天安卓健有限公司
TIAN AN MEDICARE LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 383)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board of directors (the " Directors" and the "Board" respectively) of Tian An Medicare Limited (the "Company") announces that the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024 together with the comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	**2024** **HK$'000**	2023 HK$'000 (restated)
Revenue	*4*	**1,627,199**	1,568,824
Gross proceeds from sales of investments held for trading		**—**	3,481
Total		**1,627,199**	1,572,305
Revenue	*4*		
Goods and services from contracts with customers		**1,620,606**	1,561,188
Rental		**6,593**	7,636
		1,627,199	1,568,824
Cost of goods and services		**(1,290,979)**	(1,278,490)

	Notes	2024 HK$'000	2023 HK$'000 (restated)
Gross profit		**336,220**	290,334
Other gains and losses, and other income	*6*	**(19,549)**	33,749
Selling and distribution costs		**(6,871)**	(5,751)
Administrative expenses		**(223,682)**	(229,720)
Profit from operations		**86,118**	88,612
Finance costs	*7*	**(29,114)**	(47,807)
Profit before taxation		**57,004**	40,805
Income tax expense	*8*	**(15,028)**	(14,912)
Profit for the year	*9*	**41,976**	25,893
Attributable to:	*11*		
Owners of the Company		**28,773**	14,678
Non-controlling interests		**13,203**	11,215
		41,976	25,893
Earnings per share	*11*		
Basic		**HK2.65 cents**	HK1.59 cents
Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	**31.12.2024**	31.12.2023	1.1.2023
		HK$'000	*HK$'000*	*HK$'000*
			(restated)	(restated)
Non-current assets				
Investment properties		**525,392**	545,920	557,089
Property, plant and equipment		**1,541,635**	1,483,444	1,394,255
Right-of-use assets		**86,605**	120,572	130,156
Loan receivable		**—**	—	—
Interests in associates		**—**	—	—
Financial assets at fair value through profit or loss ("FVTPL")		**2,151**	2,151	802
Goodwill		**—**	—	—
Prepayments for acquisition of property, plant and equipment		**23,887**	23,398	30,114
		2,179,670	2,175,485	2,112,416
Current assets				
Inventories		**45,029**	48,752	35,313
Properties under development for sale		**165,414**	177,973	185,606
Properties held for sale		**77,847**	80,463	91,688
Investments held for trading		**4,951**	6,624	12,089
Trade receivables	*12*	**143,791**	83,486	72,136
Deposits, prepayments and other receivables		**28,792**	40,084	22,518
Amounts due from related parties		**437**	—	—
Pledged bank deposits		**—**	32,984	24,319
Restricted bank deposits		**7,518**	136	714
Bank balances and cash		**885,428**	890,266	589,050
		1,359,207	1,360,768	1,033,433

	Note	31.12.2024 HK$'000	31.12.2023 HK$'000 (restated)	1.1.2023 HK$'000 (restated)
Current liabilities				
Trade payables	13	**133,439**	162,798	146,508
Deposits, receipts in advance and accrued charges		**450,111**	485,401	273,197
Deposits received on sales of properties		**—**	212	1,757
Contract liabilities		**70,098**	53,859	40,744
Amount due to an associate		**5,978**	6,044	6,178
Amounts due to related parties		**376**	—	—
Borrowings		**390,817**	312,561	544,816
Lease liabilities		**1,543**	3,389	5,979
Current tax liabilities		**113,334**	120,608	111,539
		1,165,696	1,144,872	1,130,718
Net current assets/(liabilities)		**193,511**	215,896	(97,285)
Total assets less current liabilities		**2,373,181**	2,391,381	2,015,131
Non-current liabilities				
Other payables		**—**	—	12,689
Contract liabilities		**5,867**	8,104	10,276
Borrowings		**442,566**	447,489	388,787
Lease liabilities		**1,282**	35,193	39,439
Deferred tax liabilities		**28,637**	28,950	29,403
		478,352	519,736	480,594
Net assets		**1,894,829**	1,871,645	1,534,537
Capital and reserves				
Equity attributable to owners of the Company				
Share capital		**10,860**	10,860	7,240
Treasury shares		**(869)**	—	—
Reserves		**1,808,983**	1,797,391	1,482,422
		1,818,974	1,808,251	1,489,662
Non-controlling interests		**75,855**	63,394	44,875
Total equity		**1,894,829**	1,871,645	1,534,537

1. BASIS OF PREPARATION

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

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

2. ADOPTION OF NEW AND REVISED HKFRSs

(a) Application of revised HKFRSs

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

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

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

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

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

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

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

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

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

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

Amendments To HKFRS 16 "Lease Liability in a Sale and Leaseback"

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

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

Amendments To HKAS 7 and HKFRS 7 "Supplier Finance Arrangements"

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

New disclosures are required to provide information about:

(1) The terms and conditions of SFAs.

(2) The carrying amount of financial liabilities that are part of SFAs, and the line items in which those liabilities are presented.

(3) The carrying amount of the financial liabilities in (2), for which the suppliers have already received payment from the finance providers.

(4) The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.

(5) Non-cash changes in the carrying amounts of financial liabilities in (2).

(6) Access to SFA facilities and concentration of liquidity risk with the finance providers.

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

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

(b) Revised HKFRSs in issue but not yet effective

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

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

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

3. CHANGE OF ACCOUNTING POLICY FOR MEASUREMENT OF LAND AND BUILDINGS

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

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

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

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

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

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

Consolidated statement of financial position as at 31 December 2023

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

Consolidated statement of financial position as at 1 January 2023

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

4. REVENUE

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

The Group's inpatient healthcare services is considered as a single performance obligation and revenue is recognised over time. Since the Group has the right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date, the Group applied a practical expedient in HKFRS 15 to recognise revenue in an amount to which the Group has the right to invoice during the course of the inpatient healthcare services.

For inpatient healthcare services, the Group previously recognised revenue for sales of pharmaceutical and inpatient healthcare services provided to its customers at a point in time based on the time that its customers received the pharmaceutical and inpatient healthcare services and their standalone selling prices. During the preparation of the Group's consolidated financial statements for the year ended 31 December 2024, management reassessed that the sales of pharmaceutical and inpatient healthcare services provided to its customers for inpatient healthcare services should be considered as a single performance obligation under HKFRS 15 because in context of the Group's inpatient healthcare services, these goods and services are not distinct. Consequently, revenue recognition of a single performance obligation should be over time during the inpatient medical treatment period which the Group's customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. Due to the application of the practical expedient available for over time recognition as mentioned in the paragraph above, the Group assessed that under circumstances of its inpatient healthcare services, the revenue recognition by an over time approach would not differ materially from the Group's previous point in time approach. Therefore, no correction is needed for the revenue recognised by the Group in prior years.

5. SEGMENT INFORMATION

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

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

During the year ended 31 December 2024, the CODM has identified the following six operating and reportable segments under HKFRS 8 Operating Segments. No operating segments have been aggregated to form the following reportable segments.

Healthcare — operations of hospitals in the People's Republic of China, except Hong Kong (the "PRC").

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

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

Property investment — leasing of residential and office properties.

Financial services — provision of loan financial services.

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

Segment revenue and results

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

For the year ended 31 December 2024

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

For the year ended 31 December 2023

	Healthcare *HK$'000*	Eldercare *HK$'000*	Property development *HK$'000*	Property investment *HK$'000*	Financial services *HK$'000*	Securities trading and investments *HK$'000*	Consolidated *HK$'000*
Gross proceeds from sales of investments held for trading	–	–	–	–	–	3,481	3,481
Revenue	1,521,859	41,716	125	5,124	–	–	1,568,824
Segment profit/(loss) (restated)	87,023	(43,275)	(2,065)	5,289	(2,189)	(2,009)	42,774
Unallocated:							
Other gains and losses, and other income							23,103
Net foreign exchange loss							(694)
Central corporate expenses							(24,341)
Finance costs							(37)
Profit before taxation (restated)							40,805

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

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

6. OTHER GAINS AND LOSSES, AND OTHER INCOME

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

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.

7. FINANCE COSTS

The finance costs represent interest as follows:

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

8. INCOME TAX EXPENSE

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

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

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

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

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

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

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

9. PROFIT FOR THE YEAR

Profit for the year is stated after charging the following:

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

10. DIVIDENDS

Dividends attributable to the year:

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

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

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

11. EARNINGS PER SHARE

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

	2024	2023
	HK$'000	*HK$'000*
		(restated)
Profit		
Profit for the purpose of calculating basic earnings per share for the year attributable to owners of the Company	**28,773**	14,678

	2024	2023
Number of shares		
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	**1,086,000,827**	923,826,274

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

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

12. TRADE RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Trade receivables:		
Trade receivables arising from hospital operation and eldercare related services operation	**150,141**	92,105
Debtors from financial services	**876**	876
	151,017	92,981
Less: Allowance for credit losses	**(7,226)**	(9,495)
	143,791	83,486

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

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

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

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

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

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

The Group has policy for recognition of impairment which is based on the evaluation of collectability and aging analysis of accounts and management's judgment including creditworthiness and the past collection history of each customer.

13. TRADE PAYABLES

	2024	2023
	HK$'000	*HK$'000*
Trade payables of hospital operation, of eldercare related services operation and to construction contractors	**133,439**	162,798

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.

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

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

14. LITIGATION

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

* *For identification purpose only*

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

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

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

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

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

DIVIDEND

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

CLOSURE OF REGISTER OF MEMBERS

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

For determining the entitlement to the final dividend for the year ended 31 December 2024, the register of members of the Company will be closed from Tuesday, 27 May 2025 to Wednesday, 28 May 2025, during which period no transfer of shares of the Company will be registered. In order to qualify for the final dividend, all transfers forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 26 May 2025.

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

The AGM is scheduled to be held on Monday, 19 May 2025. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 14 May 2025 to Monday, 19 May 2025, both dates inclusive, during which period no transfer of shares of the Company will be effected. In order to be eligible to attend and vote at the AGM, all transfers of ordinary shares, duly accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 13 May 2025.

REVIEW OF OPERATIONS

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

Healthcare Division:

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

Under such challenging operating conditions, the Group's Healthcare Division, operated through its wholly-owned subsidiary, Tongren Healthcare Industry Group Company Limited (同仁醫療產業集團有限公司), achieved an increase in revenue of HK$1,581,036,000 (2023: HK$1,521,859,000) and a profit of HK$119,991,000 (2023 (restated): HK$87,023,000) but inclusive of the written-off and provision of trade receivables related to medical insurance settlement and the net loss related to closure of the polyclinic in Nanjing, the PRC. Without interest, tax, depreciation and amortization, the Healthcare Division generated an EBITDA, being earnings before interest, tax, depreciation and amortization, of HK$222,479,000 (2023: HK$202,095,000) for the year ended 31 December 2024.

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

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

During the year under review:

(i) For scientific and educational research:

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

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

(ii) For specialty and department development:

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

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

(iii) For marketing:

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

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

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

During the year under review:

(i) For scientific and educational research:

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

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

(ii) For specialty and department development:

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

(iii) For marketing:

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

(iv) For development of KMH Phase II:

The KMH Phase II includes, among others, the integrated in-patient building, oncology and nuclear medical building and the rehabilitation medical building with an approved total construction area of approximately 66,021 m^2. During the year under review, it achieved the overall structural topping-out, substantially completed the works within the scope within the scope of civil construction and entered the stage of project completion and acceptance. As for the renovation work, the design of the construction drawings for the landscaping and interior decoration was completed.

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

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

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

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

Eldercare Division:

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

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

As at 31 December 2024, Tide Health Campus (天地健康城) of the Eldercare Division located in Zhu Jia Jiao County, Qingpu District, Shanghai, the PRC, a retirement community village that integrates community eldercare, institutional eldercare, home eldercare and eldercare nursing hospital (Shanghai Deyi Nursing Hospital, "SDH"), sold 857 Independent Living Units ("ILU(s)") out of a total inventory of 868 ILUs and among which nil ILU (2023: 1) were recorded as sales in the year under review with more than 329 residents (2023: 347) moved into the retirement community village. In addition, the Division's serviced apartments ("SA(s)") consist of two 11-storey buildings with the construction and renovation of the first building and the second building completed in November 2016 and May 2020 respectively, offering a total of 210 SAs (2023: 210) for lease. As at 31 December 2024, the Division leased out 94 SAs (2023: 70).

During the year under review:

(i) For eldercare community operation:

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

(ii) For eldercare nursing hospital operation:

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

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

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

Property Development:

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

As at 31 December 2024, the Division's properties under development for sale decreased to HK$34,167,000 (2023: HK$36,826,000) consisted of a parcel of commercial land in Lianyungang, the PRC and an office premise in Guangzhou, the PRC.

Property Investment:

For the year ended 31 December 2024, the Group's investment properties portfolio, for leasing, located in Hong Kong and the PRC recorded a rental income of HK$4,336,000 (2023: HK$5,124,000) and a loss of HK$8,363,000 (2023 (restated): profit of HK$5,289,000) with a loss on fair value of investment properties of HK$10,680,000 (2023: gain of HK$1,009,000).

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

Securities Trading and Investments:

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

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

Investments held for trading:

As at 31 December 2024, the Group's investments held for trading consisted of securities listed in different geographic locations and their respective performance were as follows:

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

As at 31 December 2024, the Group's investments held for trading consisted of investments in different category of companies and their respective performance were as follows:

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

As at 31 December 2023, there was no investment held for trading which was significant to the Group (exceeded 5% the total assets of the Group).

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

Money Lending:

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

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

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

Business Model and Customer Profile:

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

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

Risk Management Policies:

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

Loan Impairment Policies:

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

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

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

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

No gearing ratio is presented as the Group had net cash surplus as at 31 December 2024 (2023: same). The Group continues to monitor its funding requirement and gearing level, and will raise external borrowings with reasonable pricing terms when appropriate.

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

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

As at 31 December 2024, details of use of net proceeds from the Rights Issue were as follows:

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

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

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

CHARGE ON GROUP ASSETS

As at 31 December 2024, the Group's investments held for trading of HK$4,951,000 (2023: HK$6,624,000), buildings (included in property, plant and equipment) of nil (2023 (restated): HK$155,380,000), investment properties of HK$13,043,000 (2023: HK$315,494,000), properties under development for sale of nil (2023: HK$141,147,000), pledged bank deposits of nil (2023: HK$32,984,000) and medical equipment (included in property, plant and equipment) of HK$14,883,000 (2023: HK$18,220,000) were pledged to banks and a securities broker house to secure credit facilities granted to the Group.

CAPITAL COMMITMENT

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

CONTINGENT LIABILITIES

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

MATERIAL ACQUISITIONS AND DISPOSAL, AND FUTURE PLANS

Save as disclosed in this announcement, during the year ended 31 December 2024, the Group did not hold any other significant investments nor have any material acquisitions or disposals of subsidiaries, associated companies and joint ventures.

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

EMPLOYEES

The Group had 2,626 employees as at 31 December 2024 (2023: 2,599). The Group ensures that its employees are remunerated in line with market conditions and individual performance and the remuneration policies are reviewed on a regular basis.

PROSPECTS

Healthcare Division:

In terms of business development, the Division will consolidate their business foundations. It will develop specialized disciplines to enhance key areas and establish industry leadership through innovative practices. A "1+N" model for specialized disease treatment will be launched to promote multi-disciplinary collaboration to ensure comprehensive patient care.

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

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

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

Eldercare Division:

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

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

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

Others:

Given the continuing headwinds of global trade tensions, geopolitical conflicts, economic weakness and lackluster consumption leading to an uncertain operating environment, the Group plans to adopt a cautious approach. The Group will closely review and adjust its business and investment strategies, as well as its overall investment portfolio, to better suit the challenging economic and investment landscape and to enhance value and return for the Shareholders.

PURCHASE, SALE AND REDEMPTION OF SHARES

Save for the Company's purchase of its own shares on the Stock Exchange which were subsequently cancelled on 10 January 2025 as disclosed below, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the year ended 31 December 2024. The Directors believe that the repurchases of shares would lead to an enhancement of the net assets value per share and/or earnings per share of the Company.

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

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the year ended 31 December 2024, the Company has applied the principles of, and complied with, the applicable code provisions set out in the section headed "Part 2 — Principles of good corporate governance, code provisions and recommended best practices" of the Corporate Governance Code under Appendix C1 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and the financial statements for the year ended 31 December 2024.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by BDO Limited on the preliminary announcement.

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

Hong Kong, 10 March 2025

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