Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liabilities whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

TATA Health International Holdings Limited
TATA 健 康 國 際 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1255)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

FINANCIAL HIGHLIGHTS

		2021	2020
Revenue	*HK$'000*	**160,925**	155,363
Gross profit	*HK$'000*	**104,718**	34,283
Loss before taxation	*HK$'000*	**(69,143)**	(172,683)
Loss attributable to owners of the Company	*HK$'000*	**(60,761)**	(151,869)
Gross profit margin	*%*	**65.1**	22.1
Loss margin attributable to owners of the Company	*%*	**(37.8)**	(97.8)
Loss per share — basic and diluted	*HK$*	**(0.26)**	(0.71)

The board (the "Board") of directors (the "Directors") of TATA Health International Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2021, together with the comparative figures for the year ended 31 December 2020 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTES	**2021** *HK$'000*	2020 *HK$'000*
Revenue	4	**160,925**	155,363
Cost of sales		**(56,207)**	(121,080)
Gross profit		**104,718**	34,283
Other income		**2,023**	14,013
Other gains and losses		**79**	3,467
Impairment loss on non-financial assets		**(4,367)**	(38,504)
Impairment loss under expected credit loss model, net		**(5,342)**	(37)
Selling and distribution costs		**(65,667)**	(82,044)
Administrative expenses		**(97,257)**	(101,071)
Share of results of an associate		**(573)**	780
Finance costs		**(2,757)**	(3,570)
Loss before taxation	6	**(69,143)**	(172,683)
Taxation	7	**(1,311)**	(396)
Loss for the year		**(70,454)**	(173,079)
Other comprehensive expenses			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation from functional currency to presentation currency		**(425)**	(3,162)
Item that will not be reclassified to profit or loss:			
Revaluation gain on property, plant and equipment upon transfer to investment properties		**—**	3,870
Total comprehensive expenses for the year		**(70,879)**	(172,371)

	NOTE	2021 HK$'000	2020 HK$'000
Loss for the year attributable to:			
Owners of the Company		**(60,761)**	(151,869)
Non-controlling interests		**(9,693)**	(21,210)
		(70,454)	(173,079)
Total comprehensive expenses for the year attributable to:			
Owners of the Company		**(61,090)**	(150,999)
Non-controlling interests		**(9,789)**	(21,372)
		(70,879)	(172,371)
Loss per share — basic and diluted *(HK$)*	9	**(0.26)**	(0.71)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2021

	NOTES	2021 HK$'000	2020 HK$'000
Non-current assets			
Property, plant and equipment		**10,938**	21,943
Investment properties		**2,100**	4,000
Interests in associates		**400**	2,483
Loan to an associate		**42,673**	497
Deferred tax assets		**5,150**	6,461
Deposit and prepayment for a life insurance policy		**1,918**	1,912
Rental deposits and prepayment		**2,127**	1,395
		65,306	38,691
Current assets			
Inventories		**19,578**	46,748
Trade and other receivables	10	**28,054**	22,628
Amount due from a related company		**7,071**	—
Amounts due from associates		**1,776**	4,882
Time deposit over three months		**20,292**	20,273
Bank balances and cash		**26,743**	28,208
		103,514	122,739
Assets classified as held for sale		**8,041**	—
		111,555	122,739
Current liabilities			
Trade and other payables	11	**67,439**	42,212
Contract liabilities		**216**	214
Amounts due to related companies		**42,355**	2,152
Taxation payable		**564**	541
Lease liabilities		**8,278**	13,607
Other borrowing — due within one year		**15,000**	15,000
Bank borrowings — due within one year		**15,707**	27,742
		149,559	101,468
Net current (liabilities)/assets		**(38,004)**	21,271
Total assets less current liabilities		**27,302**	59,962

	2021	2020
	HK$'000	*HK$'000*
Non-current liabilities		
Lease liabilities	**1,982**	3,560
Loans from related companies	**11,715**	32,856
Amount due to an associate	**—**	5,740
Amount due to immediate holding company	**—**	7,342
	13,697	49,498
Net assets	**13,605**	10,464
Capital and reserves		
Share capital	**2,428**	2,140
Reserves	**20,582**	7,940
Equity attributable to owners of the Company	**23,010**	10,080
Non-controlling interests	**(9,405)**	384
Total equity	**13,605**	10,464

NOTES

1. GENERAL INFORMATION

The Company is a listed public company incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company acts as an investment holding company while its subsidiaries are principally engaged in the trading of footwear products and healthcare products, and the provision of financial services and online medical services.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2

In addition, the Group has applied the Amendment to HKFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021* in advance.

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the "Committee") of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as "estimated costs necessary to make the sale" when determining the net realisable value of inventories.

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impact of early application of Amendment to HKFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021

The Group has applied the amendment in advance for the current year. The amendment extends the availability of the practical expedient in paragraph 46A of HKFRS 16 Leases ("HKFRS 16") by one year so that the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

The application has had no impact on the opening retained profits at 1 January 2021 and no impact on the Group's financial position and performance for current year. During the year, certain lessors agreed to waive/reduce lease payments on several leases for retail shops beyond 30 June 2021. The Group has derecognised the part of lease liabilities that have been extinguished using the discount rates originally applied to these leases respectively, resulting in a decrease in lease liabilities of HK$116,000, which have been recognised as variable lease payments in profit or loss for the current year.

Impact on application of the agenda decision of the Committee — Cost necessary to sell inventories (HKAS 2 Inventories)

In June 2021, the Committee, through its agenda decision, clarified the costs an entity should include as "estimated costs necessary to make the sale" when determining the net realisable value of inventories. In particular, whether such costs should be limited to those that are incremental to the sale. The Committee concluded that the estimated costs necessary to make the sale should not be limited to those that are incremental but should also include costs that an entity must incur to sell its inventories including those that are not incremental to a particular sale.

The Group's accounting policy prior to the Committee's agenda decision was to determine the net realisable value of inventories taking into consideration incremental costs only. Upon application of the Committee's agenda decision, the Group changed its accounting policy to determine the net realisable value of inventories, taking into consideration both incremental costs and other costs necessary to sell inventories such as selling and distributive costs etc. The new accounting policy has been applied retrospectively.

The application of the Committee's agenda decision has had no material impact on the Group's financial position and performance.

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments[2]
Amendments to HKFRS 3	Reference to the Conceptual Framework[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to HKAS 8	Definition of Accounting Estimates[2]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[2]
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use[1]
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020[1]

[1] Effective for annual periods beginning on or after 1 January 2022.
[2] Effective for annual periods beginning on or after 1 January 2023.
[3] Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the 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 Companies Ordinance.

The Group incurred a net loss of approximately HK$70,454,000 (2020: HK$173,079,000) and a net cash outflow of approximately HK$1,469,000 (2020: HK$18,697,000) for the year ended 31 December 2021. As at 31 December 2021, the Group's current liabilities exceeded its current assets by approximately HK$38,004,000 (2020: net current assets of HK$21,271,000).

The Directors have reviewed the Group's cash flow projections prepared by the management. The cash flow projections cover a period of twelve months from date of approval for issue of these consolidated financial statements. They are of the opinion that, taking into account the plans and measures as stated below, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from date of approval for issue of these consolidated financial statements. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above results, the consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent upon the success of the Group's future operations, its ability to generate adequate cash flows in order to meet its obligations as and when they fall due and its ability to refinance or restructure its borrowings such that the Group can meet its future working capital and financing requirements. Also, the Directors are of the opinion that the Group will be able to finance its future financing and working capital requirements based on the following considerations:

1) Financial support from ultimate controlling party

Mr. Yang Jun, the ultimate controlling party of the Company has agreed to continuously provide financial support for the continuing operations of the Company so as to enable it to meet its liabilities when they fall due and carry on its business without a significant curtailment of operations in the twelve months from date of approval for issue of these consolidated financial statements.

2) Completion of the disposal of the properties

The Group entered into a sale and purchase agreement on 31 December 2021 to dispose of the properties located in Hong Kong at a consideration of HK$41,000,000 and the disposal was completed on 10 February 2022.

3) Alternative sources of external funding

At 31 December 2021, the Group had unutilised banking facilities of approximately HK$48,876,000. Subsequent to the end of the reporting period, the Group has successfully rolled over the banking facilities of approximately HK$55,706,000.

4. REVENUE

Disaggregation of revenue from contracts with customers

	2021	2020
	HK$'000	*HK$'000*
Sales of goods		
Footwear products	**152,885**	128,683
Healthcare products	**1,698**	5,476
Financial services	**5,582**	20,339
Online medical services	**760**	865
	160,925	155,363
Channels of sales		
Retail	**146,660**	124,225
Wholesale	**6,225**	4,458
Internet	**2,458**	6,341
Corporate	**5,582**	20,339
	160,925	155,363
Time of revenue recognition		
A point in time	**155,751**	135,076
Over time	**5,174**	20,287
	160,925	155,363

All services contracts are for periods of one year or less with fixed consideration. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. OPERATING SEGMENTS

Information reported to the executive Directors, being the chief operating decision makers (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's reportable segments under HKFRS 8 "Operating Segments" are as follows:

1. Trading of footwear products

2. Trading of healthcare products

3. Financial services

4. Online medical services

No operating segments have been aggregated in arriving at the reportable segments of the Group.

Segment revenue and results

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

For the year ended 31 December 2021

	Trading of footwear products *HK$'000*	Trading of healthcare products *HK$'000*	Financial services *HK$'000*	Online medical services *HK$'000*	Segment total *HK$'000*	Eliminations *HK$'000*	Total *HK$'000*
Revenue							
External sales	**152,885**	**1,698**	**5,582**	**760**	**160,925**	**—**	**160,925**
Inter-segment sales	**—**	**—**	**—**	**—**	**—**	**—**	**—**
	152,885	**1,698**	**5,582**	**760**	**160,925**	**—**	**160,925**
Segment results	**(15,177)**	**(5,057)**	**(6,170)**	**(13,310)**	**(39,714)**	**—**	**(39,714)**
Share of results of an associate							**(573)**
Unallocated income							**1,064**
Unallocated expenses							**(29,920)**
Loss before taxation							**(69,143)**

For the year ended 31 December 2020

	Trading of footwear products *HK$'000*	Trading of healthcare products *HK$'000*	Financial services *HK$'000*	Online medical services *HK$'000*	Segment total *HK$'000*	Eliminations *HK$'000*	Total *HK$'000*
Revenue							
External sales	128,683	5,476	20,339	865	155,363	—	155,363
Inter-segment sales	—	—	961	—	961	(961)	—
	128,683	5,476	21,300	865	156,324	(961)	155,363
Segment results	(96,394)	(6,210)	(29,835)	(26,859)	(159,298)	—	(159,298)
Share of results of an associate							780
Unallocated income							12
Unallocated expenses							(14,177)
Loss before taxation							(172,683)

Inter-segment sales are charged at prevailing market rates.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the loss from each segment without allocation of central administration costs, change in fair value of investment properties and rental income. This is the measure reported to the CODM of the Company for the purpose of resource allocation and performance assessment.

Other segment information

For the year ended 31 December 2021

	Trading of footwear products *HK$'000*	**Trading of healthcare products** *HK$'000*	**Financial services** *HK$'000*	**Online medical services** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Amounts included in measure of segment results or segment assets:						
Addition of non-current assets *(note)*	**7,680**	**10**	**1,855**	**22**	**3,151**	**12,718**
Gain on disposal of property, plant and equipment	**4**	**—**	**348**	**—**	**—**	**352**
Impairment of non-current assets	**(346)**	**—**	**(3,211)**	**—**	**(810)**	**(4,367)**
Impairment loss under expected credit loss model, net	**(28)**	**(215)**	**(137)**	**(10)**	**(4,952)**	**(5,342)**
Depreciation	**(12,813)**	**(2)**	**(154)**	**(4)**	**(790)**	**(13,763)**
Reversal of allowance for inventories	**6,874**	**—**	**—**	**—**	**—**	**6,874**
Interest income	**272**	**—**	**—**	**—**	**721**	**993**
Finance costs	**(754)**	**—**	**(29)**	**(540)**	**(1,434)**	**(2,757)**

For the year ended 31 December 2020

	Trading of footwear products *HK$'000*	Trading of healthcare products *HK$'000*	Financial services *HK$'000*	Online medical services *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Amounts included in measure of segment results or segment assets:						
Addition of non-current assets *(note)*	7,357	—	—	266	4,000	11,623
Impairment of non-current assets	(4,430)	(19)	(27,001)	(7,054)	—	(38,504)
Impairment loss under expected credit loss model, net	144	—	(132)	—	(49)	(37)
Depreciation	(21,272)	(223)	(991)	(90)	—	(22,576)
Amortisation of intangible assets	—	(439)	—	(1,399)	—	(1,838)
Allowance for inventories	(63,169)	—	—	—	—	(63,169)
Interest income	274	1	—	4	—	279
Finance costs	(1,660)	—	(60)	—	(1,850)	(3,570)

Note: Non-current assets included property, plant and equipment and investment properties.

Geographical information

Information about the Group's revenue from external customers is presented based on the location of the respective group entities' operations:

	2021	2020
	HK$'000	*HK$'000*
Hong Kong	**148,229**	143,097
Australia	**1,698**	5,476
Macau	**10,238**	5,839
Mainland China	**760**	865
Singapore	**—**	86
	160,925	155,363

Information about the Group's non-current assets is presented based on the location of the assets:

	2021	2020
	HK$'000	*HK$'000*
Hong Kong	**12,855**	25,940
Singapore	**400**	2,483
Mainland China	**21**	2
Australia	**8**	1
Macau	**154**	—
	13,438	28,426

Note: Non-current assets excluded loan to an associate, deferred tax assets, rental deposits and prepayment, deposits and prepayment for a life insurance policy.

Information about major customers

No individual customer accounted for over 10% of the Group's total revenue during both years.

6. LOSS BEFORE TAXATION

	2021	2020
	HK$'000	*HK$'000*
Loss before taxation has been arrived at after charging/(crediting):		
Directors' remuneration	**9,507**	10,218
Other staff costs	**72,223**	79,041
Share-based payments	**(477)**	101
Retirement benefit schemes contributions for other staff	**2,617**	3,577
Total staff costs	**83,870**	92,937
Covid-19-related rent concession	**(116)**	(896)
Auditors' remuneration	**1,980**	2,300
(Reversal of allowance)/allowance for inventories	**(6,874)**	63,169
Cost of inventories recognised as expenses (including allowance for inventories)	**56,207**	121,080
Depreciation of property, plant and equipment	**13,763**	22,576
Amortisation of intangible assets	**—**	1,838
Impairment loss on non-financial assets		
— property, plant and equipment	**2,857**	5,570
— goodwill	**—**	3,956
— intangible assets	**—**	28,978
— interest in an associate	**1,510**	—
Loss on write-off of inventories	**426**	—
Premium charges on a life insurance policy	**28**	27

7. TAXATION

	2021	2020
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax	**—**	64
Macau Complementary Tax	**—**	—
	—	64
Overprovision in prior years	**—**	(253)
Deferred taxation	**1,311**	585
	1,311	396

The Company, which was incorporated in the Cayman Islands, together with those group entities incorporated in the British Virgin Islands, have no assessable profits for both years.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Macau Complementary Tax is calculated at the rate of 12% (2020: 12%) on the estimated assessable profit for both years.

Under the applicable corporate tax law in Australia, income tax is charged at 30% of the estimated assessable profit. No provision for Australian income tax has been made in the consolidated financial statements as the subsidiary operating in Australia has no assessable profits for both years.

Taiwan income tax is calculated at 17% (2020: 17%) on the estimated assessable profit of a branch of Kong Tai Sundry Goods in Taiwan for the year. No provision for Taiwan income tax has been made in the consolidated financial statements as the branch operating in Taiwan has no assessable profits for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2020: 25%). No provision for PRC Enterprise Income Tax has been made in the consolidated financial statements as the subsidiaries operating in the PRC have no assessable profits for both years.

8. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2021, nor has any dividend been proposed since the end of the reporting period (2020: nil).

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share for the year ended 31 December 2021 is based on the loss for the year attributable to owners of the Company of HK$60,761,000 (2020: HK$151,869,000) and the weighted average number of 232,018,000 (2020: 214,000,000) ordinary shares for the purpose of basic and diluted loss per share during the year.

The calculation of diluted loss per share for both years does not assume the vesting of a share award scheme of a subsidiary of the Group since it would result in a decrease in loss per share.

10. TRADE AND OTHER RECEIVABLES

Retail sales of footwear products are made at retail shops and concession counters in department stores. The department stores collect payments from the ultimate customers and then repay the balance after deducting the concessionaire commission to the Group. The credit period granted to department stores range from 30 to 60 days. Sales made at retail shops are settled by cash or credit cards. For wholesale of footwear products, trading of healthcare products and provision of financial services, the Group allows a credit period ranging from 30 to 90 days to its trade customers. For wholesale of footwear products, trading of healthcare products and provision of financial services and online medical services, the Group allows a credit period ranging from 15 to 90 days to its trade customers. The following is an aging analysis of trade receivables net of allowance for credit losses presented based on the invoice date at the end of each reporting period:

	2021	2020
	HK$'000	*HK$'000*
Within 30 days	**5,507**	5,242
31 to 60 days	**989**	472
61 to 90 days	**512**	514
Over 90 days	**892**	799
	7,900	7,027

11. TRADE AND OTHER PAYABLES

The following is an aging analysis of trade payables based on the invoice date at the end of each reporting period:

	2021	2020
	HK$'000	*HK$'000*
Within 30 days	**1,296**	1,354
31 to 60 days	**219**	16
61 to 90 days	**—**	—
Over 90 days	**1,677**	498
	3,192	1,868

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the annual results of the Group for the year ended 31 December 2021 (the "Year").

Looking back on 2021, the COVID-19 pandemic remained severe and the overall economy was still sluggish. However, through adhering to a diversified strategy, which focused on footwear trading, while actively expanding healthcare products, internet medical and financial businesses, the Group's results during the Year managed to achieve an significant growth. The annual revenue of the Group has reached HK$160.9 million, representing an increase of 3.5% as compared to the corresponding period of 2020. With the completion of the placing in mid-2021 and the disposal of certain properties located in Hong Kong at the end of 2021, the Group's overall ability to continue as a going concern has also been greatly improved.

In terms of the footwear business, according to the information from the Hong Kong Tourism Board, the preliminary number of visitors arrivals to Hong Kong in 2021 was approximately 91,400 visitors, down by 97.4% year-on-year. The retail business in Hong Kong has been severely impacted, nonetheless, the revenue of the footwear business, which accounted for the main source of revenue of the Group, has shown a gratifying growth, with an increase of 18.8% as compared to that of 2020 and reached approximately HK$152.9 million in 2021. Gross profit margin has also increased significantly to around 65.1% due to the substantial reduction in the provision for inventory allowance.

For the healthcare business segment, due to the prevention and control of the pandemic, some regions in Australia had fully implemented measures to stop entry and close borders. Consequently, the revenue of this segment during the Year was only approximately HK$1.7 million. Based on the consideration of maintaining a sustainable level, this segment has significantly reduced various expenses, such as labour and rental. However, we are optimistic towards the future of the Chinese healthcare products market, and the Group will continue its investment in this business segment.

For the financial services segment, the segment has recorded revenue of approximately HK$5.6 million during the Year, which was a significant decline when compared to the same period in 2020. To this end, apart from reducing the cost of labour in Hong Kong, the business sector has been actively looking for new potential markets since the beginning of the Year, such as increasing the layout in the Singapore market.

In 2021, while deepening the in-depth cooperation with the hospitals of three major universities in Shanghai, we also continued to consolidate the one-stop internet medical platform for the internet medical business. During the Year, only a revenue of approximately HK$0.8 million was recorded. As of the end of the Year, the cumulative number of users and patients was approximately 140,000. Moreover, this segment has been actively exploring for new businesses. Through utilizing the advantages from cooperating with professional organizations in aspects such as traditional Chinese medicine and healthcare, it aims to develop a "medical + health" integrated business.

In the face of uncertainties ahead, the Group will actively respond and operate with prudence. On the premise of ensuring the sustainable and stable development of the existing businesses, the Group will implement a big health strategy, effective market development strategy and cost control. I, together with other members of the Board, will continue to contribute our experience, knowledge and efforts to achieve more optimal returns to the shareholders of the Company.

By order of the Board

TATA Health International Holdings Limited
Yang Jun
Chairman

31 March 2022

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW AND FUTURE DEVELOPMENT

In 2021, due to the deterioration of the global economy caused by COVID-19, the retail industry was seriously affected and the Company faced severe challenges. Nevertheless, the Group still actively seeks financing opportunities to make efforts to expand its market position in the big health industry. In addition to ensuring the sustainable and stable operation of its main business — the footwear business, the Group completed the construction of the one-stop Internet medical platform, and will also implement effective market development strategies, reduce costs, streamline the organizational structure and expand the healthcare products business in Australia. Also, with the completion of the placing in mid-2021 and the proposed disposal of properties located in Hong Kong at the end of 2021, the Group's overall ability to continue as a going concern has also been greatly improved.

Footwear Business

Revenue of the Group's footwear business for the Year was approximately HK$152.9 million, representing an approximately 18.8% increase from approximately HK$128.7 million for the year of 2020. We had recorded a same store sales growth of approximately 23.6% during the Year (2020: same store sales decline by approximately 39.6%). This was mainly due to the gradual recovery in sales in the fourth quarter of 2021 as a result of the positive local consumer spending sentiment and the local epidemic situation becoming stable during such period.

Healthcare Business

The revenue of the healthcare business segment for the Year was approximately HK$1.7 million (2020: HK$5.5 million), while a segment loss for the Year of approximately HK$4.9 million (2020: HK$6.2 million) was recorded. The decrease in revenue compared with the year of 2020 was due to the continuous outbreak of COVID-19 and months of lockdown and customs blockade in Australia.

Nevertheless, the healthcare business segment is still on the way to build a well-known Asia-Pacific cross-border channel supply chain and distribution network for healthcare, skincare, maternal and infants care and personal care products.

Financial Services

The operating revenue of DSG Finance Holdings (Hong Kong) Limited (a subsidiary of the Company) and its subsidiaries (collectively, the "DSG Group") derives from: (i) advisory services in securities; (ii) investment management services; and (iii) advisory services in corporate finance.

As COVID-19 seriously disrupted a wide range of Hong Kong's economic activities, DSG Group had only achieved a total revenue of approximately HK$5.6 million (2020: HK$20.3 million). The decrease was mainly due to the DSG Group's decreased income from investment management services. As the sharp slowdown of the Chinese economy started from the third quarter of 2021, the funds managed under DSG Asset Management (HK) Limited (a subsidiary of DSG Group) as the fund manager, failed to register a positive performance and their performance fee decreased accordingly.

Online Medical Services Business

The online medical services business of the Group, being the first to obtain an internet medical licence, is still the first and only class III comprehensive Internet hospital in Shanghai. It is entering into the post-entrepreneurial phase after completing the establishment of a one-stop Internet hospital platform. Revenue of approximately HK$0.8 million was recorded during the Year (2020: HK$0.9 million).

By the end of the Year, the cumulative number of registered users of the Internet hospital and orders for online consultation reached were approximately 135,000 and 16,500, respectively.

Prospects

In 2021, the global economy continued to be affected by COVID-19. The Hong Kong Tourism Board (HKTB) announced that, affected by the COVID-19 pandemic, Hong Kong saw cumulative visitor arrivals of around 91,400 during the Year, a 97.4% drop year-on-year.

A UBS research report pointed out that the number of COVID-19 diagnoses in Hong Kong peaked in early March 2022 and gradually fell. It is expected that the total retail sales in Hong Kong may decline in the first half of 2022. However, with the government's distribution of HK$10,000 consumption vouchers, it is believed that retail sales will recover strongly in the second half of 2022 and are expected to increase by 7% year-on-year. Based on the good performance of the footwear segment in 2021, the management expects that the footwear segment will also grow steadily in 2022.

In response to the economic downturn, the DSG Group will keep strengthening business cooperation with other business sectors of the Group to achieve synergy and sustainable growth.

For the healthcare business, by fully understanding and integrating huge market opportunities and customers' demand, the Group will continuously build a competitive brand supply chain and management model, develop and introduce new high quality health supplements to customers, to ensure the supply stability, price advantage, and utilize Australian natural components, and 100% genuine security system to gain Chinese consumers' favor.

The Group will continuously be dedicated to developing more sales channels and quality Australian supplement products with good, easy and fast services. Furthermore, as the Company has completed the specific mandate placing, and approximately 30% of the net proceeds raised therefore will be invested in the health industry, the healthcare business will intend to work with highly undervalued brands but with huge potential to become an exclusive distributor in Chinese market.

In light of the Group's strategic transformation towards the big health industry, the online medical services business is at the end of its start-up stage. After completing the construction of the one-stop Internet medical platform, the Group will strengthen marketing efforts and expand sales performance.

Overall, the performance of the Group was still affected by the macro environment caused by unstable factors such as COVID-19, etc. Nonetheless, the Group will continue to integrate the businesses of footwear, financial services, healthcare and online medical services to rationalise its structure of business segments, and will continue to look for strategic partnerships in the health sector to build up a healthy business ecosystem, and create substantial value for the shareholders of the Company.

FINANCIAL REVIEW

Revenue

Revenue of the Group's businesses for the Year was HK$160.9 million, representing an approximately 3.5% increase from HK$155.4 million for the year of 2020. The increase of revenue was mainly due to the increase of revenue of the footwear business in the amount of HK$24.2 million.

Revenue from footwear business

Revenue of the Group's footwear business for the Year was HK$152.9 million, representing an approximately 18.8% increase from HK$128.7 million for the year of 2020.

With regard to the sales of the major brands under distribution agreements for the Year as compared with the year of 2020, sales of "Clarks" footwear products and "Josef Seibel" footwear products had increased by approximately 12.8% and approximately 63.7%, respectively.

As at 31 December 2021, the Group operated 29 retail outlets in Hong Kong (2020: 31) and 1 retail outlet in Macau (2020: nil).

Revenue from the provision of financial services

Revenue of the Group's financial services for the Year was HK$5.6 million, representing an approximately 72.6% decrease from HK$20.3 million for the year of 2020, which was mainly attributable to the decrease of asset management fee income.

Revenue from healthcare business

Revenue of the Group's healthcare business for the Year was HK$1.7 million, representing an approximately 69% decrease from HK$5.5 million for the year of 2020. The main reason for the sales decrease as compared with the year of 2020 was due to the continuous outbreak of COVID-19 and on-and-off lockdowns in Australia.

With regard to the sales of the major brands under distribution agreements for the Year, sales of AXS products, milk powder and others brands supplement products accounted for 59.8%, 39.7% and 0.5% of total sales turnover, respectively.

Revenue from online medical services business

Revenue of the Group's online medical services business for the Year was approximately HK$0.8 million (2020: HK$0.9 million). As in 2020, due to the impact of COVID-19, the revenue of this segment remains at a low level.

Cost of Goods Sold

Our cost of goods sold amounted to HK$56.2 million for the Year, representing approximately 34.9% of the Group's revenue (2020: HK$121.1 million, representing approximately 77.9% of the Group's revenue). The decrease in cost of goods sold was mainly due to the reversal of allowance for inventories with the amount of approximately HK$6.9 million.

Gross Profit

The gross profit (gross profit equals to revenue minus cost of goods sold) of the Group for the Year was HK$104.7 million, representing an increase of approximately 205.5% from HK$34.3 million of the year of 2020. Gross profit margin of the Group for the Year was approximately 65.1% (2020: approximately 22.1%). Such increase in gross profit margin was predominantly attributable to the increase of sales revenue for the footwear business and the reversal of allowance for inventories, with the amount of approximately HK$24.2 million and HK$6.9 million, respectively.

Depreciation

Depreciation accounted for approximately 8.6% of revenue for the Year (2020: approximately 14.5%).

Staff Costs

Staff costs for the Year were HK$83.9 million, representing approximately 52.1% of the Group's revenue (2020: HK$92.9 million, representing approximately 59.8% of the Group's revenue). The decrease in staff costs was mainly due to the decrease in number of staff of the Group as compared to the year of 2020.

Finance Costs

Our finance costs for the Year amounted to HK$2.8 million (2020: HK$3.6 million). The finance costs mainly consist of interest expenses incurred on the trade related financing facilities with banks, other borrowing and lease liabilities, and imputed interest on loans from related companies.

Loss Before Tax

As a result of the foregoing, our loss before tax for the Year was HK$69.1 million, as compared to a loss before tax of HK$172.7 million for the year ended 31 December 2020.

Liquidity and Financial Resources

The Group finances its working capital with internally generated cash flows, other borrowing and bank borrowings. As at 31 December 2021, the Group had bank balances and cash amounting to approximately HK$26.7 million (31 December 2020: approximately HK$28.2 million), representing a decrease of approximately 5.2% from 31 December 2020. Most of the bank deposits and cash were denominated in Hong Kong Dollars. As at 31 December 2021, the Group had short-term bank borrowings amounting to approximately HK$15.7 million (31 December 2020: approximately HK$27.7 million) and other borrowings with the amount of approximately HK$15.0 million (2020: HK$15.0 million). As at 31 December 2021, the Group did not have any outstanding long-term bank borrowings, except for loans from related companies and a lease liability of approximately HK$11.7 million and HK$2.0 million, respectively.

Pledge of Assets

As at 31 December 2021, leasehold land and buildings, assets classified as held for sale, investment properties and deposit and prepayment for a life insurance policy (31 December 2020: leasehold land and buildings, investment properties, deposit and prepayment for a life insurance policy) were pledged to secure the bank borrowings and banking facilities granted to the Group.

Gearing Ratio

As at 31 December 2021, the Group's gearing ratio (total debt to total equity) was approximately 311.8% (31 December 2020: approximately 722.5%). The lower gearing ratio was mainly attributable to the increase of non-current assets and the decrease of non-current liabilities with the amount of approximately HK$26.6 million and HK$35.8 million, respectively.

Property, plant and equipment impairment related to the footwear products and financial services segments

Circumstances leading to the impairment:

As a result of the changes in the current economic environment related to the COVID-19 pandemic and the segment losses for the trading of footwear products segment and financial services segment of the Group for the Year, the management of the Group concluded there was an indication for impairment and conducted an impairment assessment on recoverable amounts of property, plant and equipment. The Group estimates the recoverable amounts of the several cash-generating units in the trading of footwear products segment and financial services segment to which the assets belong, cannot generate cash inflows individually, nor can they allocate corporate assets on a reasonably consistent basis.

The recoverable amount of each cash-generating unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the following 5 years or the remaining lease terms of each cash-generating unit. Another key assumption for the value in use calculation is the budgeted gross margin, which is determined based on each cash-generating units' past performance and managements' expectations for the market development. The growth rates and discount rate have been reassessed as at 31 December 2021 taking into consideration the lower degree of estimation uncertainties in the current Year due to the gradual recovery from the COVID-19 pandemic.

The recoverable amount of financial services segment is considered minimal.

Based on the result of the assessment, the management of the Group determined that the recoverable amount of each cash-generating unit is lower than the carrying amount. The impairment amount has been allocated to each category of property, plant and equipment such that the carrying amount of each category of asset is not reduced below the highest of its fair value less cost of disposal, its value in use and zero.

Assets Classified as Held For Sale

On 27 September 2021, Kong Tai Sundry Goods Company Limited (an indirect wholly-owned subsidiary of the Company) (the "Vendor") and Real Champ Investment Limited (a company which is ultimately owned as to 73.5% by Mr. Chong Hot Hoi (who was a director of the Vendor during in the past 12 months from 31 December 2021 and therefore a connected person of the Company at the subsidiary level) and as to 26.5% by Mr. Chu Chun Ho, Dominic (a non-executive Director)) (the "Purchaser") entered into an expression of interest which sets out the terms and conditions on which the Purchaser is interested, in principle, in purchasing certain properties held by the Vendor and the parties further entered a formal sale and purchase agreement on 31 December 2021 relating to the disposal of one parking lot and several properties located in Hong Kong (the "Properties") at a consideration of HK$41 million (the "Disposal") and which were classified as investment properties and property, plant and equipment. The Disposal was scheduled to be completed on or before 11 February 2022, and thus the Properties have been classified as assets held for sale and were presented separately in the consolidated statement of financial position. The completion of the Disposal took place on 11 February 2022.

The Purchaser agreed to continue to provide the Properties as pledge for the Group to obtain banking facilities.

Future Plans for Material Investments or Capital Assets

As disclosed in the paragraph headed "Prospects" above, the Group will continue to integrate the business and look for strategic partnerships in the health sector to build up a healthy business ecosystem. The Company will also actively seek various kinds of financing to make efforts to transform the big health industry.

Considering the deterioration impact of the continuous worsening outbreak of COVID-19 on the Group's sustainable operation, the management will implement more prudent and effective market development strategies, and more strict cost controls.

Significant Investments Held, Material Acquisitions or Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed below, the Group had no significant investments held, nor any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Year.

Proposed Investment in Promethera Therapeutics SA

Shang Ying International Trade Holdings Limited ("Shang Ying Trade", a subsidiary of the Company) (as investor and lender), the Company (as guarantor for the payment obligations of Shang Ying Trade under the Investment and Shareholders Agreement as defined below), Promethera Biosciences SA (as shareholder) and Promethera Therapeutics SA (as company) entered into an investment and shareholders agreement (the "Investment and Shareholders Agreement") dated 29 June 2021 and an amendment agreement (the "Amendment Agreement") dated 30 August 2021 with other co-investors and co-lenders, pursuant to which the investors and lenders agreed to make an investment for a total amount of EUR19,994,711.80 in Promethera Therapeutics SA and Promethera Therapeutics SA agreed to issue new shares to the investors and take out loans from the lenders. Under the Investment and Shareholders Agreement, Shang Ying Trade conditionally agreed to (i) subscribe for 186,516 new shares to be issued by Promethera Therapeutics SA for EUR6,999,945.48; and (ii) lend a loan in the principal amount of EUR3,000,000 in return for a warrant entitling Shang Ying Trade to convert the loan into shares of Promethera Therapeutics SA. Under the Amendment Agreement, Shang Ying Trade will provide an additional cash advance of EUR1,000,000, which is refundable upon fulfilment of a specific condition precedent. Upon completion of the Investment and Shareholders Agreement, Shang Ying Trade will hold approximately 37.61% of the enlarged issued share capital of Promethera Therapeutics SA. Shang Ying Trade (as purchaser), Promethera Biosciences SA (as seller) and Promethera Therapeutics SA (as seller) also entered into the share purchase deed dated 29 June 2021 ("Share Purchase Agreement"), pursuant to which Shang Ying Trade conditionally agreed to acquire 40% of the total issued share capital of Aceso-Promethera Asia Company Limited for a consideration of EUR1 subject to (among other things) the Investment and Shareholders Agreement becoming unconditional as to completion.

As the conditions precedent to the Investment and Shareholders Agreement and the Share Purchase Agreement have not been fulfilled and/or waived (as the case maybe) by the specified long stop date, the Investment and Shareholders Agreement and the Share Purchase Agreement have lapsed. Shang Ying Trade has paid a sum of EUR500,000 to date, being cash advanced under the Investment and Shareholders Agreement. Shang Ying Trade has not paid the EUR1,000,000 additional cash advance under the Amendment Agreement. The Company has also appointed AGIO LEGAL, a local law firm in Belgium, as legal counsel to provide advice to the Group and deal with relevant matters involved after the subsequent termination of the said agreements.

For details, please refer to the announcements of the Company dated 29 June 2021, 10 August 2021, 30 August 2021, 20 October 2021 and 27 October 2021, respectively.

Treasury Policy

The Group adopts a treasury policy that aims to better control its treasury operations and lower borrowing costs. As such, the Group endeavours to maintain an adequate level of cash and cash equivalents to address short-term funding needs. The Board will also consider various funding sources depending on the Group's funding needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations. The Board reviews and evaluates the Group's treasury policy from time to time to ensure its adequacy and effectiveness.

THE SUBSCRIPTION

On 25 March 2021, each of Fly Smart Limited, Crystal Cosmic Limited, Ms. ZHU Tongxia, Mr. MIAO Xianrui and Mr. HAN Liang (the "Subscribers") entered into a subscription agreement with the Company, pursuant to which the Company has conditionally agreed to allot and issue, and each of the Subscribers has conditionally agreed to subscribe for an aggregate of 28,845,000 new Shares (the "Subscription Share(s)") at the subscription price of HK$2.6 per subscription Share (the "Subscription"). The aggregate nominal value of the Subscription Shares was HK$288,450. The net price of each Subscription Share was approximately HK$2.58 and the closing price per Share on the date of the subscription agreements was HK$3.75.

The Subscription was completed on 18 May 2021 and the gross proceeds and net proceeds raised were HK$74,997,000 and HK$74,497,000, respectively. The Directors considered that the Subscription represented an opportunity to raise funding for the business development of the Group and would strengthen the Group's financial position. For further details, please refer to the announcement and circular of the Company dated 25 March 2021 and 28 April 2021, respectively.

The following table sets out the details of the intended use of the net proceeds from the Subscription and the amount of net proceeds that the Group had utilised during the Year:

	Approximate proportion of total amount	**Intended use of net proceeds from the Subscription**	**Net proceeds utilised during the Year**	**Unutilised net proceeds as at 31 December 2021**	**Expected timeline for utilising the unutilised net proceeds** *(Note)*
Replenishment of the Company's working capital, for payment of items such as salaries, administrative expenses and fees charged by various professional parties	25%	HK$18,624,250	HK$18,624,250	Nil	—
Improvement of the Company's one-stop-shop Internet hospital platform, which will be mainly utilized in the areas of customer service support, user acquisition, product improvement and development	15%	HK$11,174,550	HK$11,174,550	Nil	—
For the Australian health supplement sector, strengthening the supply chain, developing and introducing new products, and developing the online platform of the Company's subsidiary, SAP, Zebra	30%	HK$22,349,100	HK$22,349,100	Nil	—
Seeking new business development opportunities and acquisition targets in the healthcare industry, identifying high-growth investment targets that are in line with the Company's strategy and enhance the Company's value	30%	HK$22,349,100	HK$21,080,480.9	HK$1,268,619.1	By 31 December 2022
Total	100%	HK$74,497,000	HK$73,228,380.9	HK$1,268,619.1	

Note: The expected timeline for utilising the unutilised net proceeds is based on the best estimation of the future market conditions made by the Group. It may be subject to change based on the current and future development of market conditions.

Announcement pursuant to Rule 3.7 the Takeovers Code

On 7 May 2020, the Company had received a letter from Alvarez & Marsal Asia Limited regarding the appointment of Ms. Yeung Mei Lee and Ms. Wing Sze Tiffany Wong as joint and several receivers and managers (collectively, the "Receivers") over 119,993,617 shares of the Company (the "Charged Shares") held by Shang Ying Financial Holding Co., Limited (the "Borrower"), which had been charged to Great Wall International Investment X Limited. The Charged Shares represented approximately 49.41% of the issued Shares as at the date of this announcement, and the Company was given to understand that the Receivers may look for potential purchaser(s) for the Charged Shares (the "Possible Transaction") which was subsequently suspended in April 2021 and resumed operation in January 2022. For further details of the Possible Transaction, please refer to the announcements of the Company dated 8 May 2020, 12 May 2020, 12 June 2020, 13 July 2020, 13 August 2020, 11 September 2020, 12 October 2020, 12 November 2020, 11 December 2020, 12 January 2021, 11 February 2021, 12 March 2021, 12 April 2021, 13 January 2022, 11 February 2022 and 11 March 2022, respectively.

Foreign Currency Risk

The Group's sales and purchases for the Year were mostly denominated in Hong Kong dollars, Renminbi, Macau Pataca, Singapore dollars, Euros, US dollars and Australian dollars. The Renminbi is not a freely convertible currency, and the currency market for Macau Pataca is relatively small and undeveloped. In view of the above, future exchange rates of the above currencies could vary significantly from the current or historical exchange rates as a result of the controls that could be imposed by the respective governments and the depth and breadth of the respective markets of currency exchange. The respective exchange rates may also be affected by economic developments and geopolitical changes domestically and internationally, and the demand and supply of the respective currencies. The appreciation or devaluation of the respective currencies against Hong Kong dollars may also have an impact on the Group's results.

The Group manages its foreign currency risk by closely monitoring the movements of foreign currency exchange rates. The Group did not enter into any foreign currency forward contracts to hedge against foreign currency risk as at 31 December 2021.

Human Resources

As at 31 December 2021, the Group employed 185 employees (2020: 228). Remuneration packages are generally structured by reference to market terms and individual qualifications and experience. During the Year, various training activities, such as training of product and service knowledge, management skills as well as local consumer laws were conducted to improve the quality of sales services.

Dividends

The Board has resolved not to recommend the payment of a final dividend for the Year (2020: Nil).

Total Shareholder Return

Total shareholder return ("TSR") is calculated based on capital gains and dividends of the shares of the Company. The Company had a TSR of approximately negative 43.0% for the Year (2020: negative 22.9%).

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

CORPORATE GOVERNANCE PRACTICES

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company complied with the code provisions set out in the Corporate Governance Code as contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the Year.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") as contained in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' dealings in the Company's securities. Following specific enquiry made to the Directors, each of them has confirmed their compliance with the required standard set out in the Model Code throughout the Year.

AUDIT COMMITTEE

The audit committee, comprising Mr. Xie Rongxing, Prof. Yan Haifeng and Ms. Tan Yuying, each an independent non-executive Director, has reviewed with management the principal accounting policies adopted by the Group and discussed the risk management and internal control systems and financial reporting matters, including a review of the audited consolidated financial statements, for the Year.

SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditor, HLB Hodgson Impey Cheng Limited ("HLB"), to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by HLB in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and consequently no assurance has been expressed by HLB on this announcement.

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

Opinion

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 2021, and of its consolidated financial performance and its consolidated cash flows for the Year in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to note 3 in the consolidated financial statements, which indicates that the Group incurred a net loss of approximately HK$70,454,000 during the Year and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK$38,004,000. As stated in note 3, these events or conditions, along with other matters as set forth in note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The information included in note 3 to the consolidated financial statements mentioned above are set out in note 3 above in this announcement.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save that the Disposal was completed on 11 February 2022 as disclosed above, the Group had no other significant event that happened after the Year.

APPRECIATION

The Board would like to thank the management of the Group and all its staff for their hard work and dedication, as well as its shareholders, business partners and associates, bankers and auditor for their support to the Group.

By order of the Board
TATA Health International Holdings Limited
Yang Jun
Chairman

Hong Kong, 31 March 2022

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Yang Jun and Mr. Lai Wenjing, four non-executive Directors, namely, Mr. Lin Zheming, Mr. Lin Jun, Mr. Chu Chun Ho, Dominic and Mr. Chen Anhua and three independent non-executive Directors, namely, Mr. Xie Rongxing, Prof. Yan Haifeng and Ms. Tan Yuying.