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## **TATA Health International Holdings Limited**

### **TATA 健康國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1255)**

## **KEY FINDINGS OF THE INTERNAL CONTROL REVIEW AND CONTINUED SUSPENSION OF TRADING**

This announcement is made by TATA Health International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (the “**SFO**”) (Chapter 571 of the Laws of Hong Kong).

Reference is made to (i) the annual results announcement of the Company for the year ended 31 December 2023 which was published on 10 September 2025 (the “**2023 Annual Results**”); and (ii) the announcement of the Company dated 15 September 2025 in relation to additional resumption guidance imposed by the Stock Exchange on the Company (the “**Additional Resumption Guidance Announcement**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the 2023 Annual Results and the Additional Resumption Guidance Announcement.

### **BACKGROUND OF THE INTERNAL CONTROL REVIEW**

As disclosed in the Additional Resumption Guidance Announcement, the Stock Exchange imposed additional resumption guidance on the Company to require the Company to conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules (the “**Additional Resumption Guidance**”). To fulfill the Additional Resumption Guidance, the Company engaged Valplus Consulting Limited as internal control consultant (the “**IC Consultant**”) to conduct an independent internal control assessment (the “**IC Assessment**”) and to make recommendations on measures to be taken by the Company in improving and strengthening the internal control system of the Group.

The IC Assessment covered the Group’s corporate level controls, subsidiaries control mechanism as well as the financial information management and preservation of the Group for the period from 1 January 2024 to 15 September 2025. The scope of the IC Assessment covered corporate level controls (in the aspects including policies and procedures, control environment and organizational structures, management assignment of authority and responsibility, commitment to competence, risk management and internal control, information and communication as well as ongoing monitoring systems) as well as financial reporting and disclosure controls (in the aspects including but not limited to policies and procedures, preparation of ledgers, financial closing, management account and account reconciliation, security and maintenance of accounting systems, proper books and record documentation, related party and connected party transaction identification and controls, segregation of duties and loan management).

In conducting the IC Assessment, the IC Consultant have (i) conducted interviews with the Group’s relevant management and staff, inspected the relevant documentation in order to understand the existing processes and controls; (ii) performed walkthrough tests to confirm their understanding of the relevant processes and controls and to determine whether the controls have been implemented as intended by the management of the Group (the “**Management**”); (iii) performed test of samples to assess whether the controls are operating effectively as intended by the Management based on the operating policies and procedures for the selected samples; and (iv) identified findings based on the work performed above and developed appropriate recommendations for improvement, where appropriate.

## KEY FINDINGS AND RECOMMENDATIONS OF THE IC ASSESSMENT

The key internal control findings identified by the IC Consultant throughout the IC Assessment, together with the corresponding recommendations for rectification (the “**Rectification Recommendation(s)**”), the Management’s response and the remediation status are summarised as follows:

<b>Key Findings</b>	<b>Rectification Recommendations</b>	<b>Management’s response and the remediation status</b>
<p><b>1. Absence of updated corporate governance policy</b></p> <p>— The Group’s Corporate Governance Policy was not up-to-date and had yet to be fully aligned with the latest Listing Rules and Corporate Governance Code.</p>	<p>The IC Consultant recommended the Management to update and submit for Board approval a refreshed corporate governance policy to align with the latest Listing Rules and the Corporate Governance Code and circulate it to Directors and senior management of the Company with appropriate staff acknowledgment and website disclosure.</p>	<p>The Company accepted the recommendation, and revised and circulated to the Board, senior management and its finance teams the updated policies and procedures including Corporate Governance Policy, Inside Information Policy, Shareholder Communication Policy and ESG Policy and Procedures.</p> <p>Designated responsible persons led by Mr. Zhang Ming Qi (“<b>Mr. Zhang</b>”), the executive Director and the chief executive officer of the Company, and Mr. Chu Chun Ho, Dominic (“<b>Mr. Chu</b>”), the non-executive Director, are in place to oversee execution and compliance, implement policies and conduct day-to-day monitoring, which enables the Company to monitor compliance and prevent and detect deviations from policies.</p>

Key Findings	Rectification Recommendations	Management’s response and the remediation status
<p><b>2. Absence of independent non-executive director with accounting or financial management expertise</b></p> <p>— The Company had yet to appoint an independent non-executive director who possesses appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.</p>	<p>The IC Consultant recommended the Company to appoint an independent non-executive director with the requisite accounting or financial management expertise to comply with Rule 3.21 of the Listing Rules within the three-month remedial period. Pending the appointment of the independent non-executive director, the audit committee of the Company should engage an external financial expert to advise on financial reporting matters and intensify its oversight agenda.</p>	<p>The Company accepted the recommendation, and identified and appointed a suitably qualified independent non-executive director who meets Rule 3.10(2) of the Listing Rules on 30 September 2025. This also reconstitutes the audit committee of the Company to comply with Rule 3.21 of the Listing Rules.</p>
<p><b>3. Loss of records and loss of control over certain subsidiaries which arose with disclaimer of opinion</b></p> <p>— The Group was unable to locate books/records and balances of Shang Ying International Trade Holdings Limited and its subsidiaries and Shang Ying New Retail Group Holdings Limited and its subsidiaries as it could not locate records or contact the former director responsible for them.</p> <p>— There was no formal and written Group-level financial reporting management policy at the remaining key operating subsidiaries, namely S. Culture Holdings (BVI) Limited and its subsidiaries (the “<b>S. Culture Group</b>”).</p>	<p>The IC Consultant recommended the Company to establish a comprehensive subsidiary financial reporting policy that defines (i) specific reporting deadlines and submission procedures; (ii) minimum content requirements including financial statements, key performance indicators, and variance analysis; (iii) review and approval processes at subsidiary and parent company levels; (iv) consequences for late or non-compliant reporting; (v) communication protocols for significant events or exceptions.</p>	<p>The Company accepted the recommendation, and updated and circulated the Group-level financial reporting policies to the Board, senior management and the finance teams of the Company, with instructions for immediate implementation.</p> <p>Designed responsible persons led by Mr. Zhang and Mr. Chu are in place to implement the policies and conduct day-to-day monitoring.</p> <p>The Company also appointed Mr. Che Kean Tat (“<b>Mr. Che</b>”) as the new Group chief financial officer on 21 October 2025. Group financial reporting and month end consolidation are led by Mr. Che and supported by Mr. Ma Chun Fung, Horace (“<b>Mr. Ma</b>”), the chief financial officer of the footwear segment.</p>

**Key Findings****Rectification Recommendations****Management's response and the remediation status**

The policies embed checks and balances and segregation of duties appropriate to the Group's current scale and structure, including segregation between preparers and approvers, documented approval thresholds, standardized month-end close and reconciliations, and record retention and handover requirements.

The remedial measures implemented have been designed to address the causes relating to the transfer of control of the relevant entities to parties outside the Group and historic weaknesses at those entities in centralized record retention and formal handover. Since the entities implicated in the loss of records are no longer within the Group, and the Group's continuing operations are concentrated in the S. Culture Group which maintains an established finance function.

At the Group level, the Management has completed a management structure realignment led by Mr. Zhang, Mr. Chu and Mr. Che to ensure that the new policies are properly implemented and that bank authorities, payment approvals, monthly reporting and record retention and handover requirements are centrally overseen.

Key Findings	Rectification Recommendations	Management’s response and the remediation status
<p><b>4. Lack of senior finance personnel capacity</b></p> <p>— The Group finance function had limited senior capacity to supervise subsidiaries following the resignation of the former Group chief financial officer on 3 September 2025.</p>	<p>The IC Consultant recommended the Company to (i) appoint acting chief financial officer, engage interim external support and commence an accelerated search for a permanent chief financial officer; and (ii) formalize direct reporting by all subsidiary finance heads to the acting/group financial controller.</p>	<p>The Company accepted the recommendation and appointed Mr. Che as the Group chief financial officer on 21 October 2025.</p>
<p><b>5. Incomprehensive group loan management policy</b></p> <p>— The Group’s loan management policy and procedures were not sufficiently comprehensive in areas such as (i) identifying and addressing loans to related parties/connected persons, (ii) governance, oversight and escalation protocols and (iii) impairment and provisioning.</p>	<p>The IC Consultant recommended the Company to enhance the Group’s loan management policy to (i) define governance-level oversight of the loan portfolio’s ongoing monitoring to the Board which was delegated to the audit committee; (ii) embed a mandatory regulatory triage for every proposed loan to assess Chapter 14/14A implications and the SFO Part XIVA disclosure, with company secretary or legal advisor to sign-off prior to approval; (iii) align the impairment policy to Hong Kong Financial Reporting Standards (“HKFRS”) 9, and document the quarterly expected credit loss review process; (iv) enhance ongoing monitoring and impairment assessments under HKFRS 9 by the Management, with escalation to the audit committee upon triggering events.</p>	<p>The Company accepted the recommendation, and revised and circulated the updated Group’s loan management policy to the Board, senior management and its finance teams.</p> <p>Designated responsible persons led by Mr. Zhang and Mr. Chu are in place to oversee execution and compliance, implement policies and conduct day-to-day monitoring. Group financial reporting, month-end consolidation and relevant compliance matters are led by Mr. Che and supported by Mr. Ma.</p> <p>The policies embed checks and balances and segregation of duties appropriate to the Group’s current scale and structure.</p>

## **OPINIONS OF THE AUDIT COMMITTEE AND THE BOARD**

As at the date of this announcement, the Group has adopted and implemented the relevant remediation measures in accordance with the Rectification Recommendations made by the IC Consultant as set out above. The Company considers that adequate internal controls and procedures have been in place.

Having considered the report of the IC Assessment (the “**IC Report**”) and the remediated actions taken by the Group, both the audit committee of the Company (the “**Audit Committee**”) and the Board are of the view that (i) all the internal control deficiencies identified as key findings in the IC Assessment have been adequately addressed; (ii) the enhanced internal control measures implemented by the Group based on the Rectification Recommendations are adequate and sufficient to detect, monitor and prevent occurrence of similar incidents; and (iii) the Group has strengthened and established sufficient and reliable internal control, governance and financial reporting systems to enable the Company to meet its obligations under the Listing Rules and the Corporate Governance Code.

Both the Audit Committee and the Board will continue to monitor the effectiveness of the Company’s internal control system and procedures so to enable the Company to perform its obligations under the Listing Rules, and ensure that its internal control policies and procedures are reasonable and adequate, and are well integrated into the operations of the Group.

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 April 2024 and will remain suspended pending the fulfilment of the resumption guidance. The Company will keep the public informed of the latest developments by making further announcement(s) as and when appropriate.

**Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**TATA Health International Holdings Limited**  
**Zhang Ming Qi**  
*Executive Director*

Hong Kong, 10 November 2025

*As at the date of this announcement, the Board comprises an executive Director, namely, Mr. Zhang Ming Qi; two non-executive Directors, namely, Mr. Chu Chun Ho, Dominic and Mr. Chen Qi; and four independent non-executive Directors, namely, Ms. Huang Lin, Mr. Li Liang, Mr. Du Jianfeng and Mr. Tan Kaiguo.*