to the Group) and the loan receivable was fully impaired.

The following table shows the reconciliation of loss allowances that has been recognised for loan receivable:

	2024 HK\$'000	2023 HK\$'000
As at 1 January	95,215	95,215
Less: Sales of the pledged securities	<u>(500)</u>	<u>—</u>
As at 31 December	<u>94,715</u>	<u>95,215</u>

#### (iv) Pledged bank deposits, restricted bank deposits and bank balances

The credit risks on pledged bank deposits, restricted banks deposits and bank balances are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. No loss allowance provision for pledged bank deposits, restricted banks deposits and bank balances was recognised as the amount is insignificant. The Group has limited exposure to any single financial institution.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 44. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (d) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management of the Group to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management of the Group monitors the utilisation of borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Group is required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

	Repayable on demand HK\$'000	Less than 3 months HK\$'000	Between 3 months and one year HK\$'000	Between one and five years HK\$'000	More than five years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount at the end of reporting period HK\$'000
<b>As at 31 December 2024</b>							
<b>Non-derivative financial liabilities</b>							
Trade payables	—	133,439	—	—	—	133,439	133,439
Deposits, other payables and accrued charges	—	430,552	12,278	—	—	442,830	442,830
Amount due to an associate	5,978	—	—	—	—	5,978	5,978
Amounts due to related parties	376	—	—	—	—	376	376
Borrowings							
— variable rates	—	2,233	96,438	3,484	—	102,155	99,688
— fixed rates	—	88,325	213,896	474,951	—	777,172	733,695
Lease liabilities	—	413	1,240	1,311	—	2,964	2,825
	<b>6,354</b>	<b>654,962</b>	<b>323,852</b>	<b>479,746</b>	<b>—</b>	<b>1,464,914</b>	<b>1,418,831</b>
<b>As at 31 December 2023</b>							
<b>Non-derivative financial liabilities</b>							
Trade payables	—	162,798	—	—	—	162,798	162,798
Deposits, other payables and accrued charges	—	452,470	12,414	—	—	464,884	464,884
Amount due to an associate	6,044	—	—	—	—	6,044	6,044
Amounts due to related parties	—	—	—	—	—	—	—
Borrowings							
— variable rates	—	4,141	62,027	129,795	—	195,963	184,469
— fixed rates	—	39,352	236,107	354,259	—	629,718	575,581
Lease liabilities	—	1,581	4,817	26,955	19,159	52,512	38,582
	<b>6,044</b>	<b>660,342</b>	<b>315,365</b>	<b>511,009</b>	<b>19,159</b>	<b>1,511,919</b>	<b>1,432,358</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 44. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (d) Liquidity risk (Continued)

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

### (e) Fair values

Except as disclosed in Notes 17 and 45 to the consolidated financial statements, management of the Group considers that the carrying amounts of the financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

## 45. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair values:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

### (a) Disclosures of level in fair value hierarchy as at 31 December:

Description	Fair value hierarchy		Total
	Level 1	Level 2	2024
	HK\$'000	HK\$'000	HK\$'000
<b>Recurring fair value measurements:</b>			
<b>Financial assets</b>			
Financial assets at FVTPL			
Held for trading — listed equity securities	4,951	—	4,951
Club debentures	—	2,151	2,151
Total	4,951	2,151	7,102



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 45. FAIR VALUE MEASUREMENTS (CONTINUED)

### (a) Disclosures of level in fair value hierarchy as at 31 December: (Continued)

Description	Fair value hierarchy		Total
	Level 1	Level 2	2023
	HK\$'000	HK\$'000	HK\$'000
<b>Recurring fair value measurements:</b>			
<b>Financial assets</b>			
Financial assets at FVTPL			
Held for trading — listed equity securities	6,624	—	6,624
Club debentures	—	2,151	2,151
Total	6,624	2,151	8,775

There are no transfers between Level 1 and Level 2 for both years.

### (b) Disclosure of valuation techniques and inputs used in fair value measurements as at 31 December 2024:

Financial assets in the consolidated statement of financial position	Fair value as at 31 December 2024	Fair value as at 31 December 2023	Fair value hierarchy	Valuation techniques and key inputs
1) Investments in listed equity securities classified as investments held for trading	Listed equity securities: — Hong Kong HK\$3,593,000 — Overseas HK\$1,358,000	Listed equity securities: — Hong Kong HK\$4,949,000 — Overseas HK\$1,675,000	Level 1	Quoted bid prices in active markets
2) Club debentures classified as financial assets at FVTPL	Assets — HK\$2,151,000	Assets — HK\$2,151,000	Level 2	Quoted prices in a market for identical assets

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 46. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	<b>Borrowings HK\$'000</b>	<b>Lease liabilities HK\$'000</b>	<b>Total HK\$'000</b>
At 1 January 2023	933,603	45,418	979,021
Changes from financing cash flows:			
New borrowings raised	552,480	—	552,480
Repayments of borrowings	(707,457)	—	(707,457)
Principal element of lease payments	—	(5,935)	(5,935)
Interest paid	(44,460)	(3,347)	(47,807)
Total changes from financing cash flows	(199,437)	(9,282)	(208,719)
Other changes:			
Finance costs	44,460	3,347	47,807
Exchange differences	(18,576)	(901)	(19,477)
Total other changes	25,884	2,446	28,330
At 31 December 2023 and 1 January 2024	760,050	38,582	798,632
Changes from financing cash flows:			
New borrowings raised	408,365	—	408,365
Repayments of borrowings	(330,187)	—	(330,187)
Principal element of lease payments	—	(3,098)	(3,098)
Interest paid	(31,889)	(2,344)	(34,233)
Total changes from financing cash flows	46,289	(5,442)	40,847
Other changes:			
Finance costs	31,889	2,344	34,233
Derecognition of a lease liability	—	(36,124)	(36,124)
Recognition of lease liabilities	—	3,487	3,487
Finance costs capitalised	(5,119)	—	(5,119)
Exchange differences	274	(22)	252
Total other changes	27,044	(30,315)	(3,271)
<b>At 31 December 2024</b>	<b>833,383</b>	<b>2,825</b>	<b>836,208</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 46. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

### (b) Total cash outflow for leases

Amounts included in the consolidated statement of cash flows for leases comprise the following:

	2024 HK\$'000	2023 HK\$'000
Within operating cash flows	8,097	2,854
Within financing cash flows	5,442	9,282
	<b>13,539</b>	12,136

These amounts relate to the following:

	2024 HK\$'000	2023 HK\$'000
Lease rental paid	13,539	12,136

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 47. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Country/ place of incorporation/ registration	Nominal value of issued ordinary share/registered capital	Proportion of ownership interest/voting power/profit sharing		Principal activities
			31 December	31 December	
			2024	2023	
Directly held by the Company					
Lianyungang Jiatai Construction Co., Ltd.* The PRC (連雲港嘉泰建設工程有限公司) ("Jiatai Construction")		Registered US\$116,790,000	100%	100%	Investment holding
Indirectly held by the Company					
Forepower Limited	The British Virgin Islands ("BVI")	Ordinary US\$1	100%	100%	Property investment in Hong Kong
Focus Clear Limited	BVI	Ordinary US\$1	100%	100%	Securities trading and investment in Hong Kong
Fortune Team Investment Limited	Hong Kong	Ordinary US\$1	100%	100%	Money lending
Future Rise Investments Limited	BVI	Ordinary US\$1	100%	100%	Trading of securities listed in overseas exchange
Genwo Limited	Hong Kong	Ordinary HK\$200,000	100%	100%	Property development
Honest Opportunity Limited	BVI	Ordinary US\$1	100%	100%	Securities trading and investment in Hong Kong and overseas
Join Capital Limited	Hong Kong	Ordinary HK\$2	100%	100%	Investment holding
Kintic Limited	Hong Kong	Ordinary HK\$2	100%	100%	Property investment



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2024

### 47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Particulars of the principal subsidiaries at the end of the reporting period are as follows: (Continued)

Name of subsidiary	Country/ place of incorporation/ registration	Nominal value of issued ordinary share/registered capital	Proportion of ownership interest/voting power/profit sharing		Principal activities
			31 December	31 December	
			2024	2023	
Indirectly held by the Company (Continued)					
Sparkling Summer Limited	BVI	Ordinary US\$6,500,000	100%	100%	Securities trading in Hong Kong
Star Telecom Properties Limited	Hong Kong	Ordinary HK\$200	100%	100%	Investment and property holding
Widerich Limited	Hong Kong	Ordinary HK\$2	100%	100%	Property investment
Nanjing Tongren Industrial Co., Ltd.** (南京同仁實業有限公司)	The PRC	Registered RMB80,000,000	80%#	80%#	Property development
Nanjing Tongren Hospital Co., Ltd.** (南京同仁醫院有限公司)	The PRC	Registered RMB50,000,000	80%#	80%#	Operation of a hospital in Nanjing
Kunming Tongren Industrial Development Co., Ltd.** (昆明同仁實業開發有限公司)	The PRC	Registered RMB80,000,000	—	100%#	Property development
Kunming Tongren Hospital Co., Ltd.** (昆明同仁醫院有限公司)	The PRC	Registered RMB80,000,000	100%#	100%#	Operation of a hospital in Kunming
Tongren Healthcare Industry Group Co., Ltd.** (同仁醫療產業集團有限公司)	The PRC	Registered RMB200,000,000	100%#	100%#	Investment holding

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Particulars of the principal subsidiaries at the end of the reporting period are as follows: (Continued)

Name of subsidiary	Country/ place of incorporation/ registration	Nominal value of issued ordinary share/registered capital	Proportion of ownership interest/voting power/profit sharing		Principal activities
			31 December	31 December	
			2024	2023	
Indirectly held by the Company (Continued)					
Aveo China (Holdings) Limited ("Aveo China")	BVI	Ordinary US\$4,000	100%	100%	Investment holding
Tide Properties Development (Shanghai) Co., Ltd.** (德地置業發展(上海)有限公司) ("Tide Properties")	The PRC	Registered RMB388,000,000	100% <sup>#</sup>	100% <sup>#</sup>	Property development and property investment for eldercare operation
Shanghai Tide Healthcare Management Co., Ltd.** (上海德地健康管理有限公司) ("Tide Healthcare")	The PRC	Registered RMB2,000,000	100% <sup>#</sup>	100% <sup>#</sup>	Elderly house operation and provision of healthcare services
Shanghai Tide Nursing Hospital Co., Ltd.** (上海德頤護理院有限公司) ("Tide Nursing Hospital")	The PRC	Registered RMB100,000	100% <sup>#</sup>	100% <sup>#</sup>	Provision of healthcare services

\* Wholly foreign-owned enterprise the PRC.

\*\* Domestic owned enterprise in the PRC.

\*\*\* The subsidiary had been deregistered during the year.

# These companies are held indirectly by Jiatai Construction. The percentage shown above represents the Company's effective interests in the respective companies.

## Tide Properties, Tide Healthcare and Tide Nursing Hospital are held indirectly by Aveo China. The percentage shown above represents the Company's effective interests in the respective companies.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results, assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

All subsidiaries operate principally in their countries/places of incorporation/registration unless otherwise specified under "Principal activities".

None of the subsidiaries had any debts securities subsisting as at 31 December 2024 and 2023 or at any time during the respective years.

At the end of the reporting period the Company has other subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

Principal activities	Principal place of business	Number of subsidiaries	
		2024	2023
Property development	PRC	1	1
Investment holding	Hong Kong/PRC/BVI	42	44
		<b>43</b>	<b>45</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 48. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2024 HK\$'000	2023 HK\$'000
<b>Non-current asset</b>		
Interests in subsidiaries	413,847	413,847
<b>Current assets</b>		
Debtors and prepayments	2,596	3,829
Bank balances	458,044	404,970
	460,640	408,799
<b>Current liabilities</b>		
Accrued charges	3,880	4,084
Amounts due to subsidiaries	201,922	133,844
	205,802	137,928
<b>Net current assets</b>	254,838	270,871
<b>Net assets</b>	668,685	684,718
<b>Capital and reserves</b>		
Share capital (Note 35)	10,860	10,860
Treasury shares (Note 35)	(869)	—
Reserves (Note)	658,694	673,858
<b>Total equity</b>	668,685	684,718

Note: As at 31 December 2024, reserves of the Company included share premium of HK\$327,046,000 (2023: HK\$2,927,046,000), capital redemption reserve of HK\$2,496,000 (2023: HK\$2,496,000), contributed surplus of HK\$331,989,000 (2023: nil) and accumulated losses of HK\$2,837,000 (2023: HK\$2,255,684,000). Movements of the Company's share premium, capital redemption reserve and contributed surplus are disclosed in the consolidated statement of changes in equity. The movements of the Company's accumulated losses is attributable to loss for the respective financial year.

The Company's reserves available for distribution to Shareholders as at 31 December 2024 was HK\$329,152,000 (2023: nil).



## SCHEDULE OF PRINCIPAL PROPERTIES

Details of the principal investment properties, properties under development for sale and properties held for sale of the Group as at 31 December 2024 are as follows:

### A. Investment properties

Location	Approximate net floor area (sq.ft.)	Use	Group's interest	Lease term
<b>Hong Kong</b>				
2 industrial units and 1 carpark within Lladro Building, Kwun Tong, Kowloon	18,125	Industrial	100%	Medium-term lease
	N/A	Carpark	100%	Medium-term lease
6 industrial units and 1 carpark within Wing Cheung Industrial Building, Kwun Tong, Kowloon	6,918	Industrial	100%	Medium-term lease
	N/A	Carpark	100%	Medium-term lease
2 industrial units within Crown Industrial Building, Kwun Tong, Kowloon	5,689	Industrial	100%	Medium-term lease
A parcel of land in Fanling, New Territories	52,859	Agricultural	100%	Medium-term lease
<b>The PRC</b>				
Villa and units within Fairway Lodge, Zhaoqing Resort & Golf Club, Huilong Town, Gaoyao, Guangdong Province	8,833	Residential	100%	Medium-term lease
Service Apartments, Block 9, Tide Health Campus, Zhujiyajiao Town, Qingpu District, Shanghai	83,504	Commercial	100%	Medium-term lease
Service Apartments, Block 11, Tide Health Campus, Zhujiyajiao Town, Qingpu District, Shanghai	100,739	Commercial	100%	Medium-term lease
Shops and Mall, Blocks 29, 36 & 39, Tide Health Campus, Zhujiyajiao Town, Qingpu District, Shanghai	86,371	Commercial	100%	Medium-term lease
Commercial units within Tide Health Campus, Zhujiyajiao Town, Qingpu District, Shanghai	14,106	Commercial	100%	Medium-term lease

## SCHEDULE OF PRINCIPAL PROPERTIES

### B. Properties under development for sale

Location	Approximate net floor area (sq.ft.)	Use	Group's interest	Stage of completion	Estimated date of completion
<b>The PRC</b>					
Units within Office Tower, CITIC Plaza, Tianhe District, Guangzhou, Guangdong Province	12,751	Commercial	100%	Planning in progress	N/A
A parcel of land located outside the Export and Processing Zone, Development Zone, Lianyungang City, Jiangsu Province	71,747	Commercial	100%	Planning in progress	N/A
Service Apartments, Block 7, Tide Health Campus, Zhujiajiao Town, Qingpu District, Shanghai	93,505	Commercial	100%	Planning in progress	N/A

### C. Properties held for sale

Location	Approximate net floor area (sq.ft.)	Use	Group's interest
<b>The PRC</b>			
5 residential units and 162 carparks within Kangya Garden, Kangbo Garden, Jiangning District, Nanjing	6,367	Residential	80%
	23,536	Carpark	80%
129 carparks in Dianchi Impression Garden, Xishan District, Kunming City, Yunnan Province	60,458	Carpark	100%
11 units of Independent Living Units and 388 Carparks, Tide Health Campus, Zhujiajiao Town, Qingpu District, Shanghai	14,761	Commercial	100%
	168,092	Carpark	100%



## FINANCIAL SUMMARY

The results and the assets and liabilities of the Group for the past five financial years, as extracted from the Group's published audited consolidated financial statements and reclassified as appropriate, are set out below:

### RESULTS

	For the year ended 31 December				
	2020 HK\$'000	2021 HK\$'000	2022 HK\$'000 (restated)	2023 HK\$'000 (restated)	2024 HK\$'000
Revenue	1,194,148	1,463,495	1,437,863	1,568,824	<b>1,627,199</b>
Gross proceeds from sales of investments held for trading	3,248	2,184	—	3,481	—
	<u>1,197,396</u>	<u>1,465,679</u>	<u>1,437,863</u>	<u>1,572,305</u>	<u><b>1,627,199</b></u>
(Loss)/profit before taxation	(96,562)	(110,468)	(117,169)	40,805	<b>57,004</b>
Income tax expense	(8,577)	(16,802)	(1,976)	(14,912)	<b>(15,028)</b>
	<u>(105,139)</u>	<u>(127,270)</u>	<u>(119,145)</u>	<u>25,893</u>	<u><b>41,976</b></u>
(Loss)/profit for the year					
Attributable to:					
Owners of the Company	(111,928)	(137,296)	(123,574)	14,678	<b>28,773</b>
Non-controlling interests	6,789	10,026	4,429	11,215	<b>13,203</b>
	<u>(105,139)</u>	<u>(127,270)</u>	<u>(119,145)</u>	<u>25,893</u>	<u><b>41,976</b></u>

### ASSETS AND LIABILITIES

	As at 31 December				
	2020 HK\$'000	2021 HK\$'000	2022 HK\$'000 (restated)	2023 HK\$'000 (restated)	2024 HK\$'000
Total assets	3,425,174	3,489,538	3,145,849	3,536,253	<b>3,538,877</b>
Total liabilities	(1,624,540)	(1,772,282)	(1,611,312)	(1,664,608)	<b>(1,644,048)</b>
	<u>1,800,634</u>	<u>1,717,256</u>	<u>1,534,537</u>	<u>1,871,645</u>	<u><b>1,894,829</b></u>
Equity attributable to owners of the Company	1,785,074	1,700,597	1,489,662	1,808,251	<b>1,818,974</b>
Non-controlling interests	15,560	16,659	44,875	63,394	<b>75,855</b>
	<u>1,800,634</u>	<u>1,717,256</u>	<u>1,534,537</u>	<u>1,871,645</u>	<u><b>1,894,829</b></u>