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

SUPPLEMENTAL ANNOUNCEMENT
CHANGE IN USE OF PROCEEDS FROM THE RIGHTS ISSUE

This announcement is made by Tian An Medicare Limited (the "**Company**", together with its subsidiaries, the "**Group**") on a voluntary basis.

References are made to the Company's announcements dated 5 May 2023 and 23 May 2023, and the Company's prospectus dated 24 May 2023 (the "**Prospectus**") in relation to the Rights Issue and the Company's announcement dated 31 March 2025 ("**Announcement**") in relation to the change in use of proceeds from the Rights Issue. Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meaning as those defined in the Prospectus and the Announcement.

The Company wishes to provide further details for the change in use of proceeds from the Rights Issue and the expected timeline of utilization.

At the time the Company conducted the Rights Issue, there was a need to raise capital for the development of Phase II of KMH as no long term financing was available on commercially viable terms. From the time of completion of the Rights issue and until early February 2024, there were no key developments regarding long term financing for the development of phase II of KMH.

On 7 February 2024, the Yunnan Provincial Department of Natural Resources announced by way of circular ("**Circular**") on the implementation opinions on strengthening land factor guarantees and supporting the high quality development of private economy (雲南省自然資源廳關於加強土地要素保障支持民營經濟高質量發展的實施意見), whereby among others, the department aimed to improve government affairs and create a vibrant environment for private enterprises to make use of their real estates and proposed to (i) improve the quality and efficiency of real estate registration services, including simplifying the online approval for mortgage registration and the time required; and (ii) strengthening policy

implementation, in particular, optimising the business environment to create a fair, just and open land market environment to encourage private capital to enter into the land market and strengthen services that are convenient and beneficial to private enterprises. On 3 April 2024, the Yunnan Provincial Health Commission issued a notice on the Yunnan Provincial 14th five-year plan on health development (雲南省衛生健康委關於印發雲南省「十四五」衛生健康事業發展規劃的通知) and, among others, encourages the development of diversified health services among enterprises by forming joint ventures and brand co-operation etc to provide standardised, one-stop high-end medical services. In and around April 2024, the Company, being inspired by prevailing governmental policies environment which are conducive to development of private enterprises, started to explore with banks for possible long term loan financing for the development cost of phase II of KMH and revisited the possibility of KMH obtaining a mortgage and considered that a pledge of its medical land and buildings ("**KMH Property**") for loans may be possible provided that relevant governmental approval for mortgage registration was obtained. As such, in and around September 2024, KMH opened discussions with one of the major PRC banks ("**Bank**") in respect of a long term syndicated loan which, among others, requires the pledge of the KMH Property.

In February 2025, KMH sought and obtained confirmation from the Kunming Dianchi National Tourist District Planning Bureau (昆明滇池國家旅遊度假區規劃建設局), the district where the KMH Property is located, regarding the feasibility of KMH obtaining a mortgage over the KMH Property. KMH then consulted its current PRC legal advisers who advised that since the KMH medical land was acquired through a transfer of land use right, and the land transfer premium has been fully paid, and given that the KMH is a profit-oriented entity (medical institution), with the guidance opinion from the Kunming Dianchi National Tourist District Planning Bureau (昆明滇池國家旅遊度假區規劃建設局), KMH can act as the mortgagor and register a mortgage on the KMH Property provided that:

(1) the land and buildings applying for real estate mortgage registration must be acquired through a transfer of land use right; and

(2) for profit-oriented education, medical, elderly care and other community-based enterprises, they can mortgage its land use rights, facilities and other properties acquired through payment of land transfer premium for financing. When the enterprise applies to real estate mortgage registration authority for mortgage registration, an undertaking should be jointly made by the mortgagor and the mortgagee that "after the registration of the mortgage right, the original business activities will be ensured to continue stably, ensuring that the land use remains unchanged and the rights of related parties are not harmed".

On the basis of the above, KMH proceeded to formally apply for a ten-year syndicated loan facility of RMB290 million ("**Facility**") led by the Bank ("**Syndicated Banks**") to finance the development cost of phase II of KMH.

On 27 May 2025, KMH entered into the syndicated loan documentation with the Syndicated Banks. Following the execution by the Syndicated Banks of the documentation of the Facility, on 19 June 2025, a mortgage on the KMH Property was registered. Up to 27 June 2025, the first drawdown totaling approximately RMB4 million of the Facility has been made and the Syndicated Banks have applied such drawdown to settle directly with the contractors of the development of phase II of KMH.

Set out below is a breakdown of the change in usage of the Unutilised Net Proceeds and the expected timeline of utilization:

Use of proceeds	**Allocation of the Unutilised Net Proceeds** *HK$ million*	**Expected timeline of utilisation**
Investment opportunities	200.0	end of 2027
General working capital*	47.8	end of 2026
Share Repurchase	61.5	end of 2026
	309.3	

* *Intended for operational use such as repair and maintenance expenses, refurbishment expense, purchase of pharmaceutical and medicines, purchase of medical consumables, payment for medical and technical staff costs, etc.*

As at the date of this announcement, none of the net proceeds of the Rights Issue have been used for the phase II of the KMH and the net proceeds have been placed in interest-bearing accounts with licensed commercial banks in Hong Kong. Up to the date of this announcement, the Group has settled the development costs of phase II of KMH of approximately RMB198.3 million, out of the total budgeted development costs of approximately RMB555 million, from its internal resources and borrowings from existing credit facilities in the PRC.

The Company currently does not have any investment opportunities identified but anticipates that the amount of the Unutilised Net Proceeds allocated for investment opportunities will be used primarily for investment in healthcare and eldercare related industries in Hong Kong and the PRC. The Group's current principal businesses are investment in and management and operation of healthcare and hospitals businesses, eldercare businesses, property investment and development, securities trading and investments, provision of financial services and strategic investment. Investment opportunities in healthcare and eldercare related industries could be hospitals, medical institutions, medical specialty centres and

wellness clinics, dental practice, rehabilitation services, aged care, health check, laboratory testing and medical diagnostic services in Hong Kong and/or the PRC, all of such operations are already being carried on by the Group's healthcare and eldercare businesses in the PRC.

Subject to market conditions, the Group will use its best endeavors to actively seek most suitable and valuable investment opportunities in the healthcare and eldercare sectors in Hong Kong and the PRC and will conduct due diligence and feasibility studies when targeted investment opportunities arise aiming at creating value for the Company and its shareholders as a whole. Once a targeted investment opportunity ("**Target**") is identified, the following proposed timeline is expected to be applied.

1.	Day T ("**Day T**")	a suitable Target is identified
2.	Day T + 3 months	conduct due diligence and feasibility study on the Target
3.	Day T + 5 months	upon satisfactory completion of 2, structure and negotiate the investment in the Target with the vendor(s)
4.	Day T + 6 months	subject to 2 and 3, proceed to present the investment to the Board for consideration and approval
5.	Day T + 7 months	announcement to be made regarding the proposed investment in the Target to comply with the Listing Rules and/or seek shareholders' approval, if required
6.	Day T + 10 months	completion of investment in the Target following all the approvals being obtained

The Company has already commenced sourcing for suitable targets. Based on the Company's past experience in sourcing, acquiring and arranging for financing of healthcare and eldercare businesses (i.e. with reference to those currently operated by the Group), the timeframe has generally been between 2 and 3 years. The Company does not expect the timeframe for the acquisition to be as long given that financing is already in place.

As the Company does not have full details of the acquisition Target as yet, when the Company proposes to enter into any definitive documentation for a proposed acquisition, the Company will present the details of the Target together with the relevant financials to the Board in a separate board meeting for approval and, to the extent that such transaction constitutes a notifiable transaction under the Listing Rules, will comply with the applicable disclosures and/or shareholders' approval requirements as required under the Listing Rules.

A further announcement will be made as and when applicable and updates of the use of the Unutilised Net Proceeds will be disclosed in the Company's upcoming annual reports and interim reports.

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

Hong Kong, 23 July 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.