



天安卓健有限公司

TIAN AN MEDICARE LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 383)

2025
ANNUAL REPORT

CONTENTS

Corporate Information	2
Chairman's Statement	3
Biographical Details in Respect of Directors	16
Directors' Report	20
Corporate Governance Report	31
Independent Auditor's Report	49
Consolidated Statement of Profit or Loss	54
Consolidated Statement of Profit or Loss and Other Comprehensive Income	55
Consolidated Statement of Financial Position	56
Consolidated Statement of Changes in Equity	58
Consolidated Statement of Cash Flows	60
Notes to the Consolidated Financial Statements	62
Schedule of Principal Properties	154
Financial Summary	156

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Kong Muk Yin
Mr. Guo Meibao

Non-Executive Directors

Mr. Lee Seng Hui (*Chairman*)
Mr. Mark Wong Tai Chun
Mr. Zhou Haiying
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

Dr. Wong Wing Kuen, Albert (*Chairman*)
Mr. Kong Muk Yin
Dr. Xia Xiaoning
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

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

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 Co., Ltd.
Ping An Bank Co., Ltd.
Hua Xia Bank Co., Ltd.
Yunnan Hongta Bank Co. Ltd.
Chong Hing Bank 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

<http://www.tiananmedicare.com.hk>
<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 present the financial results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2025.

FINANCIAL RESULTS

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

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

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

The Group's net asset value per share, attributable to shareholders of the Company (the "Shareholders"), as at 31 December 2025 amounted to HK\$1.64 (2024: HK\$1.67).

DIVIDEND

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

CLOSURE OF REGISTER OF MEMBERS

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

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

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

Operating in such regulated industry and subjected to extensive regulatory requirements, the Group's Healthcare Division, operated through its wholly-owned subsidiary, Tongren Healthcare Industry Group Company Limited (同仁醫療產業集團有限公司), recorded a revenue of HK\$1,582,283,000 (2024: HK\$1,581,036,000) and a profit of HK\$119,077,000 (2024: HK\$119,991,000) with the absence of net loss related to closure of the polyclinic in Nanjing, the PRC in 2024. Without interest, tax, depreciation and amortization, the Healthcare Division generated an EBITDA, being earnings before interest, tax, depreciation and amortization, of HK\$210,260,000 (2024: HK\$222,522,000) for the year ended 31 December 2025.

Nanjing hospital of the Healthcare Division ("NJH"):

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

During the year under review:

(i) For operational management:

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

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

CHAIRMAN'S STATEMENT

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

(ii) For scientific and educational research:

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

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

(iii) For specialty and department development:

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

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

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

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

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

CHAIRMAN'S STATEMENT

(iv) For marketing:

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

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

Kunming hospital of the Healthcare Division ("KMH"):

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

During the year under review:

(i) For scientific and educational research:

KMH has successfully completed the mid-term assessment for the expert workstation of Academician Su Guohui, with an anticipated special funding approval of Renminbi ("RMB") 600,000. KMH has also developed the "Kunming Tongren Hospital Practical Teaching Work Manual," which systematically integrates key elements such as teaching management protocols, mentorship standards, and assessment criteria. This manual provides a comprehensive guide for clinical practice teaching, marking a new phase of standardization in KMH's educational management system.

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

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

(ii) For specialty and department development:

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

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

CHAIRMAN'S STATEMENT

(iii) For marketing:

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

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

(iv) For development of KMH Phase II:

The KMH Phase II includes, among others, the integrated in-patient building, oncology and nuclear medical building and the rehabilitation medical building with an approved total construction area of approximately 66,021 m². During the year under review, KMH successfully completed the application of the property ownership certificates for KMH Phase II. In November 2025, KMH entered into a renovation work agreement for the renovation works of KMH Phase II, which includes, among others, the decoration and renovation works of the thyroid centre (甲狀腺中心), the integrated in-patient building (綜合住院樓) and the rehabilitation medical building (康復醫學樓) at the consideration of approximately RMB129.8 million. The renovation work was in progress and expected to be completed in the second half of 2026.

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

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

Eldercare Division:

During the year under review, the management maintained stable operations of the elderly homes, elderly departments and eldercare nursing hospital and streamlined its operation and improved the operational efficiency amid stringent governmental policy adjustments and intensified competition from eldercare institutions in the proximity and in the eldercare services industry.

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

CHAIRMAN'S STATEMENT

As at 31 December 2025, Tide Health Campus (天地健康城) of the Eldercare Division located in Zhujiajiao County, Qingpu District, Shanghai, the PRC, a retirement community village that integrates community eldercare, institutional eldercare, home eldercare and eldercare nursing hospital (Shanghai Deyi Nursing Hospital, "SDH"), sold 857 Independent Living Units ("ILU(s)") out of a total inventory of 868 ILUs. No sale of ILU (2024: nil) was recorded during the year. Currently, more than 398 residents (2024: 329) moved into the retirement community village. In addition, the Division's serviced apartments ("SA(s)") consist of two 11-storey buildings with the construction and renovation of the first building and the second building completed in November 2016 and May 2020 respectively, offering a total of 210 SAs (2024: 210) for lease. As at 31 December 2025, the Division leased out 105 SAs (2024: 94).

During the year under review:

(i) For eldercare community operation:

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

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

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

(ii) For eldercare nursing hospital operation:

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

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

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

As at 31 December 2025, the Division's investment properties portfolio, 100% attributable to the Group, comprising two SAs (2024: two) (two 11-storey buildings with total gross floor area ("GFA") of 17,117 m²) and the retail shopping precinct (retail shops with GFA of 1,980 m² and shopping mall with GFA of 7,354 m²) with a total value amounted to HK\$282,092,000 (2024: HK\$328,152,000). The Division's property under development for sale consisted of a residential property in Shanghai, the PRC, amounted to HK\$111,667,000 (2024: HK\$131,247,000).

CHAIRMAN'S STATEMENT

Property Development:

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

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

Property Investment:

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

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

Securities Trading and Investments:

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

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

Investments held for trading:

As at 31 December 2025, the Group's investments held for trading consisted of securities listed in different geographic locations and their respective performance were as follows:

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

CHAIRMAN'S STATEMENT

As at 31 December 2025, the Group's investments held for trading consisted of investments in different category of companies and their respective performance were as follows:

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

As at 31 December 2025, there was no investment held for trading which was significant to the Group (exceeded 5% the total assets of the Group).

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

Money Lending:

For the year ended 31 December 2025, the Group's money lending business recorded no interest income (2024: HK\$nil) and a loss of HK\$48,000 (2024: profit of HK\$1,301,000), with the absence of receipt related to the enforcement of the loan receivable ("Loan") by the Receivers (defined below) in 2024. As at 31 December 2025, the carrying value of the Loan, after full impairment provision, is HK\$nil (2024: HK\$nil).

References are made to the Company's announcements dated 10 September 2018 and 26 September 2019 respectively, the paragraph headed "Money Lending" on pages 26 to 27 of the announcement of the final results for the eighteen months ended 31 December 2019 dated 30 March 2020, the announcements dated 28 April 2020, 6 May 2020 and 19 May 2020 respectively, the paragraph headed "Money Lending" on pages 21 to 24 of the announcement of the interim results for the six months ended 30 June 2020 dated 27 August 2020, the announcements dated 29 October 2020 and 10 November 2020 respectively, the paragraph headed "Money Lending" on pages 23 to 27 of the announcement of the annual results for the year ended 31 December 2020 dated 30 March 2021, the announcement dated 20 April 2021, the paragraph headed "Money Lending" on pages 22 to 23 of the announcement of the interim results for the six months ended 30 June 2021 dated 26 August 2021, the paragraph headed "Money Lending" on pages 25 to 26 of the announcement of the annual results for the year ended 31 December 2021 dated 29 March 2022, the paragraph headed "Money Lending" on page 23 of the announcement of the interim results for the six months ended 30 June 2022 dated 25 August 2022, the paragraph headed "Money Lending" on page 24 of the announcement of the annual results for the year ended 31 December 2022 dated 28 March 2023, the paragraph headed "Money Lending" on page 23 of the announcement of the interim results for the six months ended 30 June 2023 dated 18 August 2023, the paragraph headed "Money Lending" on pages 26 to 28 of the announcement of the annual results for the year ended 31 December 2023 dated 15 March 2024,

CHAIRMAN'S STATEMENT

the paragraph headed "Money Lending" on pages 29 to 31 of the announcement of the interim results for the six months ended 30 June 2024 dated 2 August 2024, the paragraph headed "Money Lending" on pages 31 to 33 of the announcement of the annual results for the year ended 31 December 2024 dated 10 March 2025 and the paragraph headed "Money Lending" on pages 24 to 25 of the announcement of the interim results for the six months ended 30 June 2025 dated 1 August 2025. Capitalized terms used in this paragraph headed "Money Lending" shall have the same meanings as those defined in the aforesaid announcements unless the context requires otherwise.

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

Business Model and Customer Profile:

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

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

Risk Management Policies:

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

CHAIRMAN'S STATEMENT

Loan Impairment Policies:

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

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

As at 31 December 2025, the Group's non-current assets of HK\$2,250,623,000 (2024: HK\$2,179,670,000) consisted of investment properties of HK\$475,114,000 (2024: HK\$525,392,000), property, plant and equipment of HK\$1,662,578,000 (2024: HK\$1,541,635,000), right-of-use assets of HK\$84,138,000 (2024: HK\$86,605,000), financial assets at fair value through profit or loss ("FVTPL") of HK\$2,151,000 (2024: HK\$2,151,000) and prepayments for acquisition of property, plant and equipment of HK\$26,642,000 (2024: HK\$23,887,000). These non-current assets are principally financed by the Group's Shareholders' funds.

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

As at 31 December 2025, the Group's gearing ratio, calculated on the basis of the Group's net borrowings (after pledged bank deposits, restricted bank deposits and bank balances and cash) over total equity was 3.8% (2024: no gearing ratio). The Group's gearing ratio would be adjusted to 2.0% (2024: no gearing ratio) with marketable securities inclusive of investments held for trading deducted from the net borrowings. The Group continues to monitor its funding requirement and gearing level, and will raise external borrowings with reasonable pricing terms when appropriate.

In May 2024, the Company completed the reduction of the amount of HK\$2,600,000,000 standing to the credit of the share premium account of the Company and the offset of the entire debit amount in the Company's accumulated losses account as at the effective date and the transfer of the balance credit arising therefrom of approximately HK\$344,316,000 to the contributed surplus account of the Company.

In June 2023, the Company completed the issue 362,001,819 rights shares by way of the rights issue, on the basis of one rights share for every two shares held by the qualifying shareholders of the Company on the record date at the subscription price of HK\$0.88 per rights share (the "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.

CHAIRMAN'S STATEMENT

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

Intended use	Planned use of the net proceeds <i>HK\$'000</i>	Net proceeds used as at 31 December 2025 <i>HK\$'000</i>	Remaining balance of the net proceeds unutilized as at 31 December 2025 <i>HK\$'000</i>
Investment opportunities	200,000	25,564	174,436
General working capital	47,792	47,792	—
Share repurchase	61,500	1,982	59,518
	309,292	75,338	233,954

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

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

CHARGE ON GROUP ASSETS

As at 31 December 2025, the Group's investments held for trading of HK\$5,893,000 (2024: HK\$4,951,000), buildings (included in property, plant and equipment) of HK\$639,415,000 (2024: HK\$nil), right-of-use assets of HK\$22,381,000 (2024: HK\$nil), investment properties of HK\$29,800,000 (2024: HK\$13,043,000), pledged bank deposits of HK\$76,045,000 (2024: HK\$nil) and medical equipment (included in property, plant and equipment) of HK\$nil (2024: HK\$14,883,000) were pledged to banks and a securities broker house to secure credit facilities granted to the Group.

CAPITAL COMMITMENT

As at 31 December 2025, the Group had capital commitment contracted for but not provided relating to the acquisition of property, plant and equipment of HK\$252,647,000 (2024: HK\$133,747,000).

CONTINGENT LIABILITIES

Save as disclosed in this Annual Report, as at 31 December 2025, the Group is not aware of any material contingent liabilities.

CHAIRMAN'S STATEMENT

MATERIAL ACQUISITIONS AND DISPOSAL, AND FUTURE PLANS

Save as disclosed in this Annual Report, during the year ended 31 December 2025, the Group did not hold any other significant investments nor have any material acquisitions or disposals of subsidiaries, associated companies and joint ventures.

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

EMPLOYEES

The Group had 2,716 employees as at 31 December 2025 (2024: 2,626). The Group ensures that its employees are remunerated in line with market conditions and individual performance and the remuneration policies are reviewed on a regular basis.

PROSPECTS

Healthcare Division:

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

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

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

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

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

CHAIRMAN'S STATEMENT

Eldercare Division:

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

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

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

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

Others:

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

APPRECIATION

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

Lee Seng Hui
Chairman

Hong Kong, 13 March 2026

BIOGRAPHICAL DETAILS IN RESPECT OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Kong Muk Yin (“Mr. Kong”), aged 60, 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 52, 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.

NON-EXECUTIVE DIRECTORS

Mr. Lee Seng Hui (“Mr. Lee”), aged 57, 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 and the chairman and a non-executive director of Tian An China Investments Company Limited. He is also a non-executive director of APAC Resources Limited. In 2025, Mr. Lee stepped down as the non-executive chairman and later as an alternate director to the non-executive chairman of MGX Resources Limited (formerly known as Mount Gibson Iron Limited), a company listed on the Australian Securities Exchange.

BIOGRAPHICAL DETAILS IN RESPECT OF DIRECTORS

Mr. Mark Wong Tai Chun (“Mr. Wong”), aged 61, 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 an executive director and the director of investment of Allied Group Limited 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. Zhou Haiying (“Mr. Zhou”), aged 55, was appointed as an Executive Director of the Company in December 2018 and re-designated to a Non-Executive Director of the Company in 16 January 2026. 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).

Mr. Gao Zhaoyuan (“Mr. Gao”), aged 42, 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 48, 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 66, was appointed as an Independent Non-Executive Director of the Company in December 2016. Dr. Xia was an independent supervisor of Central China Securities Co. Limited until 30 June 2025. 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 74, 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, 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. Dr. Wong was also an independent non-executive director of Capital Finance Holdings Limited between January 2018 to December 2021, China VAST Industrial Urban Development Company Limited between August 2014 to December 2022 and APAC Resources Limited from July 2004 to November 2025.

Ms. Yang Lai Sum, Lisa (“Ms. Yang”), aged 59, 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 practising 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, Tian An China Investments Company Limited and Asiasec Properties Limited.

Mr. Cao Dan (“Mr. Cao”), aged 51, 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 (the “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 (the “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 2025 (the "Year").

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in Note 46 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 7 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 15 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 43 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 31 to 48 and Environmental, Social and Governance Report of the Company (the "ESG Report") separately released on the websites of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and 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 websites of the Stock Exchange and 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 54 of this Annual Report.

The Board does not recommend the payment of a final dividend (2024: HK2 cents per share) for the Year.

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\$74,070,000 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 16 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

During the Year, the Group acquired property, plant and equipment totalling approximately HK\$193,273,000.

Details of these and other movements in property, plant and equipment of the Group during the Year are set out in Note 17 to the consolidated financial statements.

PROPERTIES

Particulars of major properties of the Group as at 31 December 2025 are set out on pages 154 to 155 of this Annual Report.

SHARE CAPITAL AND SHARES ISSUED

Details of movements in the share capital of the Company during the Year are set out in Note 34 to the consolidated financial statements.

DEBENTURES

The Group has not issued any debentures during the Year.

EQUITY-LINKED AGREEMENTS

Apart from the "Share Option Scheme" set out in Note 41 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.

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 32 to the consolidated financial statements.

DIRECTORS' REPORT

DIRECTORS

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

Executive Directors:

Mr. Kong Muk Yin
Mr. Guo Meibao

Non-Executive Directors:

Mr. Lee Seng Hui (*Chairman*)
Mr. Mark Wong Tai Chun
Mr. Zhou Haiying (*re-designated from Executive Director to Non-Executive Director with effect from 16 January 2026*)
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

In accordance with Bye-Law 99 of the Bye-Laws of the Company (the "Bye-Laws"), Mr. Lee Seng Hui, Mr. Guo Meibao, Mr. Mark Wong Tai Chun and Mr. Zhou Haiying shall retire from office by rotation, and being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company (the "AGM").

A list of names of all the directors who have served on the boards of the Company's subsidiaries during the year and up to the date of this report is kept at the Company's registered office and available for inspection by the shareholder of the Company (the "Shareholders") during normal office hours.

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 16 to 19 of this Annual Report. Directors' other particulars are contained elsewhere in this report and this Annual Report.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming AGM 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 (the "NEDs" including the independent non-executive directors of the Company (the "INEDs")) were appointed for a term of two years and the term of their services shall be renewed automatically for successive two-year term or until terminated in accordance with the letter of appointment. All appointments of NEDs (including INEDs) are subject to the relevant provisions of the Bye-Laws or any other applicable laws from time to time whereby the Directors shall vacate or retire from their office but are eligible for re-election.

DIRECTORS' REPORT

DIRECTOR'S INTERESTS

As at 31 December 2025, 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)	51.44%	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).
- 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 2025, 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 2025, 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 2025, 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 2025, 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 2025, 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 for Securities Transactions by Directors of Listed Issuers 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 [#]
Mr. Lee Seng Hui	Allied Group Limited ("AGL")	— director — substantial shareholder*	(1) - (5)
	Sun Hung Kai & Co. Limited ("SHK")	— director of a non wholly-owned subsidiary of SHK — substantial shareholder of SHK*	(1) (1), (3), (5)
	APAC Resources Limited ("APAC")	— director — substantial shareholder*	(1), (5)
	Tian An China Investments Company Limited ("TACI")	— director — substantial shareholder*	(1) - (3)
	Asiasec Properties Limited ("ASL")	— substantial shareholder*	(1), (3)
	Tian An Australia Limited ("TIA")	— substantial shareholder*	(2)
Mr. Wong Tai Chun, Mark	AGL	— director	(1) - (5)
	APAC	— director (<i>alternate to Mr. Arthur George Dew</i>)	(1), (5)

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.

[#] 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.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in "Related Party Transactions" in Note 40 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 "Related Party Transactions" in Note 40 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.

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.

MANAGEMENT CONTRACT

Save for employment contracts and the agreements relating to the sharing of management services (the "Management Services"), 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.

The Company (as service recipient) entered into the sharing of management services agreements with AGL, TACI and ASL (as services providers) respectively on 10 January 2025 in relation to the Management Services for a term of one year from 1 January 2025 to 31 December 2025 (the "2025 Management Services Agreements"). On 19 December 2025, the Company entered into three agreements with AGL, TACI and ASL respectively to renew the 2025 Management Services Agreements for a term of three years from 1 January 2026 to 31 December 2028 (the "2026 Management Services Agreements").

Mr. Lee Seng Hui, being the Chairman and a Non-Executive Director of the Company, the chief executive and an executive director of AGL, the chairman and an non-executive director of TACI, and also one of the trustees of Lee and Lee Trust which is deemed substantial shareholder of ASL, is deemed to be interested in the 2025 Management Services Agreements and 2026 Management Services Agreements.

DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTEREST

To the best of Directors' knowledge, as at 31 December 2025, 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
TACI	Held by controlled corporation	(Note 1)	556,097,010	51.44%
AGL	Held by controlled corporation	(Note 3)	556,097,010 (Note 2)	51.44%
Lee and Lee Trust	Held by controlled corporation	(Note 4)	556,097,010 (Note 2)	51.44%
Cool Clouds Limited ("Cool Clouds")	Beneficial owner		200,000,000	18.42%
Resuccess Investments Limited ("Resuccess")	Held by controlled corporation	(Note 5)	200,000,000	18.42%
Tsinghua Tongfang Co., Ltd. ("THTF")	Held by controlled corporation	(Note 5)	200,000,000	18.42%
Victor Beauty Investments Limited ("Victor Beauty")	Beneficial owner		100,000,000	9.21%
CM International Capital Limited ("CMIC")	Held by controlled corporation	(Note 6)	100,000,000	9.21%
CMIG International Capital Limited ("CMIG International")	Held by controlled corporation	(Note 6)	100,000,000	9.21%
CMI Financial Holding Corporation ("CMIF")	Held by controlled corporation	(Note 6)	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 6)	100,000,000	9.21%

DIRECTORS' REPORT

Name of Shareholders	Capacity		Number of ordinary shares held	Approximate percentage of shareholding
China Minsheng Investment Group Corp., Ltd.* 中國民生投資股份有限公司 ("CMI")	Held by controlled corporation	(Note 6)	100,000,000	9.21%
Vigor Online Offshore Limited ("Vigor")	Beneficial owner		97,514,540	9.00%
China Spirit Limited ("China Spirit")	Held by controlled corporation	(Note 7)	97,514,540	9.00%
Ms. Chong Sok Un ("Ms. Chong")	Held by controlled corporation	(Note 8)	97,514,540	9.00%

* For identification purpose only

Notes:

- The interest was held by Fareast Global Limited ("Fareast Global"), a wholly-owned subsidiary of TACI, TACI was therefore deemed to have an interest in the shares in which Fareast Global was interested.
- This represents the same interests of TACI in 556,097,010 shares.
- AGL, through its wholly-owned subsidiaries, indirectly owned approximately 56.94% of the total number of issued shares of TACI and was therefore deemed to have an interest in the shares in which TACI was interested.
- 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) and was therefore deemed to have an interest in the shares in which AGL was interested through TACI.
- The interest was held by Cool Clouds, a wholly-owned subsidiary of Resuccess which in turn was a wholly-owned subsidiary of THTF. THTF was therefore deemed to have an interest in the shares in which Cool Clouds was interested.
- The interest was held by Victor Beauty, a wholly-owned subsidiary of CMIC which in turn was a wholly-owned subsidiary of CMIG International. CMIG International is owned approximately 77.4% by CMIF. CMIF, a wholly-owned subsidiary of CMIG, which in turn was a wholly-owned subsidiary of CMI. CMI was therefore deemed to have an interest in the shares in which Victor Beauty was interested.
- The interest was held by Vigor, a wholly-owned subsidiary of China Spirit, China Spirit was therefore deemed to have an interest in the shares in which Vigor was interested.
- Ms. Chong owned the entire issued share capital of China Spirit and was therefore deemed to have an interest in the shares in which China Spirit was interested.
- All interests stated above represent long positions.

Save as disclosed above, as at 31 December 2025, 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.

DIRECTORS' REPORT

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.

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 14% and 33% 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.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the Year, the Company repurchased a total of 3,970,000 Shares on the Stock Exchange at an aggregate consideration (before expenses) of HK\$3,504,550. All the repurchased Shares were subsequently cancelled.

Particulars of the repurchases are as follows:

Month	Number of Shares repurchased	Purchase price per Share		Aggregate consideration (before expenses) (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
March	180,000	0.76	0.74	136,600
April	1,485,000	0.78	0.77	1,158,250
May	40,000	0.75	0.75	30,000
June	260,000	0.81	0.78	207,750
August	10,000	0.85	0.85	8,500
September	205,000	0.90	0.90	184,500
October	280,000	0.97	0.90	261,250
November	1,250,000	1.00	0.99	1,249,900
December	260,000	1.03	1.03	267,800
Total	3,970,000			3,504,550

DIRECTORS' REPORT

RELATED PARTY TRANSACTIONS

During the Year, there were transactions entered into with related parties of the Group, details of which are set out in "Related Party Transactions" in Note 40 to the consolidated financial statements. These related party transactions constitute connected transactions or continuing connected transactions of the Company as defined in and are fully exempt from the connected transaction disclosure 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.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-Laws or the Companies Act 1981 of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

DONATIONS

The Group made charitable donations amounting to HK\$101,400 during the Year.

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 31 to 48.

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

BDO Limited resigned as the auditor of the Company and Deloitte Touche Tohmatsu ("Deloitte") has been appointed as the auditor of the Company to fill the casual vacancy, both with effect from 24 October 2025.

The consolidated financial statements of the Group for the Year were audited by Deloitte.

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

DIRECTORS' REPORT

EVENT AFTER THE REPORTING DATE

There are no important events affecting the Group which have occurred after the end of the financial year ended 31 December 2025 and up to the date of this Annual Report.

On behalf of the Board

Lee Seng Hui
Chairman

Hong Kong, 13 March 2026

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 2025 (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 (the “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 two Executive Directors (the “Executive Directors”), five Non-Executive Directors (the “NEDs”) and four Independent Non-Executive Directors (the “INEDs”). The composition of the Board is set out as follows:

Executive Directors:

Mr. Kong Muk Yin
Mr. Guo Meibao

Non-Executive Directors:

Mr. Lee Seng Hui (*Chairman*)
Mr. Mark Wong Tai Chun
Mr. Zhou Haiying (*re-designated from Executive Director to Non-Executive Director with effect from 16 January 2026*)
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

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 16 to 19.

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 provided the Company and its subsidiaries (collectively the “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 (the “Shareholder(s)”).

Throughout the Year and up to the date of this report, 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.

CORPORATE GOVERNANCE REPORT

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, 8 Board meetings were held and the attendance of each Director at the Board meetings is set out as follows:

Name of Directors	Number of Board meetings attended/held
Executive Directors:	
Mr. Kong Muk Yin	8/8
Mr. Guo Meibao	8/8
Non-Executive Directors:	
Mr. Lee Seng Hui (<i>Chairman</i>)	8/8
Mr. Mark Wong Tai Chun	8/8
Mr. Zhou Haiying (<i>re-designated from Executive Director to Non-Executive Director with effect from 16 January 2026</i>)	8/8
Mr. Gao Zhaoyuan	8/8
Ms. Zhang Yuanyuan	8/8
Independent Non-Executive Directors:	
Dr. Xia Xiaoning	8/8
Dr. Wong Wing Kuen, Albert	8/8
Ms. Yang Lai Sum, Lisa	7/8
Mr. Cao Dan	7/8

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 (the "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.

CORPORATE GOVERNANCE REPORT

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

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.

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

Name of Directors	Reading regulatory updates and other materials relating to Directors' duties and responsibilities	Attending trainings/ briefings/ seminars/ conferences relevant to Directors' duties
Executive Directors:		
Mr. Kong Muk Yin	✓	✓
Mr. Guo Meibao	✓	✓
Non-Executive Directors:		
Mr. Lee Seng Hui (<i>Chairman</i>)	✓	✓
Mr. Mark Wong Tai Chun	✓	✓
Mr. Zhou Haiying (<i>re-designated from Executive Director to Non-Executive Director with effect from 16 January 2026</i>)	✓	✓
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	✓	✓

CORPORATE GOVERNANCE REPORT

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.1.7 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 separate and should not be performed by the same individual, to strike a balance of power and authority so that the power is not concentrated in any one individual.

Mr. Lee Seng Hui, being the Chairman of the Board, 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, 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 websites of the Stock Exchange and the Company.

Board Diversity Policy

The Company has adopted a board diversity policy (the "Board Diversity Policy") 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 2025, the Board consists of two female Directors and nine male Directors, which is not a single-gender Board. As at 31 December 2025, the ratio of male to female in the workforce of the Company (excluding Directors) was approximately 30:70. 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 (the "ESG") Report of the Company separately released on the websites of the Stock Exchange and the Company.

CORPORATE GOVERNANCE REPORT

Appointment and Re-election of Directors

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.

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.

Dr. Xia Xiaoning, the INED of the Company, has served the Board for more than nine years. He has clearly demonstrated his willingness to exercise independent judgement and to provide objective opinions to the management. There is no evidence that length of tenure is having an adverse impact on his independence. The Board therefore considers that Dr. Xia Xiaoning remains independent, notwithstanding the length of his tenure.

The Nomination Committee has assessed the independence of all the Independent Non-Executive Directors and has concluded that all of them are independent within the definition of the Listing Rules.

CORPORATE GOVERNANCE REPORT

Corporate Governance Function

The Board has adopted the written terms of reference on corporate governance function 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.

In 2025 and up to the date of this report, the Board has performed the corporate governance duties in accordance with its terms of reference.

BOARD COMMITTEES

The Board has established various committees, including an Executive Committee, a Remuneration Committee, a Nomination Committee and an Audit Committee, each of which has its specific written terms of reference. The committees report regularly to the Board and, where appropriate, make recommendations on matters discussed.

The list of the chairman and members of each Remuneration Committee, Nomination Committee and Audit Committee is set out in the Corporate Information section of this Annual Report.

Executive Committee

The Executive Committee currently consists of two Executive Directors including Mr. Kong Muk Yin and Mr. Guo Meibo. The Executive Committee is responsible for approving and monitoring the daily operations of the Group. The major roles and functions of the Executive Committee are included in its terms of reference.

CORPORATE GOVERNANCE REPORT

Remuneration Committee

The Remuneration Committee currently consists 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.

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 major roles and functions of the Remuneration Committee are included in its terms of reference, which has been updated in August 2025 and are available on the websites of the Stock Exchange and the Company. The terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

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
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 11 to the consolidated financial statements.

The meeting of the Remuneration Committee shall be held at least once a year in accordance with its terms of reference. 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	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 2025 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 updated existing policy and structure for the remuneration of Directors; and
- (ii) reviewed and recommended for the Board's approval the remuneration of all Directors.

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.

Nomination Committee

The Nomination Committee currently consists one Executive Director and four INEDs. The meeting of the Nomination Committee shall be held as and when necessary in accordance with its term of reference, which has been updated in August 2025 and are available on the websites of the Stock Exchange and the Company. One meeting was held during the Year and the attendance of each member is set out as follows:

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 major roles and functions of the Nomination Committee are included in its terms of reference. The terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

Name of members	Number of meetings attended/held
Dr. Wong Wing Kuen, Albert	1/1
Mr. Kong Muk Yin	1/1
Dr. Xia Xiaoning	1/1
Ms. Yang Lai Sum, Lisa	1/1
Mr. Cao Dan	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 succession planning for directors.

The Nomination Committee has formulated and set out the nomination policy (the "Nomination Policy") in its terms of reference. The objectives of the Nomination Policy are to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and should ensure the directors devote sufficient time and make contributions to the Company that are commensurate with their role and board responsibilities. The Board should also include a balanced composition of executive and non-executive directors (including INEDs) so that there is a strong independent element in the Board, which can effectively exercise independent judgment.

CORPORATE GOVERNANCE REPORT

To ensure changes to the Board composition can be managed without undue disruption, there should be a formal, considered and transparent procedure for selection, appointment and re-appointment of directors, as well as plans in place for orderly succession (if considered necessary), including periodical review of such plans. The appointment of a new director (to be an additional director or fill a casual vacancy as and when it arises) or any re-appointment of directors is a matter for decision by the Board upon the recommendation of the proposed candidate by the Nomination Committee.

The criteria to be applied in considering whether a candidate is qualified shall be his or her ability to devote sufficient time and attention to the affairs of the Company and contribute to the diversity of the Board as well as the effective carrying out by the Board of the responsibilities. By adopting such criteria, it facilitates the Company to develop a pipeline of potential candidates to achieve gender diversity. Further details of the selection criteria and the procedure are set out in the terms of reference of the Nomination Committee.

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 2025 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 2025 AGM and the 2026 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 re-designation of Director of the Company.

Audit Committee

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 major roles and functions of the Audit Committee are included in its terms of reference, which has been updated in August 2025 and are available on the websites of the Stock Exchange and the Company. The terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

The Audit Committee currently consists 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 in accordance with its term of reference. Four 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>)	4/4
Mr. Gao Zhaoyuan	4/4
Dr. Xia Xiaoning	4/4
Ms. Yang Lai Sum, Lisa	4/4
Mr. Cao Dan	3/4

In addition to the Audit Committee meetings, the Audit Committee also dealt with matters by way of circulation during the Year. In 2025 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 2024, for the six months ended 30 June 2025 and for the year ended 31 December 2025 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 2025 and for the year ended 31 December 2025;
- (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 whistle blowing policy, procedures for monitoring of connected transaction, related party transaction policies and procedures, policy on the disclosure of inside information, risk management policy, internal control manual, dividend policy;
- (vii) 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;
- (viii) reviewed and recommended for the Board's annual review the whistle blowing policy, procedures for monitoring of connected transaction, related party transaction policies and procedures, policy on the disclosure of inside information, risk management policy, internal control manual, dividend policy and provision of non-assurance services from the external auditor; and
- (ix) considered and recommended to the Board for the change of auditor of the Company.

CORPORATE GOVERNANCE REPORT

WHISTLE BLOWER POLICY AND ANTI-CORRUPTION POLICIES AND SYSTEMS

The Board has adopted 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.

The Board has also established policies and systems that promote and support anti-corruption laws and regulation for setting out responsibilities of the Group's employees to identify and prevent bribery and corruption in order to protect the integrity and reputation of the Group.

EXTERNAL AUDITOR'S REMUNERATION

During the Year under review, the remuneration paid or payable to the External Auditor, Messrs. Deloitte Touche Tohmatsu, is set out as follows:

Services rendered	Fees paid/ payable HK\$'000
Audit services	1,980
Non-audit services	69
	<u>2,049</u>

During the Year under review, the remuneration in respect of services provided by BDO Limited, the former External Auditor of the Company, is set out as follows:

Services rendered	Fees paid/ payable HK\$'000
Non-audit services (including review of interim results)	135
	<u>135</u>

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.

CORPORATE GOVERNANCE REPORT

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.
- 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.

CORPORATE GOVERNANCE REPORT

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.

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 HKFRS 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

The Board recognises the importance of good communication with Shareholders, the Company has adopted the Shareholder's Communication Policy. The Company has maintained different communication channels with the Shareholders through the publication of annual and interim reports, circulars and announcements. Such published documents together with the latest corporate information and news are also made available on the website of the Company.

CORPORATE GOVERNANCE REPORT

During the Year, an AGM was held and the attendance of each Director at the AGM is set out as follows:

Name of Directors	Number of AGM attended/held
Mr. Kong Muk Yin	1/1
Mr. Guo Meibao	1/1
Mr. Lee Seng Hui (<i>Chairman</i>)	1/1
Mr. Mark Wong Tai Chun	1/1
Mr. Zhou Haiying (<i>re-designated from Executive Director to Non-Executive Director with effect from 16 January 2026</i>)	1/1
Mr. Gao Zhaoyuan	1/1
Ms. Zhang Yuanyuan	1/1
Dr. Xia Xiaoning	1/1
Dr. Wong Wing Kuen, Albert	1/1
Ms. Yang Lai Sum, Lisa	0/1
Mr. Cao Dan	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 19 May 2025 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.

The next AGM will be held on 18 May 2026, 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.

CORPORATE GOVERNANCE REPORT

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 <http://www.tiananmedicare.com.hk> and <http://www.irasia.com/listco/hk/tiananmedicare/> where information and updates on the list of Directors and their roles and function, 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

There was no significant change in the Company's constitutional documents during the Year.

DIVIDEND POLICY

The Board has adopted the Dividend Policy which 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.

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.

Up to the date of 9 January 2025, Mr. Kong Muk Yin ("Mr. Kong") was 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. 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 16 to 19.

CORPORATE GOVERNANCE REPORT

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. During the year, Ms. Sit undertook over 15 hours of relevant professional training to update her skills and knowledge.

On behalf of the Board

Lee Seng Hui
Chairman

Hong Kong, 13 March 2026

INDEPENDENT AUDITOR'S REPORT

Deloitte.

德勤

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 54 to 153, which comprise the consolidated statement of financial position as at 31 December 2025, 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 and other explanatory 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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as 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") as 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"), as applicable to audits of financial statements of public interest entities. We have also 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 matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter.

Key audit matter

How our audit addressed the key audit matter

Valuation of investment properties

We identified the valuation of investment properties as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the significant judgments and estimations associated with determining the fair value.

As disclosed in Note 16, the Group's investment properties which represent mainly industrial, office, commercial and residential properties located in the Mainland of the People's Republic of China (the "PRC") and Hong Kong were carried at fair value of HK\$475,114,000 as at 31 December 2025 with fair value loss of HK\$74,070,000 recognised in profit or loss for the year ended 31 December 2025.

All of the Group's properties are measured at fair value with reference to valuations performed by an independent qualified professional valuer (the "Valuer"). Details of the valuation techniques, significant assumptions and key inputs used in the valuations are disclosed in Note 16. The valuations are dependent on certain significant assumptions and key inputs that involve management's judgments and estimations, including reversionary yield and average market unit rent of individual unit.

Our procedures in relation to evaluating the valuation of investment properties included:

- Evaluating the competence, capabilities and objectivity of the Valuer;
- Understanding the performance of the property markets and the Valuer's valuation techniques, significant assumptions adopted and key inputs used in the valuations;
- Evaluating the appropriateness of the valuation techniques to assess if they meet the requirements of HKFRS Accounting Standards and industry norms; and
- Assessing the reasonableness of the key inputs adopted by management and the Valuer by comparing them, on a sample basis, to entity-specific information and market data.

INDEPENDENT AUDITOR'S REPORT

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 10 March 2025.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the 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.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as 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 of the Company 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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 solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, 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 of the Company.
- 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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- 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 audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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 those charged with governance, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe this matter 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.

The engagement partner on the audit resulting in this independent auditor's report is Keung To Wai, David (practising certificate number: P04578).

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong, 13 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	6	1,638,180	1,627,199
Gross proceeds from sales of investments held for trading		—	—
Total		1,638,180	1,627,199
Revenue	6		
Goods and services from contracts with customers		1,630,706	1,620,606
Rental income		7,474	6,593
		1,638,180	1,627,199
Cost of goods and services		(1,328,632)	(1,290,979)
Gross profit		309,548	336,220
Other gains and losses, and other income	8	(56,695)	(19,549)
Selling and distribution costs		(7,409)	(6,871)
Administrative expenses		(223,540)	(223,682)
Profit from operations		21,904	86,118
Finance costs	9	(22,373)	(29,114)
(Loss)/profit before taxation		(469)	57,004
Income tax expense	12	(20,337)	(15,028)
(Loss)/profit for the year	13	(20,806)	41,976
Attributable to:			
Owners of the Company		(26,816)	28,773
Non-controlling interests		6,010	13,203
		(20,806)	41,976
(Loss)/earnings per share	15		
Basic		HK(2.48 cents)	HK2.65 cents
Diluted		N/A	N/A

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Investment properties	16	475,114	525,392
Property, plant and equipment	17	1,662,578	1,541,635
Right-of-use assets	18	84,138	86,605
Loan receivable	26	—	—
Interests in associates	19	—	—
Financial assets at fair value through profit or loss ("FVTPL")	20	2,151	2,151
Goodwill	21	—	—
Prepayments for acquisition of property, plant and equipment		26,642	23,887
		2,250,623	2,179,670
Current assets			
Inventories	22	46,029	45,029
Properties under development for sale	23	126,451	165,414
Properties held for sale	23	69,026	77,847
Investments held for trading	24	34,734	4,951
Trade receivables	25	166,542	143,791
Deposits, prepayments and other receivables	25	34,427	28,792
Amounts due from related parties	40	367	437
Pledged bank deposits	27	76,045	—
Restricted bank deposits	27	1,274	7,518
Bank balances and cash	27	743,016	885,428
		1,297,911	1,359,207
Current liabilities			
Trade payables	28	139,345	133,439
Deposits, receipt in advance and accrued charges	28	403,178	450,111
Contract liabilities	30	56,621	70,098
Amount due to an associate	31	6,111	5,978
Amounts due to related parties	40	361	376
Borrowings	32	457,497	390,817
Lease liabilities	29	806	1,543
Current tax liabilities		119,809	113,334
		1,183,728	1,165,696

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Net current assets		114,183	193,511
Total assets less current liabilities		2,364,806	2,373,181
Non-current liabilities			
Other payables	28	37,653	—
Contract liabilities	30	4,973	5,867
Borrowings	32	434,169	442,566
Lease liabilities	29	—	1,282
Deferred tax liabilities	33	29,271	28,637
		506,066	478,352
Net assets		1,858,740	1,894,829
Capital and reserves			
Equity attributable to owners of the Company			
Share capital	34	10,810	10,860
Treasury shares	34	(134)	(869)
Reserves	35	1,762,680	1,808,983
		1,773,356	1,818,974
Non-controlling interests	36	85,384	75,855
Total equity		1,858,740	1,894,829

The consolidated financial statements on pages 54 to 153 were approved and authorised for issue by the Board of Directors on 13 March 2026 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 2025

	Attributable to owners of the Company										
	Share capital HK\$'000	Treasury shares HK\$'000	Share premium HK\$'000	Contributed surplus 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 1 January 2024	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 expense: Exchange differences arising on translation of foreign operations	—	—	—	—	—	—	(6,369)	—	(6,369)	(742)	(7,111)
Total comprehensive (expense)/ income for the year	—	—	—	—	—	—	(6,369)	28,773	22,404	12,461	34,865
Share premium reduction (Note 35(b)(ii))	—	—	(2,600,000)	342,801	—	—	—	2,257,199	—	—	—
Dividend recognised as distribution (Note 14)	—	—	—	(10,860)	—	—	—	—	(10,860)	—	(10,860)
Forfeiture of unclaimed dividends	—	—	—	48	—	—	—	—	48	—	48
Repurchase of shares (Note 34)	—	(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 CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the Company										
	Share capital HK\$'000	Treasury shares HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Capital redemption reserve HK\$'000	Other reserve HK\$'000	Translation reserve HK\$'000	Retained earnings HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
As at 1 January 2025	10,860	(869)	327,046	331,989	2,496	(796,531)	(529)	1,944,512	1,818,974	75,855	1,894,829
(Loss)/profit for the year	—	—	—	—	—	—	—	(26,816)	(26,816)	6,010	(20,806)
Other comprehensive income: Exchange differences arising on translation of foreign operations	—	—	—	—	—	—	6,400	—	6,400	3,519	9,919
Total comprehensive income/ (expense) for the year	—	—	—	—	—	—	6,400	(26,816)	(20,416)	9,529	(10,887)
Dividend recognised as distribution (Note 14)	—	—	—	(21,663)	—	—	—	—	(21,663)	—	(21,663)
Repurchase of shares (Note 34)	—	(3,510)	—	—	(29)	—	—	—	(3,539)	—	(3,539)
Cancellation of shares repurchased (Note 34)	(50)	4,245	(1,728)	—	(2,467)	—	—	—	—	—	—
At 31 December 2025	10,810	(134)	325,318	310,326	—	(796,531)	5,871	1,917,696	1,773,356	85,384	1,858,740

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 HK\$'000	2024 HK\$'000
OPERATING ACTIVITIES		
(Loss)/profit before taxation	(469)	57,004
Adjustments for:		
Interest income from bank deposits	(21,798)	(32,497)
Depreciation of property, plant and equipment	89,906	91,395
Depreciation of right-of-use assets	3,568	5,912
Derecognition of right-of-use assets and lease liabilities, net	(39)	(5,502)
Net impairment losses on trade receivables	7,119	9,549
Net impairment losses on deposits and other receivables	14	1,310
Impairment loss on 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	23,860	10,957
Provision for properties held for sale	10,322	1,664
Write-off of property, plant and equipment	1,497	16,404
Finance costs	22,373	29,114
(Gain)/loss on fair value of investments held for trading	(4,233)	1,673
Loss on fair value of investment properties	74,070	16,921
Net unrealised foreign exchange loss	35	13,642
Operating cash flows before movements in working capital	206,225	221,448
Decrease in inventories	644	2,239
Increase in trade receivables	(26,250)	(71,164)
(Increase)/decrease in deposits, prepayments and other receivables	(5,009)	9,712
Decrease/(increase) in amounts due from related parties	70	(437)
(Decrease)/increase in amounts due to related parties	(18)	376
Increase/(decrease) in trade payables	2,877	(29,359)
Decrease in deposits, receipt in advance and accrued charges	(19,939)	(18,434)
Decrease in deposits received on sales of properties	—	(212)
(Decrease)/increase in contract liabilities	(15,710)	14,002
Cash generated from operations	142,890	128,171
Income taxes paid, net	(16,599)	(22,196)
NET CASH FROM OPERATING ACTIVITIES	126,291	105,975

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 HK\$'000	2024 HK\$'000
INVESTING ACTIVITIES		
Placement of pledged bank deposits/restricted bank deposits	(85,556)	(18,245)
Withdrawal of pledged bank deposits/restricted bank deposits	15,761	44,041
Interest received	21,798	32,497
Purchase of property, plant and equipment	(176,004)	(182,508)
Addition of investments held for trading	(25,550)	—
Prepayments paid for acquisition of property, plant and equipment	(19,446)	(10,374)
NET CASH USED IN INVESTING ACTIVITIES	(268,997)	(134,589)
FINANCING ACTIVITIES		
New borrowings raised	553,955	408,365
Repayments of borrowings	(499,634)	(330,187)
Repurchase of shares	(3,539)	(869)
Repayment of principal element of lease liabilities	(1,312)	(3,098)
Interest paid	(32,193)	(31,889)
Dividend paid	(22,661)	(10,860)
Repayment of interest element of lease liabilities	(97)	(2,344)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	(5,481)	29,118
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(148,187)	504
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	885,428	890,266
Effect of foreign exchange rate changes	5,775	(5,342)
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	743,016	885,428

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

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

Its 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. 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 (together with the Company referred to as the “Group”) are set out in Note 46.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

(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 2025

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (CONTINUED)

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

HKFRS 18 Presentation and Disclosure in Financial Statements

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards 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 5.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(c) Foreign currency translation (Continued)

(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.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(d) Property, plant and equipment (Continued)

Property, plant and equipment are depreciated, except for construction in progress, 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	20%–30% or over the lease term of the leasehold land, whichever is shorter
Computer, medical and electronic equipment	10–20%
Furniture and fixtures	20%
Office equipment	20%
Motor vehicles	20%

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. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(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, including any directly attributable expenditure, on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Investment properties are stated at fair value, adjusted to exclude any prepaid or accrued operating lease income, 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 permanently withdrawn from use and no future economic benefits are expected from its disposal. 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 4(i).

(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, using 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 2025

4. 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 time frame generally established by regulation or convention in the market place concerned.

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 2025

4. 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 principally 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 expected credit losses (“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.

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 2025

4. 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 by referencing to reports issued by economic expert, 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 2025

4. 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.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(h) Financial instruments (Continued)

(ii) Impairment loss of financial assets (Continued)

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. A write-off constitutes a derecognition event. Any subsequent 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. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(h) Financial instruments (Continued)

(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.

(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 Revenue from Contracts with Customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(i) Revenue recognition (Continued)

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

For 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 remaining eldercare related services, revenue is recognised at a point in time, i.e. when the services are provided.

For sales of pharmaceuticals from outpatient healthcare services, sales of properties and sales of nutritions, revenue is recognised at a point in time, i.e. when the control of the goods has transferred, being at the point the customer receives the goods.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(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 People's Republic of China (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.

(ii) Short-term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before 12 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(l) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(m) Taxation

Income tax expense 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.

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 and associates 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. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(m) Taxation (Continued)

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.

(n) Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include: (i) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and (ii) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts (if any) which are repayable on demand and form an integral part of the Group's cash management.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in Note 37. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(o) 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 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 the Group's 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 arising from 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 the directors of the Company, all of the Group's investment properties 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 4, 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 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty

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

(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 2025, the carrying amount of investment properties was HK\$475,114,000 (2024: HK\$525,392,000).

Note 16 provides detailed information about the valuation techniques, significant assumptions adopted and key inputs used in the valuation 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. 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 could materially affect the recoverable amounts.

As at 31 December 2025, the carrying amounts of property, plant and equipment and right-of-use assets were HK\$1,662,578,000 (2024: HK\$1,541,635,000) and HK\$84,138,000 (2024: HK\$86,605,000) respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (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 2025, the carrying amount of trade receivables is HK\$166,542,000 (net of allowance for credit losses of HK\$8,727,000) (2024: HK\$143,791,000 (net of allowance for credit losses of HK\$7,226,000)).

(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\$23,860,000 (2024: HK\$10,957,000) and properties held for sale of HK\$10,322,000 (2024: HK\$1,664,000) were made for the year ended 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

6. REVENUE

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

6. REVENUE (CONTINUED)

(a) Disaggregation of revenue from contracts with customers

For the year ended 31 December 2025

Segments	Healthcare HK\$'000	Eldercare HK\$'000	Property development HK\$'000	Total HK\$'000
Types of goods or services				
Hospital fees and charges				
— Inpatient healthcare services	579,282	—	—	579,282
— Outpatient healthcare services	400,446	—	—	400,446
— Other healthcare services	21,606	—	—	21,606
— Physical examination services	123,585	—	—	123,585
— Sales of pharmaceuticals	457,364	—	—	457,364
Building management fees	—	6,068	—	6,068
Eldercare related services	—	35,541	—	35,541
Sales of nutritions	—	6,659	—	6,659
Sales of properties	—	—	155	155
Total	1,582,283	48,268	155	1,630,706
Timing of revenue recognition				
At a point in time	821,248	20,451	155	841,854
Over time	761,035	27,817	—	788,852
Total	1,582,283	48,268	155	1,630,706

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

6. REVENUE (CONTINUED)

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

For the year ended 31 December 2024

Segments	Healthcare HK\$'000	Eldercare HK\$'000	Property development HK\$'000	Total HK\$'000
Types of goods or services				
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 pharmaceuticals	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	<u>1,581,036</u>	<u>39,570</u>	<u>—</u>	<u>1,620,606</u>
Timing of revenue recognition				
At a point in time	844,549	15,854	—	860,403
Over time	<u>736,487</u>	<u>23,716</u>	<u>—</u>	<u>760,203</u>
Total	<u>1,581,036</u>	<u>39,570</u>	<u>—</u>	<u>1,620,606</u>

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 2025

6. REVENUE (CONTINUED)

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

For the year ended 31 December 2025

	Healthcare HK\$'000	Eldercare HK\$'000	Property development HK\$'000
Revenue disclosed in segment information	1,582,283	51,463	155
Less: Rental income	—	(3,195)	—
Revenue from contracts with customers	<u>1,582,283</u>	<u>48,268</u>	<u>155</u>

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	<u>1,581,036</u>	<u>39,570</u>	<u>—</u>

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

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 and 2024 and the expected timing of recognising revenue are as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	56,877	75,545
More than one year but not more than two years	1,388	1,870
More than two years	4,919	6,879
	<u>63,184</u>	<u>84,294</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

7. SEGMENT INFORMATION

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

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

During the year ended 31 December 2025, the CODM has identified the following six operating and reportable segments under HKFRS 8 Operating Segments. No operating segments have been aggregated to form the following reportable segments.

Healthcare — operations of hospitals in the PRC.

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

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

Property investment — leasing of properties.

Financial services — provision of loan financial services.

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

The accounting policies of the operating and reportable segments are the same as the Group’s accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

7. 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 2025

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

7. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

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)
Profit before taxation							57,004

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

7. 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 2025

	Healthcare HK\$'000	Eldercare HK\$'000	Property development HK\$'000	Property investment HK\$'000	Financial services HK\$'000	Securities trading and investments HK\$'000	Consolidated HK\$'000
Segment assets	2,036,034	585,823	30,940	279,128	126	36,036	2,968,087
Corporate assets							580,447
Consolidated assets							3,548,534
Segment liabilities	1,060,674	574,772	40,680	5,517	1,115	—	1,682,758
Corporate liabilities							7,036
Consolidated liabilities							1,689,794

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

7. 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 2025

	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 from bank deposits	(622)	(5)	—	(159)	—	—	(21,012)	(21,798)
Finance costs	6,875	15,408	—	6	—	—	84	22,373
Derecognition of a right-of-use asset and a lease liability, net	39	—	—	—	—	—	—	39
Income tax expense	20,337	—	—	—	—	—	—	20,337
Depreciation of property, plant and equipment	81,902	6,340	326	24	—	—	1,314	89,906
Depreciation of right-of-use assets	2,406	—	—	—	—	—	1,162	3,568
Additions to prepayments for acquisition of property, plant and equipment	19,446	—	—	—	—	—	—	19,446
Additions to property, plant and equipment	182,979	9,933	—	179	—	—	182	193,273
Loss on fair value of investment properties	—	52,193	—	21,877	—	—	—	74,070
Gain on fair value of investments held for trading	—	—	—	—	—	(4,233)	—	(4,233)
Provision for properties under development for sale	—	22,008	1,852	—	—	—	—	23,860
Provision for properties held for sale	—	9,328	994	—	—	—	—	10,322
Written-off of property, plant and equipment	1,497	—	—	—	—	—	—	1,497
Net impairment losses on trade receivables	7,118	1	—	—	—	—	—	7,119
Net impairment losses on deposits and other receivables	14	—	—	—	—	—	—	14
Net foreign exchange gain	—	—	—	—	—	(11)	(8,115)	(8,126)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

7. SEGMENT INFORMATION (CONTINUED)

Other segment information (Continued)

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 from bank deposits	(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)
Net impairment losses on trade receivables	9,636	(87)	—	—	—	—	—	9,549
Net impairment losses on deposits and other receivables	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

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 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

7. SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's financial services and securities trading and investments 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 healthcare, eldercare and property development are carried out 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)	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
The PRC	1,633,901	1,622,863	2,054,834	1,978,251
Hong Kong	4,279	4,336	193,638	199,268
	1,638,180	1,627,199	2,248,472	2,177,519

Note: Non-current assets excluded financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

8. OTHER GAINS AND LOSSES, AND OTHER INCOME

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

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.

9. FINANCE COSTS

The finance costs represent interest as follows:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

10. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

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

Name of directors	For the year ended 31 December 2025				
	Directors' fees HK\$'000	Salaries and other benefits HK\$'000	Performance related bonus HK\$'000	Retirement benefits scheme contributions HK\$'000	Total emoluments HK\$'000
Executive directors (Note (a))					
Mr. Kong Muk Yin	—	2,080	—	18	2,098
Mr. Guo Meibao	—	1,424	—	145	1,569
Mr. Zhou Haiying (Note (d))	—	—	—	—	—
Non-executive directors (Note (b))					
Mr. Gao Zhaoyuan (Note (e))	—	—	—	—	—
Mr. Lee Seng Hui (Note (f))	—	—	—	—	—
Mr. Mark Wong Tai Chun (Note (g))	—	—	—	—	—
Ms. Zhang Yuanyuan (Note (h))	—	—	—	—	—
Independent non-executive directors (Note (c))					
Dr. Xia Xiaoning	150	—	—	—	150
Dr. Wong Wing Kuen, Albert	180	—	—	—	180
Ms. Yang Lai Sum, Lisa	150	—	—	—	150
Mr. Cao Dan (Note (j))	151	—	—	—	151
	631	3,504	—	163	4,298

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

10. BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(a) Directors' emoluments (Continued)

Name of directors	For the year ended 31 December 2024				
	Directors' fees	Salaries and other benefits	Performance related bonus	Retirement benefits scheme contributions	Total emoluments
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Executive directors (Note (a))					
Mr. Kong Muk Yin	—	2,080	—	18	2,098
Mr. Guo Meibao	—	1,437	—	150	1,587
Mr. Zhou Haiying (Note (d))	—	—	—	—	—
Non-executive directors (Note (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))	—	—	—	—	—
Independent non-executive directors (Note (c))					
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
	<u>1,081</u>	<u>3,517</u>	<u>—</u>	<u>168</u>	<u>4,766</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 their 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 2025

10. 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. On 16 January 2026, Mr. Zhou Haiying was re-designated as non-executive director of the Company.
- (e) Mr. Gao Zhaoyuan did not receive the director's remuneration with effect from 1 January 2025.
- (f) Mr. Lee Seng Hui did not receive the director's remuneration with effect from 1 January 2025.
- (g) Mr. Mark Wong Tai Chun did not receive the director's remuneration with effect from 1 January 2025.
- (h) Ms. Zhang Yuanyuan was appointed as non-executive director on 30 December 2024. Under the letter of appointment for Ms. Zhang Yuanyuan, 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.

Mr. Kong Muk Yin and Mr. Guo Meibao 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 ended 31 December 2025 and 2024.

Neither the chief executives nor any of the directors of the Company waived or agreed to waive any emoluments during the years ended 31 December 2025 and 2024.

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

Except as disclosed in Note 40, 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 2025

11. FIVE HIGHEST PAID INDIVIDUALS

During the year, the five highest paid individuals in the Group included two (2024: two) directors of the Company, details of whose emoluments are set out in Note 10. The emoluments for the remaining three (2024: three) highest paid individuals who are neither a director nor a chief executive of the Company are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and other benefits	3,666	3,081
Discretionary bonus	364	722
Retirement benefits scheme contributions	490	420
	<u>4,520</u>	<u>4,223</u>

The emoluments fell within the following bands:

	Number of individuals	
	2025	2024
HK\$1,000,001 to HK\$1,500,000	2	2
HK\$1,500,001 to HK\$2,000,000	1	1

12. INCOME TAX EXPENSE

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

	2025 HK\$'000	2024 HK\$'000
Current tax		
Corporate income tax ("CIT") in the PRC	20,337	25,848
Over-provision in prior years	—	(10,820)
	<u>20,337</u>	<u>15,028</u>
Deferred tax (Note 33)		
Origination and reversal of temporary differences	—	—
	<u>20,337</u>	<u>15,028</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

12. INCOME TAX EXPENSE (CONTINUED)

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

	2025 HK\$'000	2024 HK\$'000
(Loss)/profit before taxation	<u>(469)</u>	<u>57,004</u>
Tax at the domestic income tax rate of 16.5%	(77)	9,406
Tax effect of expenses that are not deductible	34,378	10,292
Tax effect of income that is not taxable	(11,613)	(6,567)
Tax effect of utilisation of tax losses and other deductible temporary differences not previously recognised	(16,537)	(25,388)
Tax effect of tax losses and other deductible temporary differences not recognised	5,992	31,867
Over-provision in prior years	—	(10,820)
Effect of different tax rates of subsidiaries	<u>8,194</u>	<u>6,238</u>
Income tax expense	<u>20,337</u>	<u>15,028</u>

13. (LOSS)/PROFIT FOR THE YEAR

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

14. DIVIDENDS

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

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

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

15. (LOSS)/EARNINGS PER SHARE

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

	2025 HK\$'000	2024 HK\$'000
(Loss)/profit		
(Loss)/profit for the purpose of calculating basic (loss)/earnings per share for the year attributable to owners of the Company	<u>(26,816)</u>	<u>28,773</u>
	2025	2024

Number of shares

Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	<u>1,083,129,101</u>	<u>1,086,000,827</u>
---	----------------------	----------------------

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

16. INVESTMENT PROPERTIES

	Completed investment properties HK\$'000
Fair value	
As at 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 and 1 January 2025	525,392
Transfer from properties under development for sale	17,660
Decrease in fair value recognised in profit or loss	(74,070)
Exchange differences	6,132
	<hr/>
As at 31 December 2025	<u>475,114</u>

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 37.

Valuation processes

The Group measures its investment properties at fair value as at 31 December 2025 and 2024. 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 2025

16. INVESTMENT PROPERTIES (CONTINUED)

Valuation processes (Continued)

At each financial year end, management of the Group:

- Verifies all major inputs to the independent valuation performed by Norton Appraisals
- Assesses property valuation movements with market trend
- 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 2025

16. 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
As at 31 December 2025					
Industrial property units located in Hong Kong	156,700	Investment approach	(i) Reversionary yield (ii) Average market unit rent of individual unit	4.00%–4.20% HK\$16–HK\$17 per square feet per month	Decrease Increase
Land in Hong Kong	17,400	Direct comparison approach	Market unit rate	HK\$185–HK\$365 per square feet	Increase
Commercial and residential property units located in the PRC	285,458	Investment approach	(i) Reversionary yield (ii) Average market unit rent of individual unit	4.75%–5.00% Renminbi (“RMB”) 13-RMB46 per square meter per month	Decrease Increase
Office units located in the PRC	15,556	Investment approach	(i) Reversionary yield (ii) Average market unit rent of individual unit	6.00% RMB61 per square meter per month	Decrease Increase
	475,114				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

16. 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
As at 31 December 2024					
Industrial property units located in Hong Kong	176,700	Investment approach	(i) Reversionary yield (ii) Average market unit rent of individual unit	3.80% HK\$16–HK\$18 per square feet per month	Decrease Increase
Land in Hong Kong	16,900	Direct comparison approach	Market unit rate	HK\$193–HK\$347 per square feet	Increase
Commercial and residential property units located in the PRC	331,792	Investment approach	(i) Reversionary yield (ii) Average market unit rent of individual unit	4.25%–4.30% RMB14–RMB52 per square meter per month	Decrease Increase
	<u>525,392</u>				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

17. 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
COST										
As at 1 January 2024	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)
As at 31 December 2024 and 1 January 2025	3,905	23,292	1,351,476	220,175	285,442	529,218	29,770	21,340	3,564	2,468,182
Additions	—	12,287	—	—	123,766	54,537	460	1,575	648	193,273
Written-off	—	—	—	—	—	(10,059)	(666)	(1,439)	—	(12,164)
Exchange differences	—	521	20,648	2,630	4,795	8,919	330	476	94	38,413
As at 31 December 2025	3,905	36,100	1,372,124	222,805	414,003	582,615	29,894	21,952	4,306	2,687,704

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

17. 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
ACCUMULATED										
DEPRECIATION AND IMPAIRMENT										
As at 1 January 2024	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)
As at 31 December 2024 and 1 January 2025	1,699	2,274	557,519	69,529	—	257,333	23,310	11,629	3,254	926,547
Provided for the year	100	1,812	37,032	6,880	—	40,813	2,017	875	377	89,906
Written-off	—	—	—	—	—	(9,229)	(80)	(1,358)	—	(10,667)
Exchange differences	—	—	7,102	830	—	8,728	2,352	247	81	19,340
As at 31 December 2025	1,799	4,086	601,653	77,239	—	297,645	27,599	11,393	3,712	1,025,126
CARRYING AMOUNTS										
As at 31 December 2025	2,106	32,014	770,471	145,566	414,003	284,970	2,295	10,559	594	1,662,578
As at 31 December 2024	2,206	21,018	793,957	150,646	285,442	271,885	6,460	9,711	310	1,541,635

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

17. 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 37.

Impairment assessment

Given the sustained losses in the eldercare business in recent years, the management of the Group concluded there was indication for impairment and conducted impairment assessment on certain property, plant and equipment within the eldercare segment.

The Group estimates the recoverable amount of certain property, plant and equipment within eldercare segment to which the asset belongs when it is not possible to estimate the recoverable amount individually, including allocation of corporate assets when reasonable and consistent basis can be established. Each cash-generating unit represents the Group's operation in eldercare business.

The recoverable amount of certain property, plant and equipment has been determined based on their fair value less costs of disposal. The Group uses direct comparison to estimate the fair value less costs of disposal of the assets which is based on the recent transaction prices for similar properties adjusted for nature, location and conditions of the property. The fair value measurement is categorised into Level 3 fair value hierarchy. The relevant assets were impaired to their recoverable amount of HK\$120,923,000 (2024: HK\$117,976,000), which is their carrying values at year end and impairment loss of HK\$nil (2024: HK\$1,368,000) has been recognised in profit or loss within the relevant functions to which these assets relate during the year.

18. RIGHT-OF-USE ASSETS

	Leasehold land HK\$'000	Leased properties HK\$'000	Total HK\$'000
As at 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)
As at 31 December 2024 and 1 January 2025	83,838	2,767	86,605
Depreciation	(2,341)	(1,227)	(3,568)
Derecognition	—	(668)	(668)
Exchange differences	1,769	—	1,769
As at 31 December 2025	83,266	872	84,138

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

18. RIGHT-OF-USE ASSETS (CONTINUED)

	2025 HK\$'000	2024 HK\$'000
Depreciation expenses on right-of-use assets	3,568	5,912
Interest expense on lease liabilities (included in finance costs)	97	2,344
Expenses relating to short-term lease (included in cost of goods and services and administrative expenses)	<u>4,742</u>	<u>8,097</u>

Details of total cash outflow for leases is set out in Note 45(b).

For both years, the Group leases various offices for its operations. Lease contract was entered into for fixed term of 2 years (2024: 2 years to 3 years) during the year ended 31 December 2025. 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 hospitals and 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.

Details of pledged right-of-use assets are set out in Note 37.

Restrictions or covenants on leases

In addition, lease liabilities of HK\$806,000 (2024: HK\$2,825,000) are recognised with related right-of-use assets of HK\$872,000 (2024: HK\$2,767,000) as at 31 December 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

19. INTERESTS IN ASSOCIATES

	2025 HK\$'000	2024 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 2025	Proportion of nominal value of issued capital held by the Group		Proportion of voting power held		Principal activities
						2025	2024	2025	2024	
						%	%	%	%	
Printronics Electronics Limited (Note)	Incorporated	Hong Kong	Hong Kong	Ordinary	N/A (2024: 2)	N/A	40	N/A	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 (2024: RMB13,000,000)	21.67	21.67	21.67	21.67	Ceased business

Note: Printronics Electronics Limited completed the process of the deregistration in 2025.

None of the associates is material to the Group.

20. FINANCIAL ASSETS AT FVTPL

	2025 HK\$'000	2024 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 2025

21. GOODWILL

	2025 HK\$'000	2024 HK\$'000
Cost		
As at 1 January	30,665	31,002
Exchange differences	681	(337)
As at 31 December	31,346	30,665
Accumulated impairment losses		
As at 1 January	30,665	31,002
Exchange differences	681	(337)
As at 31 December	31,346	30,665
Carrying amount		
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 during the year ended 31 December 2021.

22. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Medicines	32,516	33,304
Medical consumables	13,513	11,725
	46,029	45,029

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

23. PROPERTIES UNDER DEVELOPMENT FOR SALE AND PROPERTIES HELD FOR SALE

Properties under development for sale

	2025 HK\$'000	2024 HK\$'000
As at 1 January	165,414	177,973
Provision	(23,860)	(10,957)
Transfer to investment properties	(17,660)	—
Exchange differences	2,557	(1,602)
	<u>126,451</u>	<u>165,414</u>
As at 31 December	<u>126,451</u>	<u>165,414</u>
Properties under development for sale of which:		
— expected to be realised over 12 months	<u>126,451</u>	<u>165,414</u>

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

A provision of properties under development for sale of HK\$23,860,000 (2024: HK\$10,957,000) was made for the year ended 31 December 2025.

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\$10,322,000 (2024: HK\$1,664,000) was made for the year ended 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

24. INVESTMENTS HELD FOR TRADING

Investments held for trading include:

	2025 HK\$'000	2024 HK\$'000
Equity securities, at fair value:		
— Listed in Hong Kong	3,785	3,593
— Listed in Australia	30,685	1,059
— Listed in the Philippines	264	299
	34,734	4,951

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:

	2025 HK\$'000	2024 HK\$'000
HK\$	3,785	3,593
Australian dollars ("AUD")	30,685	1,059
Philippine Pesos ("PHP")	264	299
	34,734	4,951

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

Details of pledged investments held for trading are set out in Note 37.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

25. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables:		
Trade receivables arising from hospital operation and eldercare related services operation	174,393	150,141
Debtor from financial services	876	876
	175,269	151,017
Less: Allowance for credit losses	(8,727)	(7,226)
	166,542	143,791
Deposits, prepayments and other receivables:		
Prepayments, other debtors and deposits	34,495	29,324
Deposits with and receivables from the financial institutions	1,272	763
	35,767	30,087
Less: Allowance for credit losses	(1,340)	(1,295)
	34,427	28,792

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

25. 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 presented based on the invoice date:

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

As at 31 December 2025, included in the Group's trade receivables balance are receivables with aggregate carrying amount of HK\$37,515,000 (2024: HK\$25,124,000) which are past due as at the reporting date. Out of the past due balances, HK\$26,592,000 (2024: HK\$14,666,000) 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 43(c)(i) and 43(c)(ii).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

26. LOAN RECEIVABLE

	2025 HK\$'000	2024 HK\$'000
Fixed-rate loan	94,715	94,715
Less: Allowance for credit losses	<u>(94,715)</u>	<u>(94,715)</u>
	<u>—</u>	<u>—</u>

The balance represents secured loan from a subsidiary of the Company (the "Subsidiary") as lender to an independent third party corporate borrower (the "Borrower"). As at 31 December 2025 and 2024, 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 in 2021.

Details of impairment assessment are set out in Note 43(c)(iii).

27. PLEDGED BANK DEPOSITS, RESTRICTED BANK DEPOSITS AND BANK BALANCES AND CASH

	2025 HK\$'000	2024 HK\$'000
Pledged bank deposits	76,045	—
Restricted bank deposits	1,274	7,518
Bank balances and cash	<u>743,016</u>	<u>885,428</u>
	<u>820,335</u>	<u>892,946</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

27. 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:

	2025	2024
Pledged bank deposits	2.90%–3.14%	—
Restricted bank deposits	0.00%–0.05%	0.10%–0.95%
Bank balances	0.01%–4.27%	0.01%–4.78%

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

	2025 HK\$'000	2024 HK\$'000
HK\$	398,537	536,590
United States dollar ("USD")	258,490	26,467
AUD	—	135,600
RMB	163,308	194,289
	820,335	892,946

The Group's pledged bank deposits represent deposits pledged to secure certain borrowings of the Group as set out in Note 37. These deposits are subject to regulatory restrictions and are therefore not available for general use by the Group.

As at 31 December 2024, the Group's restricted bank deposits of HK\$7,065,000 mainly represent deposits placed in a designated bank account which could only be used in the designated legal case as a deposit. The balance has released upon the conclusion of the legal case during the year ended 31 December 2025.

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 2025, pledged bank deposits, restricted bank deposits and bank balances and cash of the Group in the PRC denominated in RMB amounted to HK\$163,282,000 (2024: HK\$194,269,000). 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 43(c)(iv).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

28. TRADE PAYABLES, DEPOSITS, RECEIPT IN ADVANCE AND ACCRUED CHARGES, AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Current:		
Trade payables of hospital operation and eldercare related services operation	139,345	133,439
Deposits, receipt in advance and accrued charges:		
Bills payable	—	50,000
Accrued construction costs for properties under development for sale and properties held for sale	29,478	28,837
Construction cost payables for hospital buildings classified as property, plant and equipment	75,306	109,567
Deposits and receipt in advance	50,392	52,353
Dividend payable	7	1,005
Other payables and accrued charges	247,995	208,349
	403,178	450,111
Non-current:		
Other payables		
Construction cost payables (Note)	37,653	—

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

Note: Construction cost payables related to the hospital in Kunming, the PRC, were classified as non-current liabilities as the Group is contractually obligated to repay the amount beyond 12 months from the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

28. TRADE PAYABLES, DEPOSITS, RECEIPT IN ADVANCE AND ACCRUED CHARGES, AND OTHER PAYABLES (CONTINUED)

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

	2025 HK\$'000	2024 HK\$'000
0–30 days	75,640	59,973
31–60 days	36,234	38,855
61–90 days	11,294	8,154
91–365 days	11,006	13,767
More than one year but not exceeding two years	2,453	9,405
More than two years but not exceeding five years	2,718	3,285
	<u>139,345</u>	<u>133,439</u>

The following is an aging analysis of bills payable presented based on the issuance date:

	2025 HK\$'000	2024 HK\$'000
91–365 days	<u>—</u>	<u>50,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

29. LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Within one year	823	1,653	806	1,543
More than one year but not exceeding two years	—	1,241	—	1,214
More than two years but not exceeding five years	—	70	—	68
	823	2,964	806	2,825
Less: Future finance charges	(17)	(139)	N/A	N/A
Present value of lease obligations	806	2,825	806	2,825
Less: Amount due for settlement within 12 months (shown under current liabilities)			(806)	(1,543)
Amount due for settlement after 12 months (shown under non-current liabilities)			—	1,282

The Group's weighted average incremental borrowing rate applied to lease liability is 6% (2024: 4% to 6%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

29. LEASE LIABILITIES (CONTINUED)

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

	2025 HK\$'000	2024 HK\$'000
HK\$	806	1,957
RMB	—	868
	806	2,825

30. CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Billings in advance of performance obligation		
— Healthcare and eldercare services	61,594	75,965
Analysed as:		
Current	56,621	70,098
Non-current	4,973	5,867
	61,594	75,965

As at 1 January 2024, contract liabilities amounted to HK\$61,963,000.

Contract liabilities, that are not expected to be settled within the Group's normal operating cycle, are classified as current and non-current based on the Group's earliest obligation to transfer goods or services to the customers.

Contract liabilities relating to healthcare and eldercare services are balances of advance payment from customers before the service commences, which give rise to contract liabilities until revenue is recognised when the services is rendered. 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 2025

30. CONTRACT LIABILITIES (CONTINUED)

Movements in contract liabilities:

	2025 HK\$'000	2024 HK\$'000
As at 1 January	75,965	61,963
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	(69,407)	(56,095)
Increase in contract liabilities as a result of receiving advance payment from customers	53,697	70,740
Exchange differences	1,339	(643)
As at 31 December	61,594	75,965

31. AMOUNT DUE TO AN ASSOCIATE

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

32. BORROWINGS

The following table provides an analysis of the borrowings:

	2025 HK\$'000	2024 HK\$'000
Bank borrowings, secured	138,314	35,123
Bank borrowings, unsecured	391,130	395,050
Term loans, unsecured	362,222	403,210
	891,666	833,383

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

32. BORROWINGS (CONTINUED)

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

	Bank borrowings		Term loans	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Within one year	457,497	390,817	—	—
More than one year but not exceeding two years	48,006	39,356	—	403,210
More than two years but not exceeding five years	6,613	—	362,222	—
Exceeding five years	17,328	—	—	—
	529,444	430,173	362,222	403,210
Less: Amount due for settlement within 12 months (shown under current liabilities)	(457,497)	(390,817)	—	—
Amount due for settlement after 12 months (shown under non-current liabilities)	71,947	39,356	362,222	403,210

As at 31 December 2025, the Group's bank 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 37.

The Group has not breached the financial covenants of any interest-bearing borrowings for the years ended 31 December 2025 and 2024.

All borrowings are denominated in RMB.

Bank borrowings and term loans of HK\$529,444,000 (2024: HK\$330,485,000) and HK\$362,222,000 (2024: HK\$403,210,000) 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 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

33. DEFERRED TAX LIABILITIES

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

	Withholding tax in respect of undistributed earnings of PRC subsidiaries HK\$'000	Fair value adjustment on business combination HK\$'000	Total HK\$'000
As at 1 January 2024	1,396	27,554	28,950
Exchange differences	—	(313)	(313)
As at 31 December 2024 and 1 January 2025	1,396	27,241	28,637
Exchange differences	31	603	634
As at 31 December 2025	1,427	27,844	29,271

As at 31 December 2025, the Group had estimated unused tax losses of HK\$2,163 million (2024: HK\$2,198 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\$1,830 million (2024: HK\$1,820 million) may be carried forward indefinitely. Other unused tax losses of HK\$333 million (2024: HK\$378 million) will expire after 5 years from the year of assessment they related to.

Under the CIT Law, withholding tax is imposed on dividends declared in respect of profit earned by PRC subsidiaries from 1 January 2008 onward. No deferred taxation has been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC entities amounting to HK\$431,147,000 (2024: HK\$420,732,000) as the Group is able to control the timing of reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

34. SHARE CAPITAL AND TREASURY SHARES

	Nominal value per share	Number of ordinary shares	Carrying value HK\$'000
Authorised:			
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	HK\$0.01	30,000,000,000	300,000
Issued and fully paid:			
As at 1 January 2024, 31 December 2024 and 1 January 2025	HK\$0.01	1,086,005,457	10,860
Shares cancelled		(5,030,000)	(50)
As at 31 December 2025		1,080,975,457	10,810

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

	Treasury shares HK\$'000
At 1 January 2024	—
Shares repurchased (Note)	(869)
At 31 December 2024 and 1 January 2025	(869)
Shares cancelled (Note)	4,245
Shares repurchased (Note)	(3,510)
At 31 December 2025	(134)

Note: During the year ended 31 December 2025, the Company repurchased 3,970,000 (2024: 1,190,000) of its own ordinary shares through the Stock Exchange with an aggregate consideration of HK\$3,510,000 (2024: HK\$869,000) paid.

5,030,000 (2024: nil) shares were cancelled upon repurchase and 130,000 (2024: 1,190,000) shares were not cancelled and remained as treasury shares at the end of the reporting period.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

34. SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

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.

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

	2025 HK\$'000	2024 HK\$'000
Capital		
— Total equity	<u>1,858,740</u>	<u>1,894,829</u>
Overall financing		
— Borrowings	<u>891,666</u>	<u>833,383</u>
Capital-to-overall financing ratio	<u>2.08 times</u>	<u>2.27 times</u>

35. RESERVES

(a) The 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 2025

35. 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 "Share Premium" account as at 31 December 2023, based on the audited consolidated financial statements of the Company, was approximately HK\$2,927,046,000. It is proposed that an amount of HK\$2,600,000,000 standing to the credit of "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 4.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

36. NON-CONTROLLING INTERESTS

	Share of net assets of subsidiaries HK\$'000
As at 1 January 2024	63,394
Share of profit for the year	13,203
Share of other comprehensive expense for the year	(742)
Share of total comprehensive income for the year	12,461
As at 31 December 2024 and 1 January 2025	75,855
Share of profit for the year	6,010
Share of other comprehensive income for the year	3,519
Share of total comprehensive income for the year	9,529
As at 31 December 2025	85,384

37. 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:

	2025 HK\$'000	2024 HK\$'000
Investments held for trading	5,893	4,951
Buildings (included in property, plant and equipment)	639,415	—
Investment properties	29,800	13,043
Right-of-use assets	22,381	—
Pledged bank deposits	76,045	—
Medical equipment (included in property, plant and equipment)	—	14,883
	773,534	32,877

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

38. 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, car parks and motor vehicles. As at 31 December 2025, 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 18.

The Group as lessor

Property rental income earned during the year was HK\$7,474,000 (2024: HK\$6,593,000). The properties held have committed tenants for lease terms ranging from one to eight years (2024: one to six 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:

	2025 HK\$'000	2024 HK\$'000
Within one year	3,757	5,406
In the second year	1,655	2,702
In the third year	1,321	775
In the fourth year	1,070	599
In the fifth year	951	529
After five years	2,440	662
	11,194	10,673

Capital commitments

	2025 HK\$'000	2024 HK\$'000
Capital expenditure contracted for at the end of reporting period but not yet incurred:		
— Property, plant and equipment	252,647	133,747

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

39. 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% (2024: 10%) and 5% (2024: 5%) of relevant payroll costs respectively to the ORSO Scheme. The maximum monthly amount of contributions is limited to HK\$1,500 (2024: 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% (2024: 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 (2024: 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% (2024: 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 2025 and 2024, 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 2025 and 2024 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\$42,293,000 (2024: HK\$44,305,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

40. RELATED PARTY TRANSACTIONS

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

(a) Transactions with related parties

	2025 HK\$'000	2024 HK\$'000
The ultimate holding company of the Company, AGL		
— Administrative expenses charged to the Group	9	19
— Short-term lease expenses charged to the Group	12	—
— Legal and professional services fee charged to the Group	217	—
The intermediate holding company of the Company, TACI		
— Legal and professional services fee charged to the Group	74	—
A related company		
— Short-term lease expenses charged to the Group	615	973
A joint venture of AGL		
— Management fee and air-conditioning fees charged to the Group	233	78
— Interest expense on lease liabilities charged to the Group	84	43
A joint venture of TACI		
— Interest expense on lease liabilities charged to the Group	8	33
— Consultancy fee and service fee charged to the Group	456	—
Fellow subsidiaries of the Company		
— Interest expense on borrowings charged to the Group	17,024	17,085
— Legal and professional service fee charged to the Group	233	—
— Short-term lease expenses, property management and air-conditioning fees charged to the Group	—	1,913

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

40. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Balances with related parties

	2025 HK\$'000	2024 HK\$'000
The ultimate holding company of the Company, AGL		
— Accrued charges	44	—
A joint venture of AGL		
— Deposits	367	367
A joint venture of TACI		
— Deposits	—	70
Fellow subsidiaries of the Company		
— Term loans, unsecured (included in borrowings)	362,222	403,210
— Accrued charges	317	376

(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:

	2025 HK\$'000	2024 HK\$'000
Salaries and other short-term employee benefits	4,135	4,598
Retirement benefits costs	163	168
	4,298	4,766

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 2025

41. 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 3.2 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 directors 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.

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 2025 and 2024. There are no share options outstanding as at 31 December 2025 and 2024.

The number of options available for grant under the Scheme mandate is 72,400,363 as at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025 respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

41. SHARE OPTION SCHEME (CONTINUED)

The total number of shares available for issue under the Scheme is 72,400,363 (2024: 72,400,363), representing approximately 6.7% (2024: 6.7%) of the total number of issued shares (excluding treasury shares) (i.e. 1,080,530,457) (2024: 1,084,815,457) as at the date of the Annual Report 2025 (i.e. 13 March 2026) (2024: Annual Report 2024 (i.e. 10 March 2025)).

42. LITIGATION

In 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 in 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. In 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 in January 2025. The Company, after seeking and reviewing PRC legal opinion, 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

43. 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

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Financial assets at amortised cost	1,007,876	1,053,036
Financial assets at FVTPL		
— Designated at FVTPL	2,151	2,151
— Mandatorily measured at FVTPL	34,734	4,951
Financial liabilities		
Financial liabilities at amortised cost	1,478,314	1,416,006
Lease liabilities	806	2,825

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

43. 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, AUD and RMB. 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 2025, if HK\$ had weakened/strengthened by 10% against the AUD with all other variables held constant, the Group's consolidated loss after taxation (2024: profit after taxation) for the year would have been HK\$3,084,000 lower/higher (2024: HK\$13,582,000 higher/lower), mainly as a result of foreign exchange gains/losses on translation of bank deposits and investments held for trading denominated in AUD.

As at 31 December 2025, if HK\$ had weakened/strengthened by 10% against the RMB with all other variables held constant, the Group's consolidated loss after taxation (2024: profit after taxation) for the year would have been HK\$40,000 lower/higher (2024: HK\$15,000 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% (2024: 30%) higher/lower and all other variables were held constant, the Group's consolidated loss after taxation (2024: profit after taxation) for the year would decrease/increase by HK\$10,420,000 (2024: increase/decrease by HK\$1,485,000) 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 2025

43. 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 balances 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 loss after taxation (2024: profit after taxation) for the year would increase/decrease by HK\$nil (2024: decrease/increase by HK\$748,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

43. 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, deposits and other receivables, pledged bank deposits, restricted bank deposits, bank balances, loan receivable and amounts due from related parties. 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 26.

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

	Notes	External	Internal	12-month or lifetime ECLs	Gross carrying amounts	
		credit rating	credit rating		2025	2024
					HK\$'000	HK\$'000
Financial assets at amortised cost						
Trade receivables arising from contracts with customers	25	N/A	Note (ii)	Lifetime ECLs — not credit-impaired	169,595	144,770
				Lifetime ECLs — credit-impaired	4,798	5,371
Debtor from financial services	25	N/A	Loss (Note (i))	Lifetime ECLs — credit-impaired	876	876
Deposits and other receivables	25	N/A	Low risk	12-month ECLs	21,972	17,120
Loan receivable	26	N/A	Loss (Note (i))	Lifetime ECLs — credit-impaired	94,715	94,715
Pledged bank deposits	27	2025: Baa2 (2024: N/A)	N/A	12-month ECLs	76,045	—
Restricted bank deposits	27	2025: Baa2 (2024: Baa2)	N/A	12-month ECLs	1,274	7,518
Bank balances	27	2025: Baa2 (2024: Ba1-Aa3)	N/A	12-month ECLs	742,875	884,773
Amounts due from related parties	40	N/A	Loss (Note (i))	12-month ECLs	367	437

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

43. 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 2025

43. 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 4(h)(ii).

Other than concentration of credit risk on trade receivables from top 4 customers of HK\$104,046,000, 60% (2024: top 4 customers of HK\$86,928,000, 58%) 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 determines the ECL for its customers in relation to its hospital operation and eldercare related services operation on a collective basis, grouped by past due status. The following table provides information about the exposure to credit risk for trade receivables arising from hospital operation and eldercare related services operation:

	2025			2024		
	Expected credit loss rate	Gross amount HK\$'000	ECL amount HK\$'000	Expected credit loss rate	Gross amount HK\$'000	ECL amount HK\$'000
Not past due or past due less than 30 days	0.52%	143,003	738	0.51%	130,104	665
Past due 30 days or more	22.66%	31,390	7,113	28.37%	20,037	5,685
		174,393	7,851		150,141	6,350

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 2025

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk (Continued)

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

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

	2025 HK\$'000	2024 HK\$'000
As at 1 January	6,350	8,619
Provision for the year	7,119	9,549
Written-off	(5,788)	(11,748)
Exchange differences	170	(70)
As at 31 December	7,851	6,350

As at 31 December 2025, included in the above balance was HK\$4,798,000 (2024: HK\$5,371,000) related to the loss allowance recognised for credit-impaired trade receivables. During the year ended 31 December 2025, loss allowance on credit-impaired balance of HK\$5,788,000 (2024: HK\$11,748,000) was written-off.

The contractual amounts outstanding on trade receivables that were written-off during the year ended 31 December 2025 but are still subject to enforcement activities was HK\$5,788,000 (2024: HK\$11,748,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk (Continued)

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

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 deposits and other receivables 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 allowance for trade receivables arising from other sources and deposits and other receivables is as follows:

	2025 HK\$'000	2024 HK\$'000
As at 1 January	2,171	6,154
Provision for the year	14	1,310
Written-off	—	(5,278)
Exchange differences	31	(15)
As at 31 December	<u>2,216</u>	<u>2,171</u>

As at 31 December 2025, included in the above balance was HK\$2,216,000 (2024: HK\$2,171,000) related to the loss allowance recognised for credit-impaired trade receivables arising from other sources and deposits and other receivables. During the year ended 31 December 2025, loss allowance on credit-impaired balance of HK\$nil (2024: HK\$5,278,000) was written-off.

The contractual amounts outstanding on trade receivables arising from other sources and deposits and other receivables that were written-off during the year ended 31 December 2025 but are still subject to enforcement activities was HK\$nil (2024: HK\$5,278,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

43. 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% (2024: 100%) of the loan receivable as at 31 December 2025 was due from one (2024: 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 2025

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk (Continued)

(iii) Loan receivable (Continued)

As at 31 December 2025 and 2024, 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:

	2025 HK\$'000	2024 HK\$'000
As at 1 January	94,715	95,215
Less: Sales of the pledged securities	—	(500)
As at 31 December	94,715	94,715

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

The credit risks on pledged bank deposits, restricted bank 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 bank 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 2025

43. 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 and lease liabilities. The table has been drawn up based on the undiscounted cash flows of non-derivative financial liabilities and lease liabilities based on the earliest date on which the Group is required to pay. The maturity dates for other non-derivative financial liabilities and lease 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
As at 31 December 2025							
Non-derivative financial liabilities							
Trade payables	—	139,345	—	—	—	139,345	139,345
Deposits, other payables and accrued charges	—	390,059	—	37,653	—	427,712	427,712
Amount due to an associate	6,111	—	—	—	—	6,111	6,111
Amounts due to related parties	361	—	—	—	—	361	361
Borrowings							
— fixed rates	—	105,504	371,387	439,749	18,802	935,442	891,666
Lease liabilities	—	309	514	—	—	823	806
	6,472	635,217	371,901	477,402	18,802	1,509,794	1,466,001
As at 31 December 2024							
Non-derivative financial liabilities							
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
	6,354	654,962	323,852	479,746	—	1,464,914	1,418,831

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

43. 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 16 and 44, 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.

44. 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: lowest level input that is significant to the fair value measurement is unobservable (significant unobservable input).

Disclosures of level in fair value hierarchy as at 31 December 2025:

Description	Fair value hierarchy		Total
	Level 1 HK\$'000	Level 2 HK\$'000	
Recurring fair value measurements:			
Financial assets			
Financial assets at FVTPL			
Held for trading — listed equity securities	34,734	—	34,734
Club debentures	—	2,151	2,151
Total	34,734	2,151	36,885

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

44. FAIR VALUE MEASUREMENTS (CONTINUED)

Disclosures of level in fair value hierarchy as at 31 December 2024:

Description	Fair value hierarchy		Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	
Recurring fair value measurements:			
Financial assets			
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

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

Disclosure of valuation techniques and inputs used in fair value measurements:

Financial assets in the consolidated statement of financial position	Fair value as at 31 December 2025	Fair value as at 31 December 2024	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\$3,785,000 — Overseas HK\$30,949,000	Listed equity securities: — Hong Kong HK\$3,593,000 — Overseas HK\$1,358,000	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 2025

45. 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.

	Borrowings HK\$'000	Lease liabilities HK\$'000	Dividend payable (included in deposits, receipt in advance and accrued charges) HK\$'000	Total HK\$'000
At 1 January 2024	760,050	38,582	1,053	799,685
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)
Dividend paid	—	—	(10,860)	(10,860)
Total changes from financing cash flows	46,289	(5,442)	(10,860)	29,987
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)
Forfeiture of unclaimed dividends	—	—	(48)	(48)
Dividend declared	—	—	10,860	10,860
Exchange differences	274	(22)	—	252
Total other changes	27,044	(30,315)	10,812	7,541
At 31 December 2024 and 1 January 2025	833,383	2,825	1,005	837,213
Changes from financing cash flows:				
New borrowings raised	553,955	—	—	553,955
Repayments of borrowings	(499,634)	—	—	(499,634)
Principal element of lease payments	—	(1,312)	—	(1,312)
Interest paid	(32,193)	(97)	—	(32,290)
Dividend paid	—	—	(22,661)	(22,661)
Total changes from financing cash flows	22,128	(1,409)	(22,661)	(1,942)
Other changes:				
Finance costs	32,193	97	—	32,290
Derecognition of a lease liability	—	(707)	—	(707)
Finance costs capitalised	(9,917)	—	—	(9,917)
Dividend declared	—	—	21,663	21,663
Exchange differences	13,879	—	—	13,879
Total other changes	36,155	(610)	21,663	57,208
At 31 December 2025	891,666	806	7	892,479

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

45. 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:

	2025 HK\$'000	2024 HK\$'000
Within operating cash flows	4,742	8,097
Within financing cash flows	1,409	5,442
	6,151	13,539

These amounts relate to the following:

	2025 HK\$'000	2024 HK\$'000
Lease rental paid	6,151	13,539

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

46. 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 2025	31 December 2024	
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
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 HK\$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
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.** The PRC (南京同仁實業有限公司)		Registered RMB80,000,000	80%#	80%#	Property development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

46. 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 2025	31 December 2024	
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 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**	The PRC	Registered RMB200,000,000	100%#	100%#	Investment holding
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%##	100%##	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%##	100%##	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%##	100%##	Provision of healthcare services

* Wholly foreign-owned enterprise in the PRC.

** Domestic owned enterprise in the PRC.

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 2025

46. 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 2025 and 2024 or at any time during the respective years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

47. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2025 HK\$'000	2024 HK\$'000
Non-current asset		
Interests in subsidiaries	<u>407,134</u>	<u>413,847</u>
Current assets		
Debtors and prepayments	2,829	2,596
Bank balances	<u>339,974</u>	<u>458,044</u>
	<u>342,803</u>	<u>460,640</u>
Current liabilities		
Accrued charges	2,700	3,880
Amounts due to subsidiaries	<u>97,050</u>	<u>201,922</u>
	<u>99,750</u>	<u>205,802</u>
Net current assets	<u>243,053</u>	<u>254,838</u>
Net assets	<u>650,187</u>	<u>668,685</u>
Capital and reserves		
Share capital (Note 34)	10,810	10,860
Treasury shares (Note 34)	(134)	(869)
Reserves (Note)	<u>639,511</u>	<u>658,694</u>
Total equity	<u>650,187</u>	<u>668,685</u>

Note: As at 31 December 2025, reserves of the Company included share premium of HK\$325,318,000 (2024: HK\$327,046,000), capital redemption reserve of HK\$nil (2024: HK\$2,496,000), contributed surplus of HK\$310,326,000 (2024: HK\$331,989,000) and retained earnings of HK\$3,867,000 (2024: accumulated losses of HK\$2,837,000). 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 retained earnings/(accumulated losses) is attributable to profit/(loss) for the respective financial year.

The Company's reserves available for distribution to shareholders as at 31 December 2025 was HK\$314,193,000 (2024: HK\$329,152,000).

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 2025 are as follows:

A. Investment properties

Location	Approximate net floor area (sq.ft.)	Use	Group's interest	Lease term
Hong Kong				
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
The PRC				
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, Zhujiajiao Town, Qingpu District, Shanghai	83,504	Commercial	100%	Medium-term lease
Service Apartments, Block 11, Tide Health Campus, Zhujiajiao Town, Qingpu District, Shanghai	100,739	Commercial	100%	Medium-term lease
Shops and Mall, Blocks 29, 36 & 39, Tide Health Campus, Zhujiajiao Town, Qingpu District, Shanghai	86,371	Commercial	100%	Medium-term lease
Commercial units within Tide Health Campus, Zhujiajiao Town, Qingpu District, Shanghai	14,106	Commercial	100%	Medium-term lease
Units within Office Tower, CITIC Plaza, Tianhe District, Guangzhou, Guangdong Province	7,929	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
The PRC					
Units within Office Tower, CITIC Plaza, Tianhe District, Guangzhou, Guangdong Province	4,822	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
The PRC			
5 residential units and 161 carparks within Kangya Garden, Kangbo Garden, Jiangning District, Nanjing	6,367	Residential	80%
	23,369	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				
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
Revenue	1,463,495	1,437,863	1,568,824	1,627,199	1,638,180
Gross proceeds from sales of investments held for trading	2,184	—	3,481	—	—
	<u>1,465,679</u>	<u>1,437,863</u>	<u>1,572,305</u>	<u>1,627,199</u>	<u>1,638,180</u>
(Loss)/profit before taxation	(110,468)	(117,169)	40,805	57,004	(469)
Income tax expense	(16,802)	(1,976)	(14,912)	(15,028)	(20,337)
(Loss)/profit for the year	<u>(127,270)</u>	<u>(119,145)</u>	<u>25,893</u>	<u>41,976</u>	<u>(20,806)</u>
Attributable to:					
Owners of the Company	(137,296)	(123,574)	14,678	28,773	(26,816)
Non-controlling interests	10,026	4,429	11,215	13,203	6,010
	<u>(127,270)</u>	<u>(119,145)</u>	<u>25,893</u>	<u>41,976</u>	<u>(20,806)</u>

ASSETS AND LIABILITIES

	As at 31 December				
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
Total assets	3,489,538	3,145,849	3,536,253	3,538,877	3,548,534
Total liabilities	(1,772,282)	(1,611,312)	(1,664,608)	(1,644,048)	(1,689,794)
	<u>1,717,256</u>	<u>1,534,537</u>	<u>1,871,645</u>	<u>1,894,829</u>	<u>1,858,740</u>
Equity attributable to owners of the Company	1,700,597	1,489,662	1,808,251	1,818,974	1,773,356
Non-controlling interests	16,659	44,875	63,394	75,855	85,384
	<u>1,717,256</u>	<u>1,534,537</u>	<u>1,871,645</u>	<u>1,894,829</u>	<u>1,858,740</u>