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Kaisa Health Group Holdings Limited

佳兆業健康集團控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 876)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Kaisa Health Group Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025 (the “**FY2025**” or the “**Year**”) together with the comparative figures for the corresponding year ended 31 December 2024 (the “**FY2024**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	4	139,112	185,357
Cost of sales		(88,468)	(103,499)
Gross profit		50,644	81,858
Other income, gains and losses, net	5	1,583	5,162
Selling and distribution cost		(51,182)	(47,630)
Administrative expenses		(35,086)	(45,960)
Gain (losses) from change in fair value of financial assets at fair value through profit or loss (“ FVTPL ”)	10	10,562	(9,772)
Reversal of (impairment loss) recognised on trade receivables, net		(2,860)	983
Impairment loss recognised on other receivables, net		(3,103)	(21,893)
Reversal of impairment loss recognised on amount due from a former director of the Company		–	1,827
Research and development expenses		(16,911)	(12,477)
Finance costs		(592)	(779)
Loss before income tax	6	(46,945)	(48,681)
Income tax credit (expense)	7	97	(1,919)
Loss for the year		(46,848)	(50,600)

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Other comprehensive income (expense)			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>18,854</u>	<u>(14,395)</u>
Other comprehensive income (expense) for the year, net of tax		<u>18,854</u>	<u>(14,395)</u>
Total comprehensive expense for the year		<u><u>(27,994)</u></u>	<u><u>(64,995)</u></u>
Loss for the year attributable to:			
– Owners of the Company		(46,678)	(46,355)
– Non-controlling interests		<u>(170)</u>	<u>(4,245)</u>
		<u><u>(46,848)</u></u>	<u><u>(50,600)</u></u>
Total comprehensive expense for the year attributable to:			
– Owners of the Company		(27,778)	(60,858)
– Non-controlling interests		<u>(216)</u>	<u>(4,137)</u>
		<u><u>(27,994)</u></u>	<u><u>(64,995)</u></u>
Loss per share	9		
– Basic and diluted (HK\$ cents)		<u><u>(0.93)</u></u>	<u><u>(0.92)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		15,179	12,726
Right-of-use assets		12,788	9,268
Intangible assets		4,146	3,073
Goodwill		20,217	20,217
Financial assets at FVTPL	10	162,237	160,261
		214,567	205,545
Current assets			
Inventories		15,492	13,381
Trade and other receivables	11	131,108	148,177
Amounts due from fellow subsidiaries		939	881
Bank balances and cash		109,603	149,609
		257,142	312,048
Current liabilities			
Trade and other payables	12	50,462	64,773
Lease liabilities		5,387	4,206
Amounts due to fellow subsidiaries		1,133	1,078
Amount due to ultimate holding company		360	216
Taxation payable		7,260	13,755
		64,602	84,028
Net current assets		192,540	228,020
Total assets less current liabilities		407,107	433,565
Non-current liabilities			
Lease liabilities		8,076	6,443
Deferred tax liabilities		534	631
		8,610	7,074
Net assets		398,497	426,491

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Capital and reserves		
Share capital	6,303	6,303
Reserves	397,072	424,850
	<hr/>	<hr/>
Equity attributable to owners of the Company	403,375	431,153
Non-controlling interests	(4,878)	(4,662)
	<hr/>	<hr/>
Total equity	398,497	426,491
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

Kaisa Health Group Holdings Limited (the “**Company**”) was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The ultimate holding company of the Company is Kaisa Group Holdings Ltd. (“**Kaisa Group**”), which was incorporated in the Cayman Islands and its shares are listed on the Stock Exchange.

The Company is an investment holding company. The Company and its subsidiaries (the “**Group**”) is mainly engaged in the manufacturing and sale of dental prosthetics and implant instruments and provision of sport rehabilitation services.

These consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), which is also the functional currency of the Company.

The English names of all the companies established in the PRC presented in these consolidated financial statements represent the best efforts made by the directors of the Company for the translation of the Chinese names of these companies to English names as they do not have official English names.

2. APPLICATION OF NEW AND AMENDMENT TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRS ACCOUNTING STANDARDS**”)

Amendment to HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendment to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendment to an HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENT TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS ACCOUNTING STANDARDS”)

New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

Amendment to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the Group’s consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements (“HKFRS 18”)

HKFRS 18 Presentation and Disclosure in Financial Statements (“**HKFRS 18**”), which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements* (“**HKAS 1**”). This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (“**MPMs**”) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of HKFRS 18) and HKFRS 7 *Financial Instruments: Disclosures*. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on regular internal financial information reported to the chief operating decision maker (“CODM”), being directors of the Company.

The Group has identified the following reportable segments:

- (i) Dental Business – manufacturing of and trading in dental products; and
- (ii) Health Care Business – providing service for sport rehabilitation, including postoperative rehabilitation, sports injury rehabilitation, chronic pain, scoliosis, deformity correction, other rehabilitation services and health leisure business.

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches.

All inter-segment transfers are carried out at arm’s length prices.

(a) Segment revenue and results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group’s CODM, being directors of the Company monitors the revenue, results, assets and liabilities attributable to each reportable segment on the following:

Segment profit and loss represents the profit and loss earned or incurred by each segment without allocation of central administration costs, certain other income, gains and losses, net, reversal of impairment loss recognised and impairment loss recognised on loan and other receivables and amount due from a former director of the Company. This is the information reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets include all assets other than certain prepayments, bank balances and cash held by the respective head offices and deferred tax asset.

Segment liabilities exclude deferred tax liabilities, taxation payable and corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment.

3. SEGMENT INFORMATION (CONTINUED)

(a) Segment revenue and results, assets and liabilities (Continued)

(i) Segment revenue and results

Information regarding the Group's reportable segments revenue and results as provided to the directors of the Company for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 31 December 2024 is set out below.

	Dental Business HK\$'000	Health Care Business HK\$'000	Total HK\$'000
Year ended 31 December 2024			
Revenue			
Revenue from external customers	<u>178,981</u>	<u>6,376</u>	<u>185,357</u>
Results			
Segment profit before depreciation and amortisation	19,306	524	19,830
Depreciation of:			
– Property, plant and equipment	(5,759)	(1,909)	(7,668)
– Right-of-use assets	(4,361)	(2,478)	(6,839)
Amortisation of intangible assets	<u>(354)</u>	<u>(313)</u>	<u>(667)</u>
Segment profit (loss) before income tax	8,832	(4,176)	4,656
Reversal of impairment loss recognised on trade receivables, net	983	–	983
Loss from change in fair value of financial assets at FVTPL	<u>–</u>	<u>(9,772)</u>	<u>(9,772)</u>
Segment profit (loss) before income tax	<u>9,815</u>	<u>(13,948)</u>	(4,133)
Reversal of impairment loss recognised on amount due from a former director of the Company			1,827
Impairment loss recognised on other receivables			(21,893)
Unallocated income			173
Unallocated expenses			<u>(24,655)</u>
Loss before income tax			<u><u>(48,681)</u></u>

3. SEGMENT INFORMATION (CONTINUED)

(a) Segment revenue and results, assets and liabilities (Continued)

(i) Segment revenue and results (Continued)

	Dental Business HK\$'000	Health Care Business HK\$'000	Total HK\$'000
Year ended 31 December 2025			
Revenue			
Revenue from external customers	<u>132,034</u>	<u>7,078</u>	<u>139,112</u>
Results			
Segment (loss) profit before depreciation and amortisation	(31,956)	509	(31,447)
Depreciation of:			
– Property, plant and equipment	(5,642)	(1,089)	(6,731)
– Right-of-use assets	(3,706)	(1,790)	(5,496)
Amortisation of intangible assets	<u>(354)</u>	<u>(412)</u>	<u>(766)</u>
Segment loss before income tax	(41,658)	(2,782)	(44,440)
Impairment loss recognised on trade receivables, net	(2,860)	–	(2,860)
Gain from change in fair value of financial assets at FVTPL	<u>–</u>	<u>10,562</u>	<u>10,562</u>
Segment (loss) profit before income tax	<u>(44,518)</u>	<u>7,780</u>	(36,738)
Impairment loss recognised on other receivables			(3,103)
Unallocated expenses			<u>(7,104)</u>
Loss before income tax			<u>(46,945)</u>

3. SEGMENT INFORMATION (CONTINUED)

(a) Segment revenue and results, assets and liabilities (Continued)

(ii) Segment assets and liabilities

Information regarding the Group's reportable segments assets and liabilities as provided to the directors of the Company for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 31 December 2024 is set out below.

	Dental Business HK\$'000	Health Care Business HK\$'000	Total HK\$'000
As at 31 December 2024			
Reportable segment assets	<u>304,044</u>	<u>211,758</u>	515,802
Unallocated assets			<u>1,791</u>
Total assets			<u>517,593</u>
Reportable segment liabilities	<u>(56,837)</u>	<u>(17,858)</u>	(74,695)
Deferred tax liabilities			(631)
Taxation payable			(13,755)
Unallocated liabilities			<u>(2,021)</u>
Total liabilities			<u>(91,102)</u>
As at 31 December 2025			
Reportable segment assets	<u>291,887</u>	<u>178,288</u>	470,175
Unallocated assets			<u>1,534</u>
Total assets			<u>471,709</u>
Reportable segment liabilities	<u>(51,161)</u>	<u>(12,020)</u>	(63,181)
Deferred tax liabilities			(534)
Taxation payable			(7,260)
Unallocated liabilities			<u>(2,237)</u>
Total liabilities			<u>(73,212)</u>

3. SEGMENT INFORMATION (CONTINUED)

(a) Segment revenue and results, assets and liabilities (Continued)

(ii) Segment assets and liabilities (Continued)

During the year ended 31 December 2025, capital expenditure incurred by Dental Business segment and Health Care Business segment amounted to approximately HK\$18,008,000 (2024: approximately HK\$6,943,000) and approximately HK\$3,173,000 (2024: approximately HK\$495,000), respectively.

Other than the above, no other information regarding the Group's reportable revenue and results and reportable segments assets and liabilities as provided to the directors of the Company for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 31 December 2024.

(b) Geographical information

The Group's operations are mainly situated in the People's Republic of China (the "PRC") (excluding Hong Kong). Over 90% of the Group's revenue from external customers are located in the PRC (excluding Hong Kong).

The following table provides an analysis of the Group's non-current assets by geographical location of assets.

	Non-current assets	
	2025	2024
	HK\$'000	HK\$'000
PRC (excluding Hong Kong)	30,122	22,679
Others	22,208	22,605
	<u>52,330</u>	<u>45,284</u>

Note: Non-current assets include property, plant and equipment, right-of-use assets, intangible assets and goodwill.

(c) Information about major customers

The Group has no customer with whom transaction exceeded 10% of the Group's total revenue during the years ended 31 December 2025 and 31 December 2024.

4. REVENUE

Revenue represents the amount received and receivable for goods sold and services provided by the Group to outside customers, less discounts, returns and value added tax or other sales taxes.

During the years ended 31 December 2025 and 31 December 2024, the Group's operating activities are attributable to two operating segments focusing on the operation of:

- Manufacturing and sale of dental prosthetics and implant instruments (i.e. “**Dental business**”); and
- Provision of sport rehabilitation services, including postoperative rehabilitation, sports injury rehabilitation, chronic pain, scoliosis, deformity correction, other rehabilitation services (i.e. “**Health care business**”)

Disaggregation of revenue from contracts with customers

- (i) *The Group derives revenue from the transfer of goods and services by categorise of major product lines and business*

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Revenue from contracts with customers</i>		
Dental Business		
Manufacturing and sales of dental prosthetics and implant instruments	132,034	178,981
Health Care Business		
Provision of sport rehabilitation services and health leisure services	7,078	6,376
	<u>139,112</u>	<u>185,357</u>

4. REVENUE (CONTINUED)

Disaggregation of revenue from contracts with customers (Continued)

(ii) *The Group derives revenue from the transfer of goods and services by timing of revenue recognition*

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<i>Revenue from contracts with customers</i>		
– At a point in time:		
Dental Business		
Manufacturing and sales of dental prosthetics and implant instruments	132,034	178,981
Health Care Business		
Provision of sport rehabilitation services and health leisure services	7,078	6,376
	<u>139,112</u>	<u>185,357</u>

(iii) *The Group derives revenue from the transfer of goods and services by geographical markets*

Information about the Group derives revenue from the transfer of goods and services by geographical markets is set out in note 3.

5. OTHER INCOME, GAINS AND LOSSES, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank interest income	781	1,315
Dividend income	246	1,197
Losses on disposal of property, plant and equipment	(813)	(15)
Government subsidies (note below)	208	926
Gain on deregistration of subsidiaries	–	202
Gain on modification of lease	619	–
Gain on termination of leases	–	287
Exchange gains and losses, net	(985)	349
Others	1,527	901
	<u>1,583</u>	<u>5,162</u>

Note: The Group has subsidies receipts or receivables from a provincial government in the PRC for its research and development activities. There were no unfulfilled conditions and other contingencies attaching to government subsidy that has been recognised.

6. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging (crediting):

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Staff cost, including directors' remuneration		
– Staff salaries and allowances	92,467	98,999
– Performance bonus	–	6,892
– Contributions to defined contribution retirement schemes	11,103	7,898
	<u>103,570</u>	<u>113,789</u>
(Reversal of) impairment loss recognised on, net		
– Trade receivables	2,860	(983)
– Other receivables	3,103	21,893
– Amount due from a former director of the Company	–	(1,827)
	<u>5,963</u>	<u>19,083</u>
Depreciation and amortisation on:		
– Intangible assets (included in cost of sales)	766	667
– Property, plant and equipment	6,731	7,668
– Right-of-use assets	5,496	6,839
	<u>12,993</u>	<u>15,174</u>
Others:		
Auditor's remuneration	1,100	1,200
Cost of sales	88,468	103,499
Short-term leases with lease term less than 12 months	1,332	2,300
Research and development expenses	16,911	12,477
Losses on disposal of property, plant and equipment	813	15

7. INCOME TAX (CREDIT) EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax	–	–
PRC Enterprise Income Tax	–	1,559
	–	1,559
Deferred tax (credit) expense	(97)	360
	(97)	1,919

Overseas income tax

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands (“BVI”), the Group is not subject to any income tax under these jurisdictions for both years.

Hong Kong Profit Tax

Under the Hong Kong two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporations are taxed at 8.25%, and profits above HK\$2 million are taxed at 16.5%. No Hong Kong Profits Tax has been provided as the Group did not have any assessable profits during the years ended 31 December 2025 and 31 December 2024.

PRC Enterprise Income Tax

The provision for PRC Enterprise Income Tax (“EIT”) is based on the estimated taxable income for PRC taxation purpose at the rate of taxation applicable for the year.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. A subsidiary of the Group was accredited as a “High and New Technology Enterprise” in the PRC with effect from 26 December 2025 and was registered with the local tax authority to be eligible to a concessionary tax rate of 15% for three years from 2024 to 2026.

According to a policy promulgated by the State Tax Bureau of the PRC, effective from September 2019 onwards, enterprises engage in research and development activities are entitled to claim 175% of the research and development expenses incurred in a year as tax deductible expenses in determining taxable profits for that year (“Super Deduction”). A subsidiary is eligible to such Super Deduction in ascertaining its tax assessable profit for the years ended 31 December 2025 and 31 December 2024.

7. INCOME TAX (CREDIT) EXPENSE (CONTINUED)

Income tax (credit) expense for the year is reconciled to loss before income tax per consolidated statement of profit or loss and other comprehensive income as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss before income tax	<u>(46,945)</u>	<u>(48,681)</u>
Tax charge at applicable tax rate at 25%	(11,736)	(12,170)
Tax effect of income not taxable for tax purpose	(396)	(1,682)
Tax effect of expenses not deductible for tax purpose	854	10,559
Tax effect of Super Deduction on research and development expenses	(3,991)	(2,864)
Tax effect of tax losses not recognised	<u>15,172</u>	<u>8,076</u>
Income tax (credit) expense for the year	<u>(97)</u>	<u>1,919</u>

8. DIVIDENDS

No dividends were paid, declared or proposed for the years ended 31 December 2025 and 31 December 2024, nor has any dividend been proposed since the end of the reporting periods.

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company	<u>(46,678)</u>	<u>(46,355)</u>
Number of shares		
	2025	2024
	<i>(number of shares '000)</i>	
Weighted average number of ordinary shares in issue during the year	<u>5,042,139</u>	<u>5,042,139</u>

The diluted loss per share for the years ended 31 December 2025 and 31 December 2024 and does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price for shares. Therefore, the diluted loss per share is the same as basic loss per share for the years ended 31 December 2025 and 31 December 2024.

10. FINANCIAL ASSETS AT FVTPL

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Investment in financial assets at FVTPL:			
<i>Limited partnership interests</i>			
– Zhuhai Partnership	(a)	117,089	116,919
– Haoyi Partnership	(b)	45,148	43,342
		162,237	160,261

The directors of the Company consider that neither the Group has the practical ability to direct the relevant activities of two limited partnership entities unilaterally nor has the power to exercise significant influence over these limited partnership entities and further, the Company intends to hold these investments for long term strategic purposes and thus, these two limited partnership entities are accounted for as financial assets at FVTPL.

Notes:

(a) Zhuhai Partnership

The amount represents 5.51% equity interest in 珠海金鑑銘股權投資基金合夥企業(有限合夥) (Zhuhai Jinyiming Equity Investment Fund Partnership (L.P.), “**Zhuhai Partnership**”) which was 100% owned by 珠海金鑑銘股權投資基金合夥企業(有限合夥) (Zhuhai Jinyiming Equity Investment Fund Partnership (L.P.), “**Zhuhai Partnership**”) which was 100% owned by 深圳盈都科技有限公司 (Shenzhen Yingdou Technology Co., Ltd., “**Shenzhen Yingdou**”). Zhuhai Partnership has investment focuses in equity and equity related securities in the information technology, high-quality medical and health industries. Pursuant to the applicable PRC laws and regulations, investments in medical or healthcare businesses should be subjected to a sino-foreign joint venture structure, with the Chinese party holding not less than 30% equity interests in it.

On 20 July 2021, 21 July 2021 and 31 August 2021, the Group and Shenzhen Yingdou entered into three transfer agreements respectively. Pursuant to these agreements, Shenzhen Yingdou had transferred of an aggregate of 5.51% limited partnership interest in Zhuhai Partnership to the Group, at a consideration of RMB180,000,000 (equivalent to HK\$220,410,000) through certain contractual arrangements.

As the Group is regarded as a foreign investor, the Group and Shenzhen Yingdou have entered into certain contractual arrangements (the “**Contractual Arrangements**”) to execute the transfer.

10. FINANCIAL ASSETS AT FVTPL (CONTINUED)

Notes: (Continued)

(a) Zhuhai Partnership (Continued)

Under the Contractual Arrangements, the cooperation agreements and the variable interest entity agreements (including the exclusive consulting and service provision agreement, the exclusive option agreement, the power of attorney, the equity pledge agreement and the loan agreement) have been entered into by the Group, Shenzhen Yingdou and 深圳達逸臻科技有限公司 (Shenzhen Dayizhen Technology Co., Ltd., “**Shenzhen Dayizhen**”), a special purpose vehicle established by Shenzhen Yingdou, which enable the Group to:

- exercise effective financial and operational control over Shenzhen Dayizhen;
- exercise equity holder’s voting right of Shenzhen Dayizhen;
- receive substantially all of the economic interest returns generated by Shenzhen Dayizhen in consideration for the business support, technical and consulting services provided by the Group;
- obtain an irrevocable and exclusive right to purchase all or part of equity interest in and/or assets of Shenzhen Dayizhen from its owner at a minimum purchase price permitted under the PRC laws and regulations;
- obtain a pledge over the entire equity interest of Shenzhen Dayizhen from its owner as collateral security for all of Shenzhen Dayizhen’s payments due to the Group and to secure performance of Shenzhen Dayizhen’s obligations under the Contractual Arrangements.

The details of the Contractual Arrangements were set out in the Company’s announcements dated 31 January 2022 and 3 March 2022 respectively.

Though the Group does not have any equity interest in Shenzhen Dayizhen. However, as a result of the Contractual Arrangements, the directors of the Company consider that the Group has power over Shenzhen Dayizhen and has rights to variable returns from its involvement with Shenzhen Dayizhen and has the ability to affect those returns through its power over Shenzhen Dayizhen. After assessment, the directors concluded that the terms of the Contractual Arrangements have in substance to enable the Group has control over Shenzhen Dayizhen as a result of the Contractual Arrangements and other measures and accordingly, the Company regards Shenzhen Dayizhen as a consolidated structured entity of the Group under HKFRS Accounting Standards. The Group has consolidated the financial information of Shenzhen Dayizhen in the Group’s consolidated financial statements since year 2021.

10. FINANCIAL ASSETS AT FVTPL (CONTINUED)

Notes: (Continued)

(a) Zhuhai Partnership (Continued)

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over Shenzhen Dayizhen and uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of Shenzhen Dayizhen. In the opinion of the directors of the Company, based on the advice of its legal counsel, the Contractual Arrangements are in compliance with the existing PRC laws and regulations are valid, binding and legally enforceable, and do not result in any violation of PRC laws or regulations currently in effect in all material respects.

(b) Haoyi Partnership

As at 31 December 2025, the Group has equity interests in a limited partnership, namely Haoyi of which its business is focusing on Health care business in the PRC.

During the year ended 31 December 2023, the Group entered into a sale and purchase agreement with an independent third party to dispose some of its equity interests in Haoyi (the “**Disposal**”), of which the disposal was completed during the year ended 31 December 2023. Upon the completion of the disposal, the Group has become just a limited partner in investment in Haoyi with no control, joint control or significant influence over the relevant activities of Haoyi and its subsidiaries. The purchaser who has been appointed as the general partner of the limited partnership has the power to direct the relevant activities of Haoyi and its subsidiaries. In addition, since there is no representative on the board of directors or equivalent governing body of the investee, the Group has not participated in operating and financing activities. Accordingly, Haoyi and its subsidiaries ceased to be the subsidiaries of the Group after the disposal and have been classified as financial assets at FVTPL.

For the details of the Disposal, please refer to the announcements date 4 May 2023.

Fair value measurement of financial assets at FVTPL

The Group has engaged an independent professional qualified valuer, Hong Kong Appraisal Advisory Limited, to perform the fair value valuation all of its financial assets at FVTPL as at the end of the reporting date.

In determining the fair value of the financial assets at FVTPL, the management of the Company discussed with the independent valuer regarding the appropriateness of valuation techniques and inputs and assumptions for fair value measurements selected by the valuer. The fair value measurement requires the use of unobservable inputs and are within Level 3 of the fair value hierarchy.

10. FINANCIAL ASSETS AT FVTPL (CONTINUED)

Fair value measurement of financial assets at FVTPL (Continued)

Details of the movements of the Group's financial assets at FVTPL are set out below:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
As at 1 January	160,261	193,114
Changes in investment costs without changes in ownership interest	(16,628)	(17,690)
Change in fair value recognised in profit or loss	10,562	(9,772)
Exchange realignment	8,042	(5,391)
	<u>162,237</u>	<u>160,261</u>
As at 31 December	<u>162,237</u>	<u>160,261</u>

11. TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	80,741	112,573
Less: Impairments	(4,381)	(1,372)
	<u>76,360</u>	<u>111,201</u>
	<u>76,360</u>	<u>111,201</u>

Note:

Trade receivables

The following is an aged analysis of trade receivables, net of impairment, presented based on invoice date (also approximates to revenue recognition date), at the end of the reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 – 90 days	21,188	57,282
91 – 180 days	12,387	27,105
181 – 365 days	25,432	20,003
Over 1 year	17,353	6,811
	<u>76,360</u>	<u>111,201</u>
	<u>76,360</u>	<u>111,201</u>

Payment terms with customers are mainly on credit. Invoices are normally payable within 30 to 90 days after issuance, except for certain well-established customers, where the terms are extended to 360 days.

12. TRADE AND OTHER PAYABLES

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	(a)	6,336	5,552
Receipts in advance		16,156	25,058
Other payables	(b)	13,390	20,688
Accrued charges	(c)	10,218	10,485
Contract liabilities	(d)	4,362	2,990
		50,462	64,773

Notes:

(a) Trade payables

The following is an aged analysis of trade payables, presented based on the invoice date as at the end of the reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 – 90 days	4,682	5,179
91 – 180 days	–	295
Over 180 days	1,654	78
	6,336	5,552

The average credit period on purchases of goods is 90 days (2024: 90 days).

(b) Other payables

The amounts mainly include value added tax and other tax payables in the PRC.

(c) Accrued charges

The amounts mainly include accrued staff salaries and allowances, contributions to defined contribution retirement schemes and consultancy fees for dental and health care projects.

12. TRADE AND OTHER PAYABLES (CONTINUED)

Notes: (Continued)

(d) Contract liabilities

The amounts represent prepayments received from medical services under the Health Care Business segment. When the Group receives a prepayment before the commencement of medical services, this will give rise to a contract liability at the inception of a contract until the revenue recognised on the service could cover the amount of the deposit. The contract liabilities represent receipts in advance for the medical services and are expected to be recognised as revenue within one year.

The movements in the contract liabilities are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
As at 1 January	2,990	2,536
Additions	7,919	6,692
Revenue recognised for the year	(6,376)	(6,318)
Exchange alignment	(171)	80
	<u>4,362</u>	<u>2,990</u>
As at 31 December	<u>4,362</u>	<u>2,990</u>

(e) Others

All amounts are short-term and hence the carrying values of the Group's trade and other payables are considered to be a reasonable approximation of fair value.

13. EVENTS AFTER THE END OF REPORTING PERIOD

Pursuant to the Company's announcement dated 18 March 2026 (the "Announcement"), the Company announced the following:

(i) Share Consolidation

The Company proposed to implement the share consolidation (the "**Share Consolidation**") on the basis that every fifty (50) existing shares of HK\$0.00125 each be consolidated into one (1) consolidated share (the "**Consolidated Share**") of HK\$0.0625 each (the "**Share Consolidation**"). The Share Consolidation is conditional upon, among other things, the passing of an ordinary resolution by the Shareholders at the Special General Meeting to approve the Share Consolidation.

(ii) Acquisition of Embrace Blossom

On 18 March 2026, the Company (as purchaser) and the Profit Vigorous Developments Limited (益旺發展有限公司) (a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Kaisa Group as at the date of the Announcement, the "**Vendor**") (as vendor) entered into the agreement (the "**Agreement**") pursuant to which the Company conditionally agreed to purchase and the Vendor conditionally agreed to sell the Sale Shares, representing the entire issued share capital of Embrace Blossom Limited (崇興有限公司, "Embrace Blossom", a company incorporated in the British Virgin Islands with limited liability and is wholly owned by the Vendor as at the date of the Announcement), for the consideration in the amount of RMB21,603,729 (equivalent to approximately HK\$24,412,214), which will be fully satisfied by:

- (i) assuming the Share Consolidation having taken effect, the allotment and issue of 2,789,967 Consideration Shares at the issue price of HK\$8.75 per Consideration Share by the Company to the Vendor upon completion of the acquisition; and
- (ii) assuming the Share Consolidation not having taken effect, the allotment and issue of 139,498,364 Consideration Shares at the issue price of HK\$0.175 per Consideration Share by the Company to the Vendor upon completion of the acquisition

Details of the above are set out in the Company's announcement dated 18 March 2026.

Saved as disclosed above and elsewhere in the consolidated financial statements, the Group did not have any significant events after the end of the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

During the year ended 31 December 2025 (the “Year” or “FY2025”), the Group recorded revenue of approximately HK\$139.1 million (the year ended 31 December 2024 (“FY2024”): approximately HK\$185.4 million), representing a decrease of 25.0% when compared with last year. The loss attributable to the owners of the Company for the Year was approximately HK\$46.7 million (2024: loss of approximately HK\$46.4 million). Basic loss per share for the Year was HK0.93 cents per share (2024: basic loss per share of HK0.92 cents).

FINAL DIVIDEND

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

BUSINESS REVIEW

Dental Business

The Group has engaged in the dental business, including the sales (both overseas and domestic) and production of dental prosthetics, including crowns and bridges, removable full and partial dentures, implants and full-cast restorations. The high-tech digital dental aesthetic brand developed and promoted by the Group integrated the philosophy of minimally invasive aesthetic dental prosthetic restoration and cutting-edge 3D printing technology with international recognition, promoted invisible dental brace, cosmetic dentistry and teeth whitening and veneer, providing efficient one-stop dental prosthetic restoration solutions. Revenue from the Dental Business was approximately HK\$132.0 million as of 31 December 2025, representing a decrease of approximately HK\$47.0 million compared to a revenue of approximately HK\$179.0 million for the twelve months ended 31 December 2024. The decrease was attributable to the decrease in selling price of products due to the impact of the national procurement policy.

The Group always adheres to the dental aesthetics and prosthetics restoration philosophy of “using minimally invasive surgery with no harm to teeth” in its research and development, in order to relieve the pain patients suffer during the treatment and improve their appearance. A series of digital dental prosthetic products including Mega Veneer (美加貼面) XS, Mega 3D Simulation Zirconium (美加3D模擬銼), Mega YiQi Clear Aligner (美加易齊透明矯正器) and removable prosthetic devices launched under the “Mega” brand in 2019 gained wide recognition among foreign technicians and dentists.

Investment in research and know-hows is always a focus in the Group’s business. As at 31 December 2025, research and development expense of approximately HK\$16.9 million (2024: approximately HK\$12.5 million). The continuous investment in research and development reflects the management’s determination and vision to invest in the future technologies in the dental business. On the other hand, as at 31 December 2025 government grants amounted to approximately HK\$0.2 million (2024: approximately HK\$0.9 million).

The Group continued to expand its team in the Sino-US Implant R&D Centre. The applications for change registration of implant of more sizes were approved by the National Medical Products Administration (NMPA) in July 2024. The Group continued to improve and increase its implant production capacity by investing in Basic(Chengdu) medical Device Co. Ltd. (“**Basic**”), an implant production plant in Chengdu. After obtaining its business license in June 2024, Basic obtained a Class III medical device operating permit and Class II medical device operating filing certificate in November 2024. It passed the ISO 13485 certification in August 2025, and obtained a Class II medical device manufacturing license in September 2025. Subsequently, it has commenced smooth production with continuously increasing capacity. This not only ensures a stable supply to the public hospital market but also lays a solid foundation for the Group’s overseas market expansion. Additionally, there has been a significant increase in the use of implant products in clinical institutions. During the Year, the Group’s implants were adopted in more chain dental institutions in Shandong and Shanghai.

Health Care Business

In 2025, the Sports and Health Branch of the Shenzhen Preventive Medicine Association was established under the leadership of Peking University Shenzhen Hospital. Hejia Rehabilitation became one of the first committee member units. Hejia Rehabilitation’s medical quality continues to receive industry recognition. During the Year, both patient volume and customer satisfaction at Hejia Rehabilitation Clinic increased over the previous year.

OPERATING RESULTS AND FINANCIAL REVIEW

Revenue

For the Year, the revenue of the Group amounted to approximately HK\$139.1 million, representing a decrease of approximately HK\$46.3 million or 25.0% as compared with approximately HK\$185.4 million for FY2024. The decrease was mainly attributable to the decrease in the average selling price of dental products due to the on-going adverse impact of the PRC government’s policy (centralised procurement prices) include, among others, setting price ceilings for dental products sold in the country.

Gross Profit and Gross Profit Margin

Gross profit for the Year amounted to HK\$50.6 million (2024: HK\$81.9 million). A decrease in the gross profit of the Group of approximately HK\$31.3 million or 38.2% was mainly due to the decrease in the gross profit for the dental business. The gross profit for the dental business has decreased from approximately HK\$81.7 million to approximately HK\$50.1 million for a total of approximately HK\$31.6 million. Gross profit margin for the Year decreased to approximately 36.4% (2024: approximately 44.2%). The decrease in the gross profit margin of approximately 7.8% compared with FY2024 was mainly attributable to a decrease in average selling price from the dental business during the Year.

Selling and Distribution Costs

Selling and distribution costs represented the management's effort to enhance the level of marketing activities. The selling and distribution costs increased by approximately HK\$3.6 million or 7.6% from approximately HK\$47.6 million for the FY2024 to approximately HK\$51.2 million for the FY2025. The increase in selling and distribution costs was mainly due to the increase in marketing and promotion expenses.

Administrative Expenses

The administrative expenses decreased by approximately HK\$10.9 million or 23.7% from approximately HK\$46.0 million for the FY2024 to approximately HK\$35.1 million for the FY2025. The decrease in administrative expenses was mainly due to lower labour costs and improved management efficiency.

Impairment loss recognised on other receivables

The impairment loss recognised on other receivables decreased by approximately HK\$18.8 million or 85.8% from approximately HK\$21.9 million for the FY2024 to approximately HK\$3.1 million for the FY2025. The decrease in impairment loss recognised on other receivables was mainly due to a prior impairment loss recognised on a deposit paid of approximately HK\$21.2 million for an acquisition of land use rights. The acquisition was terminated during the year ended 31 December 2023 and the counterparty did not refund the amount in FY2024 and the uncollected amount was fully impaired during the FY2024. The deposits remained unrecovered during FY2025.

Research and Development Expenses

The Research and development (the "R&D") expenses increased by approximately HK\$4.4 million from approximately HK\$12.5 million for the FY2024 to approximately HK\$16.9 million for the FY2025. The increase was mainly due to the increase in labour costs. The Group spent its investments in research and development to enhance the competitiveness, production capacity, popularity of its products in the future while reducing labour costs. At the same time the Group would also apply for a deduction or exemption of PRC Enterprise Income Tax and grants and subsidies from the government in accordance with the requirements of the state. The related R&D projects include 3D engraving machines, 3D printers, 3D scanners and the development of an invisible orthodontic software.

Income Tax Expenses

Income tax expenses decreased by approximately HK\$2.0 million from income tax expense of approximately HK\$1.9 million for FY2024 to income tax credit of approximately HK\$0.1 million for the FY2025. The change was mainly due to a decrease in the taxable income of the dental business for the Year.

Financial assets at fair value through profit or loss

Zhuhai Partnership

On 20 July 2021, 21 July 2021 and 31 August 2021, 和晟健康科技(海口)有限公司 (Hesheng Health Technologies (Haikou) Co., Ltd.*) (formerly known as 佳兆業健康科技(海口)有限公司 (Kaisa Health Technologies (Haikou) Co., Ltd.*)), an indirect wholly owned subsidiary of the Company which engaged in investment holding business and 深圳盈都科技有限公司 (Shenzhen Yingdou Technology Co., Ltd.)* entered into the transfer agreements in relation to the transfer of an aggregate of 165,289,256.2 units, representing 5.51% limited partnership interests, in 珠海金鎰銘股權投資基金合夥企業 (有限合夥) (Zhuhai Jinyiming Equity Investment Fund Partnership (L.P.))* (the “**Zhuhai Partnership**”) at an investment cost of RMB180,000,000 through certain contractual arrangements. The Zhuhai Partnership investment focuses on investing in equity and equity related securities in the information technology, high-quality medical and health industries. Further details were set out in the Company’s announcements dated 31 January 2022 and 3 March 2022.

Haoyi Partnership

On 4 May 2023, the Group entered into a sale and purchase agreement to dispose of its 0.1% equity interest for each in Haoyi Healthcare Services (Shenzhen) Partnership (Limited Partnership)* (浩易康養服務(深圳)合夥企業(有限合夥)) (“**Haoyi Partnership**”) and Guanghao Health Consulting Services (Zhuhai) Co., Ltd.* (光浩健康諮詢服務(珠海市)有限公司 (“**Guanghao**”) at the cash consideration of RMB100,000 (equivalent to approximately HK\$110,000). Upon completion of the transaction on 12 June 2023, the Group ceased to be the general partner of the Haoyi Partnership which has the power to direct the relevant activities of the Haoyi Partnership and its subsidiaries, resulting from the Group losing control over the Haoyi Partnership and its subsidiaries. The Group remains 99.9% limited partnership interests in Haoyi Partnership which holds 99.9% equity interest in Guanghao. The Haoyi Partnership invested in the Zhuhai Shili Lianjiang Projects through Guanghao and its subsidiaries. The Group’s remaining limited partnership interests to the Haoyi Partnership and its subsidiaries have been classified as financial assets at FVTPL. Further details were set out in the Company’s announcement dated 4 May 2023.

As at 31 December 2025, the fair value of financial assets at fair value through profit or loss was approximately HK\$162.2 million (2024: approximately HK\$160.3 million), representing approximately 34.4% of the total assets of the Group. The increase in the financial assets at fair value through profit or loss of approximately 1.2% compared with 31 December 2024 was mainly due to the increase in the valuation of underlying equity and equity related securities invested by Zhuhai Partnership and Haoyi Partnership. The fair value gain on these financial assets at fair value through profit or loss was approximately HK\$10.6 million during the Year (2024: loss of approximately HK\$9.8 million).

The following table summarizes the information regarding the Group's significant investments classified as financial assets at fair value through profit or loss as at 31 December 2025:

Investee	Principal businesses of the underlying investments	Interest held as at 31 December 2025	Cost or investment as at 31 December 2025 <i>HK\$ million</i>	Fair value as at 31 December 2025 <i>HK\$ million</i>	Percentage of fair value relative to total assets	Fair value profit/(loss) during the FY2025 <i>HK\$ million</i>
Zhuhai Jinyiming Equity Investment Fund Partnership (L.P.)* (珠海金鑑銘股權投資基金合夥企業(有限合夥))	Equity and equity related securities in the information technology, high-quality medical and health industries	5.51% limited partnership interests	166.0	117.1	24.8%	11.0
Haoyi Healthcare Services (Shenzhen) Partnership (Limited Partnership)* (浩易康養服務(深圳)合夥企業(有限合夥))	Zhuhai Shili Lianjiang Projects	99.9% limited partnership interests	48.7	45.1	9.6%	(0.4)
Total				<u>162.2</u>		<u>10.6</u>

The management will quarterly review the performance of partnership investments to determine the investment approach.

Significant Investments, Material Acquisitions and Disposals

Save as disclosed in this announcement, the Group had not made any significant investments or material acquisitions and disposals of subsidiaries, associates or joint ventures during the Year. There was no plan authorised by the Board for other material investments or additional capital assets as at the date of this announcement.

Bank Balances and Cash

The Group had a solid cash position for the Year under review, with bank balances and cash amounting to approximately HK\$109.6 million as at 31 December 2025 (2024: approximately HK\$149.6 million).

* For identification purpose only

Capital Expenditure and Capital Commitments

During the Year, the Group invested approximately HK\$21.2 million (2024: approximately HK\$7.4 million) mainly on the purchase of equipment and right-of-use assets. As at 31 December 2025, the Group had no capital expenditure commitment (2024: Nil).

Contingent Liabilities

The Group had no significant contingent liabilities as at 31 December 2025 (2024: Nil).

Charge on Assets

There was no charge on assets of the Group as at 31 December 2025 and 2024.

Treasury Policy

The Group's sales were principally denominated in Renminbi and US dollars while purchases were transacted mainly in US dollars and Renminbi. The currencies held under cash and cash equivalents were mainly US dollars, Renminbi and Hong Kong dollars.

The fluctuation of Hong Kong dollars and other currencies did not materially affect the costs and operations of the Group for the Year and the Directors do not foresee significant risk in exchange rate fluctuation currently. The Group has not entered into any financial instruments for hedging purposes. However, the Group will closely monitor its overall foreign exchange exposures and interest rate exposures, and consider hedging against the exposures should the need arise.

Liquidity, Capital Structure and Financial Resources

Equity attributable to owners of the Company as at 31 December 2025 amounted to approximately HK\$403.4 million (2024: approximately HK\$431.2 million).

As at 31 December 2025, the net current assets of the Group amounted to approximately HK\$192.5 million (2024: HK\$228.0 million). The current and quick ratio were 3.98 and 3.74 respectively (2024: 3.71 and 3.55 respectively).

As at 31 December 2025, indebtedness of the Group including an amount due to ultimate holding company of approximately HK\$0.4 million (31 December 2024: approximately HK\$0.2 million) and amounts due to fellow subsidiaries of approximately HK\$1.1 million (31 December 2024: approximately HK\$1.1 million) which are unsecured, interest-free and repayable on demand.

As at 31 December 2025 and 2024, no gearing ratio was calculated as there was no net debt (defined as other financial liabilities less cash and cash equivalents) by the Group.

The number of issued ordinary shares (the “**Shares**”) of the Company was 5,042,139,374 as at 31 December 2025 (31 December 2024: 5,042,139,374 Shares).

Taking the above figures into account, the management is confident that the Group is financially strong and has adequate resources to settle its outstanding debts, to finance its daily operational expenditures and also the cash requirements for the Group's future acquisition and expansion.

PROSPECT

The Group is principally engaged in Dental and Health Businesses. Its development strategy centers on deepening core markets and enhancing brand value, continuously strengthening industrial layout and resource integration to enhance shareholder value. The Group prioritizes developing its core brands "Mega" and "Basic," leveraging digital dental technology and professional sports rehabilitation services as dual engines for growth. The objective is to become the industry leader in high-end dental consumables and regional sports rehabilitation in the country. By establishing an integrated medical device and healthcare service system, the Group is leveraging synergies across its businesses to form a perfect closed-loop ecosystem.

Dental Business

The Group considers that the increase in the consumption level in the PRC builds the base for the rapid growth in China's dental market. On this basis, through the education promoted by the overseas vendors and dentists, the populace's heightening awareness of oral hygiene provides the endogenous power for maintaining the speedy growth in the dental market. Currently, China's dental market has been rapidly developing, hence the trend of increasing dental consumption will not change, and is expected to gradually extend from the eastern coastal regions to cities in central and western part of the PRC and the overall dental market probably will continue its rapidly increasing trend for a long time in the future. It is projected that with the increase of consumption power in the PRC, regardless of whether it is in terms of the dentist proportion, consultation rate and the penetration rate of high-end dental business or the current market scale, the oral market in China has the development potential to increase over tenfold.

The Group has formulated a number of growth strategies in the dental business, including enlarging its sales network in the PRC and foreign markets (such as the US), expanding its production capacity in the PRC and developing high-end new denture prosthetics products with beauty attributes, actively participating in relevant nationwide exhibitions, and increasing its bidding of public hospitals, in order to partner with large-scale chained private clinics, providing better services such as on-site technician services for clinics.

Apart from the organic growth and sales network integration and consolidation for the dental business, the Group will also actively seek investment and collaboration opportunities in high-tech dental related areas so as to enhance cross-selling opportunities and improve its overall operational efficiency, thereby delivering better returns on investment for the shareholders of the Company.

Health Care Business

With the support of national policies for the development of “Sports and Health Integration,” it is expected that the sports rehabilitation industry will continue to benefit from policy incentives in 2026. However, influenced by macroeconomic conditions and consumer sentiment, customer conversion remains challenging while market competition intensifies. In 2026, Hejia Rehabilitation Clinic will focus on brand building and expanding its local market presence to enhance regional influence. The Group will further deepen collaborations with insurance institutions, lowering consumer barriers by streamlining insurance payment processes and optimizing settlement procedures. Additionally, the Group will strengthen medical team development and technological R&D, while optimizing service workflows to enhance customer experience. These efforts aim to consolidate and expand its local market share, ensuring steady business growth.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Pursuant to the Company’s announcement dated 18 March 2026 (the “**Announcement**”), the Company announced the following:

(i) Share Consolidation

The Company proposed to implement the share consolidation (the “**Share Consolidation**”) on the basis that every fifty (50) existing shares of HK\$0.00125 each be consolidated into one (1) consolidated share (the “**Consolidated Share**”) of HK\$0.0625 each (the “**Share Consolidation**”). The Share Consolidation is conditional upon, among other things, the passing of an ordinary resolution by the shareholders of the Company at the special general meeting of the Company to approve the Share Consolidation.

(ii) Acquisition of Embrace Blossom

On 18 March 2026, the Company (as purchaser) and the Profit Vigorous Developments Limited (益旺發展有限公司) (a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Kaisa Group as at the date of the Announcement, the “**Vendor**”) (as vendor) entered into the agreement (the “**Agreement**”) pursuant to which the Company conditionally agreed to purchase and the Vendor conditionally agreed to sell the Sale Shares, representing the entire issued share capital of Embrace Blossom Limited (崇興有限公司, “**Embrace Blossom**”, a company incorporated in the British Virgin Islands with limited liability and is wholly owned by the Vendor as at the date of the Announcement), for the consideration in the amount of RMB21,603,729 (equivalent to approximately HK\$24,412,214), which will be fully satisfied by:

- (i) assuming the Share Consolidation having taken effect, the allotment and issue of 2,789,967 Consideration Shares at the issue price of HK\$8.75 per Consideration Share by the Company to the Vendor upon completion of the acquisition; and
- (ii) assuming the Share Consolidation not having taken effect, the allotment and issue of 139,498,364 Consideration Shares at the issue price of HK\$0.175 per Consideration Share by the Company to the Vendor upon completion of the acquisition

Details of the above are set out in the Company's announcement dated 18 March 2026.

Saved as disclosed above and elsewhere in this announcement, no important events affecting the Company occurred since 31 December 2025 and up to the date of this announcement.

EMPLOYEES AND REMUNERATION POLICY

The Group employed approximately 825 employees in total as at 31 December 2025 (31 December 2024: approximately 861) in Hong Kong, the PRC and USA. The Group implemented its remuneration policy, bonus and share option schemes based on the performance of the Group and its employees. The Group provided benefits such as social insurance and pensions to ensure competitiveness. In addition, the Group had also adopted a share option scheme as a long term incentive to the Directors and eligible employees. The emolument policy for the Directors and senior management of the Group is set up by the remuneration committee (the “**Remuneration Committee**”) of the Board, having regard to the Group's performance, individual performance and comparable market conditions.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including treasury shares which the Company did not hold) during the Year.

COMPLIANCE WITH THE 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 to the Rules Governing of Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of conduct regarding securities transactions by the Directors. Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard as set out in the Model Code during the Year.

The Company has also established written guidelines on terms no less exacting than the Model Code (the “**Employees Written Guidelines**”) for securities transactions by employees who are likely to be in possession of inside information of the Company or its securities. No incidence of non-compliance of the Employees Written Guidelines by the employees was noted by the Company during the Year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the Year, the Company has complied with the code provisions set out in Part 2 of the Corporate Governance Code (the “**Code**”) as contained in Appendix C1 to the Listing Rules.

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

The Audit Committee was established with written terms of reference in accordance with Appendix C1 to the Listing Rules. The Audit Committee currently comprises three independent non-executive Directors, namely Dr. Liu Yanwen, chairman of the Audit Committee, Dr. Lyu Aiping and Ms. Li Zhiying.

The Audit Committee has reviewed and discussed with management and the external auditors on matters regarding internal control, systems of risk management, the accounting standards and practices adopted by the Group and the Group’s annual results for the Year.

SCOPE OF WORK OF ZSZH (HK) FUSON CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group's auditor, ZSZH (HK) Fuson CPA Limited ("**ZSZH Hong Kong**") (formerly known as SFAI (HK) CPA Limited) to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by ZSZH Hong Kong 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 ZSZH Hong Kong on this preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the Company's website (<http://www.kaisahealth.com>) and the website of the Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>). The 2025 annual report will be dispatched to the shareholders of the Company and will be made available on the websites of the Company and Hong Kong Exchanges and Clearing Limited in due course in accordance with the Listing Rules.

By order of the Board
Kaisa Health Group Holdings Limited
Kwok Ying Shing
Chairman and executive Director

Hong Kong, 25 March 2026

As at the date of this announcement, the Board comprises Mr. Kwok Ying Shing (Chairman), Mr. Luo Jun, Ms. Luo Tingting, Mr. Liu Lihao, Mr. Xie Binhong and Mr. Ye Haoda as executive Directors; and Dr. Liu Yanwen, Dr. Lyu Aiping and Ms. Li Zhiying as independent non-executive Directors.