

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 liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



UNIVERSAL HEALTH INTERNATIONAL GROUP HOLDING LIMITED

大健康國際集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2211)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2025

ANNUAL RESULTS HIGHLIGHTS

		For the year ended 30 June		
	Unit	2025	2024	Change
Revenue	RMB million	711.5	1,089.0	-34.7%
Gross profit	RMB million	113.4	179.9	-37.0%
Operating (loss) profit	RMB million	(25.5)	0.1	-25.6 RMB million
(Loss) Profit for the year	RMB million	(25.7)	0.6	-26.3 RMB million
Adjusted EBITDA	RMB million	(8.7)	(9.1)	0.4 RMB million
Basic (loss) earnings per share ^(Note)	RMB cents	(32.46)	0.62	-33.08 RMB cents
Gross margin	%	15.9	16.5	-0.6 pp
Operating (loss) profit margin	%	(3.6)	0.01	-3.61 pp
Net (loss) profit margin	%	(3.6)	0.06	-3.66 pp

Note: The basic earnings per share for the year ended 30 June 2024 has been restated to reflect the Share Consolidation during the Year.

The board (the “**Board**”) of directors (the “**Directors**”) of Universal Health International Group Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the consolidated results of the Group for the year ended 30 June 2025 (the “**Year**”) together with the comparative figures for the year ended 30 June 2024 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		2025	2024
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	2	711,509	1,089,037
Cost of sales	4	<u>(598,122)</u>	<u>(909,152)</u>
Gross profit		113,387	179,885
Selling and marketing expenses	4	(102,456)	(165,034)
Administrative expenses	4	(33,861)	(40,565)
Other income		358	1,638
Other gains – net		3,934	28,315
Change in fair value of biological assets		<u>(6,901)</u>	<u>(4,157)</u>
Operating (loss) profit		<u>(25,539)</u>	<u>82</u>
Finance income	5	3,066	595
Finance costs	5	<u>(1,125)</u>	<u>(5,202)</u>
Finance income (costs) – net	5	<u>1,941</u>	<u>(4,607)</u>
Share of post-tax results of an associate		<u>658</u>	<u>1,733</u>
Loss before income tax		(22,940)	(2,792)
Income tax (expense) credit	6	<u>(2,734)</u>	<u>3,372</u>
(Loss) Profit for the year		<u>(25,674)</u>	<u>580</u>

		2025	2024
	Note	RMB'000	RMB'000
Other comprehensive (loss) income:			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value changes in equity instruments designated as at fair value through other comprehensive income		(9,228)	588
<i>Item that is or may be reclassified to profit or loss in subsequent periods:</i>			
Currency translation differences		90	909
Total other comprehensive (loss) income for the year		(9,138)	1,497
Total comprehensive (loss) income for the year		(34,812)	2,077
(Loss) Profit attributable to:			
– Owners of the Company		(26,006)	413
– Non-controlling interests		332	167
		(25,674)	580
Total comprehensive (loss) income attributable to:			
– Owners of the Company		(35,144)	1,910
– Non-controlling interests		332	167
		(34,812)	2,077
(Restated)			
(Loss) Earnings per share attributable to owners of the Company for the year (RMB cents)			
– Basic and diluted	7	(32.46)	0.62

CONSOLIDATED BALANCE SHEET

	<i>Note</i>	2025 RMB'000	2024 <i>RMB'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		174,431	191,862
Right-of-use assets		4,550	4,684
Intangible assets		–	–
Investment in an associate		–	84,135
Equity instruments designated as at fair value through other comprehensive income		4,595	13,830
Biological assets		87,438	94,339
Deferred income tax assets		5,607	8,305
Total non-current assets		276,621	397,155
Current assets			
Trade and other receivables	9	52,077	106,857
Income tax recoverable		1,961	2,324
Inventories		65,494	122,798
Restricted cash		38,047	27,380
Cash and cash equivalents		13,403	36,363
Total current assets		170,982	295,722
Total assets		447,603	692,877

	<i>Note</i>	2025 RMB'000	2024 <i>RMB'000</i>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		53,102	53,102
Reserves		1,736,457	1,771,863
Accumulated losses		(1,471,985)	(1,472,247)
		317,574	352,718
Non-controlling interests		—	167
Total equity		317,574	352,885
LIABILITIES			
Non-current liabilities			
Borrowings		—	40,300
Total non-current liabilities		—	40,300
Current liabilities			
Trade and other payables	<i>10</i>	105,029	269,392
Borrowings		25,000	30,300
Total current liabilities		130,029	299,692
Total liabilities		130,029	339,992
Total equity and liabilities		447,603	692,877

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

1.1 Basis of preparation

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to both periods presented, unless otherwise stated.

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which collective term includes all IFRS Accounting Standards, IAS Standards and IFRIC Interpretations issued by International Accounting Standards Board and the applicable disclosure requirements of the Companies Ordinance Cap. 622. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The consolidated financial statements have been prepared under the historical cost convention, except for equity instruments designated as at fair value through other comprehensive income (“**FVOCI**”) and biological assets which are measured at fair value.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

1.2 Going concern

During the year ended 30 June 2025, the Group recorded net cash outflow from operations of RMB59,786,000.

The management of the Company has reviewed the current performance and cash flow forecast prepared by the management as part of their assessment of the Group's ability to continue as a going concern, and after carefully considering the matters described below, the directors have a reasonable expectation that the Group is able to continue as a going concern for at least the next twelve months from the end of the reporting period and to meet its obligations, as and when they fall due, having regard to the followings:

- (a) The Group continues to negotiate for external financing, including but not limited to, obtain further loan facilities, renew or refinance the loan facilities upon maturity and various forms of capital fund raising. As at 30 June 2025, the Group had available unutilised banking facility of RMB50,000,000 and loan facility from the former associate for an amount of RMB40,000,000. Subsequent the end of the reporting period, the Company successfully raised net proceeds of RMB22,226,000 through the issuance of new shares under the Specific Mandate, which were used as working capital for the Group.
- (b) The Group continues to improve efficiency by implementing measures to tighten cost control over various operating expenses in order to enhance its profitability and to improve cash flow from its operations in future. During the year ended 30 June 2025, the Group has closed a number of loss-making retail stores to minimize operating cash outflows. The management believes that these measures will result in improvement in operating profitability and the resulting cash flows; and
- (c) The Group is actively exploring the opportunity of obtaining additional sources of cash inflows from sales of its owned assets/investments.

Consequently, the management of the Company have concluded that the Group has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

1.3 Accounting policies

(a) New and amended standards adopted by the Group

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements except for the adoption of the following new/revised IFRS Accounting Standards that are relevant to the Group and effective from the current year:

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to IAS 1: Non-current Liabilities with Covenants

The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the consolidated financial statements.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements

The amendments introduce new disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

The amendments require a seller-lessee to subsequently determine lease payments arising from a sale and leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

(b) *New and amended standards issued but not yet adopted by the Group*

A number of new and amended standards are effective for annual periods beginning on or after 1 January 2025, and have not been applied in preparing these consolidated financial statements. The Group will apply the new and amended standards when they become effective. The Group is in the process of making an assessment of the impact of the new and amended standards and does not expect that the adoption of these new and amended standards will result in any material impact on the consolidated financial statements of the Group.

		Effective for annual years beginning on or after
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS Accounting Standards	Volume 11	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

2. REVENUE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers (a)	<u>711,509</u>	<u>1,089,037</u>

(a) Disaggregation of revenue

	For the year ended 30 June 2025		
	Distributions <i>RMB'000</i>	Retails <i>RMB'000</i>	Total <i>RMB'000</i>
Major products			
Prescribed drugs	79,020	61,354	140,374
Non-prescribed drugs	406,310	96,122	502,432
Healthcare products	57,003	34,085	91,088
Other pharmaceutical products	<u>34,163</u>	<u>6,322</u>	<u>40,485</u>
	576,496	197,883	774,379
Eliminations	<u>(62,870)</u>	<u>–</u>	<u>(62,870)</u>
Revenue from external customers	<u>513,626</u>	<u>197,883</u>	<u>711,509</u>
Timing of revenue recognition:			
Products transferred at a point in time	<u>513,626</u>	<u>197,883</u>	<u>711,509</u>

	For the year ended 30 June 2024		
	Distributions	Retails	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Major products			
Prescribed drugs	133,186	127,675	260,861
Non-prescribed drugs	606,442	142,854	749,296
Healthcare products	93,545	52,229	145,774
Other pharmaceutical products	<u>49,357</u>	<u>9,409</u>	<u>58,766</u>
	882,530	332,167	1,214,697
Eliminations	<u>(125,660)</u>	<u>—</u>	<u>(125,660)</u>
Revenue from external customers	<u><u>756,870</u></u>	<u><u>332,167</u></u>	<u><u>1,089,037</u></u>
Timing of revenue recognition:			
Products transferred at a point in time	<u><u>756,870</u></u>	<u><u>332,167</u></u>	<u><u>1,089,037</u></u>

3. SEGMENT INFORMATION

The Board of Directors is the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the Board of Directors for the purposes of allocating resources and assessing performance.

The Group is principally engaged in the distributions and retails of drugs and other pharmaceutical products in the northeastern region of the People's Republic of China (the "PRC").

Distributions, Retails and Others are presented to the Board of Directors to assess their performance and for making respective business decisions which are considered to be three segments in accordance with IFRS 8 "Operating Segment". The "Others" segment mainly comprises investment companies.

The Group's principal market is the northeastern region of the PRC. The Group has a large number of customers, which are widely dispersed within the northeastern region of the PRC. No single customer accounted for 10% or more of the Group's total revenues for the years ended 30 June 2025 and 2024.

Inter-segment sales are charged at cost. The revenue from external customers and the costs, the total assets and the total liabilities are measured in a manner consistent with that of the Group's consolidated financial statements.

The Board of Directors assesses the performance of the operating segments based on a measure of adjusted loss before interests, tax, depreciation and amortisation ("Adjusted EBITDA"). The measurement basis of Adjusted EBITDA excludes the effect of share of post-tax results of an associate, impairment loss or, if applicable its reversal on intangible assets, property, plant and equipment, right-of-use assets and investment in an associate.

The segment information for the year ended 30 June 2025 and as at 30 June 2025 is as follows:

	For the year ended 30 June 2025			
	Distributions RMB'000	Retails RMB'000	Others RMB'000	Total RMB'000
Segment revenue	576,496	197,883	–	774,379
Inter-segment revenue	(62,870)	–	–	(62,870)
Revenue from external customers	<u>513,626</u>	<u>197,883</u>	<u>–</u>	<u>711,509</u>
Adjusted EBITDA	19,797	(22,785)	(5,682)	(8,670)
Depreciation and amortisation	(13,710)	–	–	(13,710)
Change in fair value of biological assets	(6,901)	–	–	(6,901)
Finance income	525	48	2,493	3,066
Finance costs	(619)	(501)	(5)	(1,125)
Gain on disposal of property, plant and equipment	1,649	115	–	1,764
Gain on disposal of an associate	1,987	–	–	1,987
Loss on disposal of a subsidiary	–	(9)	–	(9)
Share of post-tax results of an associate	658	–	–	658
Income tax expense	(2,698)	(36)	–	(2,734)
Profit (Loss) for the year	<u>688</u>	<u>(23,168)</u>	<u>(3,194)</u>	<u>(25,674)</u>
Additions of non-current assets (excluding financial assets and deferred income tax assets)	<u>68</u>	<u>–</u>	<u>–</u>	<u>68</u>
	As at 30 June 2025			
	Distributions RMB'000	Retails RMB'000	Others RMB'000	Total RMB'000
Total assets before eliminations	1,196,045	314,585	1,385,182	2,895,812
Inter-segment assets	(806,485)	(262,612)	(1,379,112)	(2,448,209)
Total assets	<u>389,560</u>	<u>51,973</u>	<u>6,070</u>	<u>447,603</u>
Total liabilities before eliminations	891,678	790,336	7,512	1,689,526
Inter-segment liabilities	(801,665)	(753,930)	(3,902)	(1,559,497)
Total liabilities	<u>90,013</u>	<u>36,406</u>	<u>3,610</u>	<u>130,029</u>

The segment information for the year ended 30 June 2024 and as at 30 June 2024 is as follows:

	For the year ended 30 June 2024			Total RMB'000
	Distributions RMB'000	Retails RMB'000	Others RMB'000	
Segment revenue	882,530	332,167	–	1,214,697
Inter-segment revenue	(125,660)	–	–	(125,660)
Revenue from external customers	<u>756,870</u>	<u>332,167</u>	<u>–</u>	<u>1,089,037</u>
Adjusted EBITDA	37,114	(40,870)	(5,393)	(9,149)
Depreciation and amortisation	(14,030)	–	–	(14,030)
Change in fair value of biological assets	(4,157)	–	–	(4,157)
Finance income	402	192	1	595
Finance costs	(1,407)	73	(3,868)	(5,202)
Loss on disposal of property, plant and equipment	(648)	–	–	(648)
Gain on disposal of subsidiaries	27,821	245	–	28,066
Share of post-tax results of an associate	1,733	–	–	1,733
Income tax credit (expense)	<u>3,390</u>	<u>(18)</u>	<u>–</u>	<u>3,372</u>
Profit (Loss) for the year	<u>50,218</u>	<u>(40,378)</u>	<u>(9,260)</u>	<u>580</u>
Additions of non-current assets (excluding financial assets and deferred income tax assets)	<u>17</u>	<u>–</u>	<u>–</u>	<u>17</u>
		As at 30 June 2024		
	Distributions RMB'000	Retails RMB'000	Others RMB'000	Total RMB'000
Total assets before eliminations	1,252,594	459,367	1,395,099	3,107,060
Inter-segment assets	(706,254)	(328,830)	(1,379,099)	(2,414,183)
Total assets	<u>546,340</u>	<u>130,537</u>	<u>16,000</u>	<u>692,877</u>
Total liabilities before eliminations	1,061,663	868,680	2,845	1,933,188
Inter-segment liabilities	(839,091)	(753,833)	(272)	(1,593,196)
Total liabilities	<u>222,572</u>	<u>114,847</u>	<u>2,573</u>	<u>339,992</u>
Investment in an associate	<u>84,135</u>	<u>–</u>	<u>–</u>	<u>84,135</u>

The amounts provided to the Board of Directors with respect to total assets are measured in a manner consistent with that of these consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the assets.

Geographical information

All revenue of the Group for the years ended 30 June 2025 and 2024 was derived in the PRC, the place of domicile of the relevant group entities.

The Group's non-current assets (excluding equity instruments designated as at FVOCI and deferred income tax assets) are located in the PRC.

4. EXPENSES BY NATURE

	2025 RMB'000	2024 RMB'000
Costs of inventories sold	595,910	905,828
Employee benefit expenses	68,195	113,440
Lease payments on short-term leases	27,572	40,604
Transportation and related charges	16,383	25,964
Depreciation of property, plant and equipment	13,576	13,691
Depreciation of right-of-use assets	134	339
Other tax expenses	4,156	5,270
Auditor's remuneration	2,242	2,481
Office and communication expenses	2,109	3,186
Electricity and other utility fees	1,440	1,564
Professional fees	1,423	1,188
Travelling and meeting expenses	64	387
Advertising and other marketing expenses	54	248
Other expenses	1,181	561
	<u>734,439</u>	<u>1,114,751</u>

5. FINANCE INCOME (COSTS) – NET

	2025 RMB'000	2024 RMB'000
Finance income		
Exchange gains – net	2,489	–
Interest income	577	595
	<u>3,066</u>	<u>595</u>
Finance costs		
Interest on lease liabilities	–	(29)
Interest on borrowings	(950)	(1,327)
Other charges	(175)	(212)
Exchange losses – net	–	(3,634)
	<u>(1,125)</u>	<u>(5,202)</u>
Finance income (costs) – net	<u>1,941</u>	<u>(4,607)</u>

6. INCOME TAX EXPENSE (CREDIT)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PRC enterprise income tax (“EIT”)		
– Current income tax	<u>36</u>	<u>18</u>
Deferred income tax	<u>2,698</u>	<u>(3,390)</u>
Total income tax expense (credit)	<u>2,734</u>	<u>(3,372)</u>

Hong Kong profits tax has not been provided as there were no assessable profits subject to Hong Kong profits tax for the years ended 30 June 2025 and 2024. The subsidiaries of the Group in the PRC are subject to corporate income tax at a rate of 25% (2024: 25%) on its taxable income or deemed profit method as determined in accordance with the relevant PRC income tax rules and regulations, except for enterprises which are allowed to enjoy the preferential policies and provisions as discussed below:

As at 30 June 2024, Shenyang Heping Shengshi Weikang General Clinic Co., Ltd. * meets the criteria of Micro-enterprise. Pursuant to the Announcement of Ministry of Finance and the State Administration of Taxation No. 12 of 2023 (《財政部稅務總局公告2023年第12號》) and the Announcement of Ministry of Finance and the State Administration of Taxation No. 6 of 2023 (《財政部稅務總局公告2023年第6號》), Micro-enterprise could enjoy an EIT at 20% on the assessable profits below RMB3,000,000 after reduction of 75% of assessable profits.

* English translation for identification purposes only.

7. (LOSS) EARNINGS PER SHARE

(a) Basic

Basic (loss) earnings per share is calculated by dividing the (loss) profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2025	2024 (Restated)
(Loss) Profit attributable to owners of the Company (in RMB'000)	(26,006)	413
Weighted average number of ordinary shares in issue (in thousands)	<u>80,106</u>	<u>66,864</u>
Basic (loss) earnings per share (RMB cents)	<u>(32.46)</u>	<u>0.62</u>

The number of shares for the purpose of calculating basic loss per share for the year ended 30 June 2025 has been adjusted to reflect the share consolidation effective on 30 May 2025 (the “**Share Consolidation**”).

The number of shares for the purpose of calculating basic earnings per share for the year ended 30 June 2024 has been adjusted for the subscription shares issued during that year and restated to reflect the Share Consolidation.

(b) Diluted

Diluted (loss) earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

As the effect of the assumed conversion of the potential ordinary shares from exercising the Company’s share options is anti-dilutive, the basic (loss) earnings per share is equal to diluted (loss) earnings per share for the years ended 30 June 2025 and 2024.

8. DIVIDENDS

The Board does not recommend the payment of any dividend in respect of the year ended 30 June 2025 (2024: Nil).

9. TRADE AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables		
– From third parties	<u>45,268</u>	<u>85,038</u>
Prepayments		
– Prepayments to third parties	3,446	15,124
– Tax input credits – value added tax	<u>15</u>	<u>3,841</u>
	<u>3,461</u>	<u>18,965</u>
Other receivables		
– Deposits	456	562
– Others	<u>2,892</u>	<u>2,292</u>
	<u>3,348</u>	<u>2,854</u>
	<u><u>52,077</u></u>	<u><u>106,857</u></u>

The carrying amounts of trade and other receivables approximate their fair value.

Note: Retail sales at the Group's pharmacies are usually settled in cash or by debit or credit cards. For distribution sales, there is no concentration of credit risk with respect to trade receivables, as the majority of the Group's sales are settled upon delivery of goods. The trade receivables are with credit periods of not more than 90 days. The ageing analysis based on recognition date of the trade receivables is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Up to 3 months	45,075	76,653
4 to 6 months	193	7,885
7 to 12 months	<u>–</u>	<u>500</u>
	<u><u>45,268</u></u>	<u><u>85,038</u></u>

10. TRADE AND OTHER PAYABLES

	<i>Note</i>	2025 RMB'000	2024 RMB'000
Trade payables			
– To third parties	(a)	<u>53,048</u>	<u>211,165</u>
Notes payables	(b)	38,027	31,028
Other payables		<u>13,954</u>	<u>27,199</u>
		<u>51,981</u>	<u>58,227</u>
		<u>105,029</u>	<u>269,392</u>

- (a) The credit period of trade payables is normally within 90 (2024: 90) days. Details of ageing analysis based on recognition date of trade payables are as follows:

	2025 RMB'000	2024 RMB'000
Up to 3 months	51,148	162,590
4 to 6 months	1,297	8,644
7 to 12 months	603	11,645
1 to 2 years	<u>–</u>	<u>28,286</u>
	<u>53,048</u>	<u>211,165</u>

- (b) The credit period of notes payables is normally within 90 – 180 (2024: 90 – 180) days. As at 30 June 2025, the notes payables of RMB38,027,000 were secured by restricted cash of RMB38,047,000 (2024: the notes payables of RMB24,903,000 was secured by restricted cash of RMB27,380,000 and the remaining balance of RMB6,125,000 was secured by the buildings with carrying amount of RMB23,876,000). As at 30 June 2025 and 2024, the notes payables are expected to be settled within one year.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

The healthcare industry is a comprehensive industry centred on “prevention, treatment and rehabilitation”, covering a wide range of fields such as medical treatment, healthcare, pension and health management. With the acceleration of the global population aging, the rising incidence of chronic diseases and the increasing health awareness of residents, the healthcare industry has become an important engine of global economic growth. As forecasted by the Chinese Health Association, the market size of China’s healthcare industry is expected to reach RMB29.1 trillion by 2030.

In recent years, the Chinese government has increasingly prioritised the development of the traditional Chinese medicine (TCM) industry, introduced a series of supportive policies consecutively and elevated TCM development planning to a national level. In the first half of 2025, the relevant State departments issued a series of policies and systems, including the Opinions of the General Office of the State Council on Comprehensively Deepening the Reform of Drugs and Medical Devices Regulation to Promote the High-Quality Development of the Pharmaceutical Industry (《國務院辦公廳關於全面深化藥品醫療器械監管改革促進醫藥產業高質量發展的意見》), the Opinions of the General Office of the State Council on TCM Quality Enhancement to Promote the High-Quality Development of TCM Industry (《國務院辦公廳關於提升中醫藥質量促進中醫藥產業高質量發展的意見》), and Special Action Plan to Promote Healthy Consumption (《促進健康消費專項行動方案》), which standardised the development of the healthcare industry and pharmaceutical industry, and further clarified the direction for their future development. These policies encompassed multiple aspects, including medical system reform, improvement of healthcare and elderly care services, as well as amelioration of public health standards. The government has intensified its endorsement for TCM, facilitating its modernisation and internationalisation, while enhancing the role of TCM in prevention, treatment, and rehabilitation. Simultaneously, the government has strengthened its supervision over medical institutions, the healthcare products market and the environmental protection industry to safeguard both the quality and safety of products and services.

Technological innovation is an important driving force for the development of the healthcare industry. Technologies such as artificial intelligence, big data, and the Internet of Things were widely applied in the medical and healthcare sector. For example, artificial intelligence technology has been applied to diseases diagnosis, personalised treatment and health management, which improves the efficiency and accuracy of diagnosis and treatment. Big data technology has been used to analyse and explore health data, which provides scientific basis for the formulation of public health policies. In addition, Internet of Things technology has been applied to smart elderly care and remote medical care to improve service quality and management efficiency. With the accelerated aging of the population and strengthened health awareness of the residents, the market demand for healthcare industry has experienced continuous growth. The increasing demand for healthcare and elderly care services in an aging society has promoted the rapid development of the elderly care industry. At the same time, residents' continuously increased demand for health management and preventative medicine has promoted the growth of markets such as health check, healthcare products and health food. With the popularisation of environmental protection and sustainable development concepts, the status and importance of the environmental protection industry in the healthcare industry have been enhanced.

With a growing aging population, healthcare and elderly care services have become an important part of the healthcare industry. In 2024, the PRC accelerated the construction of the elderly care service system and improved the service quality and management level of elderly care institutions. At the same time, the quality of life of the elderly was enhanced through promoting the application of smart elderly care technology, such as using Internet of Things technology to achieve remote monitoring and health management of the elderly. Faster moves were taken in the application of embodied robots in the elderly care field. In addition, community elderly care and home-based elderly care services were promoted to meet different elderly care needs.

Health management, as an important area of the industry, aims to improve public's health through health check, risk assessment and health intervention. In 2025, the PRC promoted the popularisation and standardisation construction of health management services, such as advancing the construction of health monitoring centers to provide professional health check services for timely detection and prevention of diseases. Meanwhile, it has boosted personalised health management services to improve the effectiveness of health management by formulating targeted health plans based on individuals' health conditions. Preventive medicine plays an important role in the healthcare industry, aiming to reduce the occurrence and spread of diseases through preventive measures. The PRC increased its investment in and support for preventive medicine in 2024, such as prevention of outbreak of infectious diseases by promoting vaccine research and development and vaccination. At the same time, it has promoted health education and health promotion activities to enhance the effectiveness of health management.

As the public's health awareness increased, the demand for nutritious and healthy foods also continued to grow. The "silver-haired generation" was no longer just a "care-receiving" group but became a core consumer force in healthcare industry. Chronic conditions such as hypertension, diabetes, and osteoarticular disorders were prevalent among the silver-haired generation, driving the rapid development of healthcare products, rehabilitation equipment, and personalised health management in light of the increasing demand for chronic disease management. The "new silver-haired generation", aged between 50 and 70, preferred preventive products, emphasising "prevention before disease onset". Generation Z and the post-millennial generation were reshaping the future landscape of the healthcare industry. They tended to view "health as part of daily life", shifting their health mindset from "treating illness" to "lifestyle", integrating health into every aspect of life, and incorporating matters from diet and sleep to emotional management into the scope of health. These trends made China's healthcare products market further expanded in size, and the variety and quality of products continued to improve, such as promoting the research and development and application of TCM healthcare products to give full play to the unique advantages of TCM in health care and wellness. At the same time, China strengthened its supervision over the healthcare products market, cracked down on false advertising and non-compliance, so as to protect the rights and interests of consumers and improve the standardisation of the healthcare products market.

Overall, driven by supportive policies, scientific and technological innovation and evolving market demands, China's healthcare industry continuously showcased a robust development momentum. In the future, China's healthcare industry will improve product quality and service levels through scientific and technological innovation and industrial upgrading, and enhance the international competitiveness of China's healthcare industry through international cooperation and technology exchanges.

BUSINESS REVIEW

During the Year, under the leadership of Mr. Chu Chuanfu, the chairman (the "**Chairman**") of the Board, and the management of the Group, and with the efforts of all employees, the Group continued to aim at and focused on the pharmaceutical healthcare field, actively promoted the development of traditional physical retail chain stores and distribution network while facing more intensive competition. Meanwhile, after taking into account the impact of the ageing and industry development trends, the Group continued to make deployment of "DTP pharmacies" and endeavoured to explore new business model.

As public awareness of self-management of health increased, demand for medicine consumption rose, driving the steady growth in relevant domestic industries during the Year. The Group was committed to strengthening business training for employees of retail chain stores and upgrading their job skills to provide medicine sales services to local people, actively organised the supply of goods and equipped people with needed medicines and equipment. In some areas, telephone ordering for home delivery of medicine and/or mobile internet reservation for products had been carried out in order to maintain business continuity and form a complementary online and offline operation model.

Chain Retail Business

During the Year, the Group held various promotion activities so as to enhance the Group's presence in the regions and competitiveness of chain retail business. The Group has been actively exploring digital transformation and has built the foundation for network development. In addition, the Group has also continued to explore and establish "DTP pharmacies" to better serve the public's health while improving the flexibility of the operating mechanism and increasing profit growth points. At the end of the Year, the Group had a total of 120 (2024: 203) chain stores, and revenue for retail business was RMB197.9 million for the Year (2024: RMB332.1 million), representing a year-on-year decrease of 40.4%.

Nationwide Distribution Business

As at 30 June 2025, the Group had approximately 1,027 distributors and 3 large-scale distribution logistics centers. During the Year, despite the Group made appropriate promotion in its distribution system, continued to optimise screening and maintaining of high-quality customers, revenue for distribution business was RMB513.6 million (2024: RMB756.9 million), representing a year-on-year decrease of 32.1%.

Direct-supply and Sales Model

The Group's direct-supply model effectively addressed the inefficiencies in the traditional, overlapped sales process. By streamlining the supply chain, the model enhanced sales efficiency and profitability, and provided a higher profit margin from the high-margin products. Meanwhile, the Group advanced marketing model to accord with the "Two Invoices System" carried out by the PRC government so as to mitigate the impact of the policy change on the Group. During the Year, the Group's management took proactive measures to safeguard the direct supply of branded products, and its direct-supply model of these branded products covered all provinces in China.

Branded Products Operation

The Group continued to maintain the operational pattern of its existing branded products and adjusted the brand portfolio in response to actual business needs. These adjustments included phasing out certain unsuitable products and introducing new ones to preserve the competitiveness of the existing branded products while enhancing the market presence of newly launched branded products.

During the Year, a net reduction of 315 branded products was recorded. Hence, the Group operated a total of 223 branded products as of the end of the Year.

Intelligent Warehouse Construction

The Group has established three large-scale distribution logistics centers in Shijiazhuang, Harbin and Jiamusi, forming a high-quality distribution system that spans the whole country, with strong coverage across the northeastern region of the PRC. This strategic expansion has significantly enhanced the Group's national logistics capabilities. Throughout the Year, the Group continued to leverage its Warehouse Management Software System, an intelligent sorting software, resulting in further improvements in labour productivity. These digital tools have effectively streamlined operations and optimised resource utilisation. In parallel with operational upgrades, the Group also made meaningful enhancements to the work environment, fostering a safer and more comfortable workspace for employees and supporting long-term operational sustainability.

Brand Image Promotion

With traditional advantages in continuous brand promotion and marketing, the Group strengthened its presence and competitiveness, and mitigated the further decline in operating performance. During the Year, promotional and marketing activities were launched for product brands and enterprise brands by continuously leveraging on the internet, WeChat and live-streaming platforms. In addition, the Group participated in the public charity and carried out activities of promoting health information for free with a view to enhancing the reputation of the Group and fulfilling its corporate social responsibilities.

Institute School Training

According to the characteristics of new era, new economy, new technology and new retail, the Group continued to optimise the training activities of the institute and made best use of the business institute on the business development, talent nurturing and public welfare promotion. The Group also took the advantage of its lead in establishing business institute in the industry, to strengthen its cohesion as well as enhance the thinking of employees and adaptability to the transformation and upgrading of its business. During the Year, 17 online video and offline internal trainings in total had been held by the Company.

Membership Service

During the Year, the Group had provided follow-up services and promotion benefits for approximately 3.58 million offline members, and disseminated health knowledge and product information through online and offline channels, to enhance the sense of affiliation and positivity of members while boosting their loyalty, and thus shaping a healthy image of the Company. Meanwhile, the Group had provided several social value-added services such as the supply of public toilets, cold shelters in winter and lost children service centres; and continued to launch the public welfare activities, such as “Love China”, with a view to building up its positive corporate image.

Industry Alliance

During the Year, the Group had proactively participated in the alliance activities. The Chairman of the Board, and Mr. Jin Dongkun, vice chairman of the Board, had attended on behalf of the Group important industry activities such as the tours and forums organised by the alliance to seize the theme of era development, keep abreast of the industry information, promote development of branded products, strengthen the Company’s interaction, exchange with industry alliance and constantly enhance the Group’s presence. Meanwhile, through national strategic guidance of “Healthy China (健康中國)”, “Beautiful China (美麗中國)”, “Belt and Road (一帶一路)”, “Guangdong-Hong Kong- Macao Greater Bay Area (粵港澳大灣區)” and “Hainan Free Trade Port (海南自由貿易港)”, the Group gathered industry experience and focused on technological innovation to seek further transformation and upgrade of the Group’s business.

FINANCIAL REVIEW

The Group recorded revenue of RMB711.5 million for the Year (2024: RMB1,089.0 million). Loss attributable to owners of the Company was RMB26.0 million for the Year (2024: Profit of RMB0.4 million). Loss per share for the Year was RMB32.46 cents (2024: Earnings per share (restated) was RMB0.62 cents). The increase in loss attributable to owners of the Company was mainly due to the ongoing impact of new China’s medical insurance policy, which have led to a continuous decrease in revenue.

Revenue

During the Year, the Group recorded revenue of RMB711.5 million (2024: RMB1,089.0 million). The decrease in revenue was mainly due to the impact of new China’s medical insurance policy and the decline in number of active customers within the nationwide distribution network.

Analysis of revenue by business segment

	Revenue (RMB million)		Change	Percentage (%) of revenue		Change
	Year ended 30 June			Year ended 30 June		
	2025	2024		2025	2024	
Retails	197.9	332.1	-40.4%	27.8	30.5	-2.7 pp
Distributions	513.6	756.9	-32.1%	72.2	69.5	+2.7 pp
	711.5	1,089.0		100.0	100.0	

Retail Business Segment

As at 30 June 2025, the Group had 120 (2024: 203) retail pharmacies in total, of which 92 (2024: 155) were located in Heilongjiang, 27 (2024: 47) were located in Liaoning and 1 (2024: 1) self-operated retail pharmacy was located in Hong Kong.

Distribution Business Segment

The Group adopted a prudent approach in running the distribution business and took appropriate actions to mitigate credit risks by strengthening the credit management of sales and minimising trade receivables in order to lower the risk of bad debts.

During the Year, the Group had a nationwide distribution network covering approximately 1,027 (2024: 1,515) active customers, among which, approximately 722 (2024: 1,041) pharmaceutical retailers, hospitals and clinics and approximately 305 (2024: 474) distributors.

Gross profit

Gross profit of the Group for the Year was RMB113.4 million (2024: RMB179.9 million). No significant change in gross margin in both years.

Analysis of gross profit by business segment

	Gross profit (RMB million)			Gross margin (%)		
	Year ended 30 June		Change	Year ended 30 June		Change
	2025	2024		2025	2024	
Retails	54.5	93.5	-41.7%	27.5	28.2	-0.7pp
Distributions	58.9	86.4	-31.8%	11.5	11.4	+0.1pp
	<u>113.4</u>	<u>179.9</u>				

Selling and marketing expenses

Selling and marketing expenses for the Year was RMB102.5 million (2024: RMB165.0 million) and accounted for 14.4% (2024: 15.2%) of the Group's revenue. The decrease in selling and marketing expenses was mainly due to the decrease in employee benefit expenses, rental expenses and transportation expenses.

Administrative expenses

Administrative expenses for the Year was RMB33.9 million (2024: RMB40.6 million) and accounted for 4.8% (2024: 3.7%) of the Group's revenue. The decrease in administrative expenses was mainly due to the decrease in employee benefit expenses.

Finance income (costs) – net

Net finance income for the Year was RMB1.9 million (2024: Net finance costs of RMB4.6 million). The increase in net finance income was mainly due to the increase in exchange gains.

Income tax (expense) credit

Income tax expense for the Year was RMB2.7 million (2024: Income tax credit of RMB3.4 million). The increase in income tax expense was mainly due to the utilization of deferred tax assets in the Year.

LIQUIDITY AND CAPITAL RESOURCES

The Company's treasury function formulated financial risk management procedures, which are also subject to periodic review by the senior management of the Company.

This treasury function operates as a centralised service for managing financial risks, including interest rate and foreign exchange rate risks, reallocating surplus financial resources within the Group, procuring cost-efficient funding and targeting yield enhancement opportunities. The treasury function regularly and closely monitors its overall cash and debt positions, proactively reviews its funding costs and maturity profiles to facilitate timely refinancing, if appropriate.

As at 30 June 2025, the Group's unpledged cash and cash equivalents were RMB13.4 million in aggregate (2024: RMB36.4 million), and the Group's net current assets were RMB41.0 million (2024: net current liabilities at RMB4.0 million).

During the Year, net cash flows used in operating activities amounted to RMB59.8 million (2024: RMB101.7 million). The decrease in cash flows used in operating activities was mainly attributable to the decrease in purchase of inventory as a result of the decline in revenue.

During the Year, the Group had capital expenditure of RMB0.07 million (2024: RMB0.02 million).

Having considered the cash flow from operating activities and existing financial gearing, the management believes that the Group would replenish liquidity in a timely basis to fund its day-to-day operations, capital expenditures and prospective business development projects. The Board will continuously and closely monitor the Group's liquidity position and financial performance and implement measures to improve the Group's cash flows.

The Group mainly operates in the PRC, with most of its transactions denominated and settled in Renminbi. The Group's currency risk is insignificant and mainly arises from certain bank deposits that are denominated in Hong Kong dollars and United States dollars. As at 30 June 2025, the Group had cash and bank balances of RMB13.4 million, of which the equivalent of RMB0.7 million was denominated in Hong Kong dollars and United States dollars.

The Group did not use financial instruments for financial hedging purpose during the Year.

CAPITAL STRUCTURE

During the Year, the Board proposed to implement the Share Consolidation on the basis that every ten (10) issued and unissued existing shares of US\$0.01 each in the then share capital of the Company would be consolidated into one (1) consolidated share of US\$0.10 each in the share capital of the Company, which became effective on 30 May 2025.

As at 30 June 2025, 80,105,955 ordinary Shares of US\$0.1 were issued by the Company.

As at 30 June 2025, the Group had total borrowings of RMB25.0 million (2024: RMB70.6 million) from banks (2024: an associate and banks), carrying an interest rate at 3.5% (2024: ranging from 3% to 12.56%) per annum.

The gearing ratio of the Group as at 30 June 2025, calculated as net debt divided by sum of total equity, was 3.7% (2024: 9.7%).

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

As at 30 June 2025, the Group had no significant contingent liabilities (2024: Nil).

As at 30 June 2025, the notes payables of the Group were secured by the restricted cash of RMB38.0 million (2024: notes payables of RMB24.9 million secured by restricted cash of RMB27.4 million, and notes payables of RMB6.1 million secured by the buildings of the Group with carrying amount of RMB23.9 million).

The borrowings of RMB25.0 million (2024: RMB30.0 million) were secured by the buildings of the Group with carrying amounts of RMB152.6 million (2024: RMB163.7 million).

HUMAN RESOURCES

As at 30 June 2025, the Group had 842 (2024: 1,286) full-time employees with total employee benefit expenses amounted to RMB68.2 million for the Year (2024: RMB113.4 million). Employees are paid according to their positions, performance, experience and prevailing market practices, and are provided with management and professional training. The Group has implemented a number of initiatives to enhance the productivity of its employees. In particular, the Group conducts periodic performance reviews on most of the employees, and their compensation is tied to their performance. Further, the Group's compensation structure is designed to incentivise its employees to perform well by linking a portion of their compensation to their performance and the overall performance of the Group. The performance-based compensation partly depends on the employee's job function and seniority. Employees in Hong Kong are provided with retirement benefits under the Mandatory Provident Fund scheme, as well as life insurance and medical insurance. Employees in the PRC are provided with basic social insurance and housing fund in compliance with the requirements of the laws of China. Meanwhile, the Group endeavours to provide its employees with a safe workplace and structured training programmes.

SIGNIFICANT INVESTMENT, ACQUISITION AND DISPOSAL

On 19 November 2024, the Group entered into an equity transfer agreement with an independent third party, to dispose of its 43.78% equity interests in Jilin Jintian Universal Health Capsule Limited (“Jilin Jintian”), for a cash consideration of RMB43 million (the “**Disposal of Jilin Jintian**”) and a gain on disposal of RMB2 million was recognised in profit or loss. After the completion of Disposal of Jilin Jintian on 3 May 2025, the Group would no longer hold any equity interests in Jilin Jintian.

Details of the Disposal of Jilin Jintian have been disclosed in the Company’s announcement dated 19 November 2024 and the Company’s circular dated 24 December 2024.

Apart from the above, during the Year, the Group did not make any significant investments, acquisitions or disposals that was required to be disclosed under the Listing Rules.

FUTURE PLAN

Looking forward, the Group will concentrate on universal health, focus on the pharmaceutical industry, and timely divestiture of subsidiary industries other than the main business. With a view to stabilising and optimising the existing retail chain network and distribution system, it will further explore the structural transformation and digital upgrading of the “supply-side” reform with focus on the development of the following areas:

Firstly, “Specialization+” strategy is adopted to strengthen the service professionalism and improve the Company’s operation quality. Taking licensed pharmacists as the core and leveraging on the advantages of the business institute, the Group aims to train employees of the new era, and improve the level of pharmacy services for the public from the aspects of corporate culture, pharmaceutical knowledge, service skills, new marketing methods, or introducing famous doctors, integrating these elements as comprehensive clinic. Meanwhile, taking advantage of industry trends, the Group increases efforts in the expansion of “DTP pharmacies” in a timely manner, as a way to win customers and develop markets with professionalism, and to shape professional brands in retail chain pharmacies and distribution field.

Secondly, “Platform+” strategy is adopted to expand the value-added service items of stores to meet the growing demand of consumers. With the change in living environment, people pay more attention to health, resulting in increasing demand for prevention and treatment. The Group will adopt new technological methods according to the new situation, or introducing resources in the field of universal health in the form of partners, to enhance the service capabilities of terminal stores and open up new areas such as appearance economy, chronic diseases control of elderly and control of home-living health, adapt to the market needs in the new situation.

Thirdly, “Internet+” strategy is adopted to strengthen the linking capability of internet to physical stores, and promote online and offline connectivity and integration. According to the development trend of technology and the internet, the Group will make full use of the new situation of the popularisation of mobile internet terminals, including development of applets, use of short videos and live commerce, moments promotion, group development and bonding members, to develop a network for physical stores, and cooperate with several third party e-commerce platforms, explore a new marketing ecosystem integrating “new business, new retail, and new technology”, and build a dynamic and leading competitiveness.

Therefore, by leveraging the network layout advantages of traditional industries and grafting the new economic model and carrying out changes in franchise methods, the Group will make efforts to facilitate the optimisation and digital transformation of the Group’s operation structure, and make plans for a new development cycle with the wing of new engine for the Company, so as to maintain the Group as one of the industrial leaders in terms of the main pharmaceutical business and operation channel innovation.

EVENTS AFTER THE YEAR

Subscription of New Shares under Specific Mandate

On 13 May 2025, the Company as issuer and Huang Yu Holdings Limited (皇御控股有限公司) as subscriber (the “**Subscriber**”) entered into a subscription agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 30,440,263 Shares at the Subscription Price of HK\$0.80 per Share for cash of approximately HK\$24.35 million (the “**Subscription**”).

The Subscription was approved by the Shareholders in an extraordinary general meeting of the Company held on 23 July 2025. For details of the Subscription, please refer to the circular of the Company dated 4 July 2025.

Increase in Authorised Share Capital

On 31 July 2025, the Board proposed to increase the authorised share capital of the Company from US\$10,000,000 divided into 100,000,000 Shares to US\$50,000,000 divided into 500,000,000 Shares by the creation of an additional 400,000,000 Shares which, if issued, shall rank pari passu in all respects with the existing Shares (the “**Increase in Authorised Share Capital**”) in order to accommodate the Subscription and the potential growth and development of the Group and to provide the Company with greater flexibility to raise funds in the future.

The Increase in Authorised Share Capital was approved by the Shareholders in an extraordinary general meeting of the Company held on 19 August 2025. For details of the Increase in Authorised Share Capital, please refer to the circular of the Company dated 1 August 2025.

Save as disclosed above, no important event has occurred after 30 June 2025 and up to the date of this annual report, being the end of the financial year under review, which would affect the Group.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend for the Year (2024: Nil).

CLOSURE OF THE REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company will be held on Thursday, 11 December 2025 (the “**2025 AGM**”).

The register of members of the Company will be closed from Monday, 8 December 2025, to Thursday, 11 December 2025, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the 2025 AGM. All transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong before 4:30 p.m. on Friday, 5 December 2025.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the Listing Rules as its own code and complied with all applicable code provisions under the CG Code throughout the Year, except for deviation from code provision C.2.1 and C.1.5 of the CG Code. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. During the Year, despite the responsibilities of the chairman and the chief executive officer of the Company vested in Mr. Chu Chuanfu, all major decisions were made in consultation with the Board. The Board considers that there is sufficient balance of power and the current corporate arrangement maintains a strong management position of the Company.

Under code provision C.1.5 of the CG Code, independent non-executive Directors and non-executive Directors should attend general meetings of the Company and develop a balanced understanding of the shareholders’ view. Due to other business engagement, the independent non-executive Directors were unable to attend the extraordinary general meeting of the Company held on 23 July 2025 and 19 August 2025 respectively. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

Save for the above, the Company had complied with all code provisions as set out in the CG Code throughout the Year and, where appropriate, the applicable recommended best practices of the CG Code.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors, namely Mr. Zou Haiyan (chairman of the Audit Committee), Mr. Cheng Sheung Hing and Ms. Chiang Su Hui Susie. The main duties of the Audit Committee are to examine, review and monitor the financial data and financial reporting procedure of the Group, and overseeing the Group’s financial reporting system, risk management and internal control systems. The Audit Committee had reviewed the audited annual results of the Group for the Year.

SCOPE OF WORK OF FORVIS MAZARS CPA LIMITED

The figures in respect of the Group’s consolidated balance sheet, consolidated statement of comprehensive income, and the related notes thereto for the Year as set out in this annual results announcement have been agreed by the Group’s auditor, Forvis Mazars CPA Limited (“**Forvis Mazars**”), to the amounts set out in the Group’s draft audited consolidated financial statements for the Year. The work performed by Forvis Mazars 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 and consequently no assurance has been expressed by Forvis Mazars on the preliminary results announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding directors’ securities transactions. Specific enquiries has been made with all the Directors and each of the Directors has confirmed that he/she has complied with the Model Code throughout the Year.

During the Year, the Company had also adopted its own code of conduct regarding employees’ securities transactions on terms no less exacting than the standard set out in the Model Code for the compliance by its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the Company’s securities.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, save for the Subscription, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

PUBLICATION OF THE ANNUAL RESULTS AND 2024/25 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This preliminary annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.uhighl.com). The 2024/25 annual report containing all the information required by the Listing Rules will be despatched to the Shareholders and made available on the abovementioned websites in due course.

By order of the Board
Universal Health International Group Holding Limited
Chu Chuanfu
Chairman

Hong Kong, 30 September 2025

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Chu Chuanfu, Mr. Jin Dongkun and Mr. Zhao Zehua and three independent non-executive Directors, namely Mr. Cheng Sheung Hing, Ms. Chiang Su Hui Susie and Mr. Zou Haiyan.