

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.



TIAN YUAN HEALTHCARE

天元医疗

CHINA TIAN YUAN HEALTHCARE GROUP LIMITED

中國天元醫療集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 557)

**2025 FINAL RESULTS – ANNOUNCEMENT
AUDITED CONSOLIDATED RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

The board (the “Board”) of directors (the “Directors”) of China Tian Yuan Healthcare Group Limited (the “Company”) announces the following consolidated results of the Company and its subsidiaries and associates (the “Group”) for the year ended 31 December 2025 (“FY2025”) together with comparative figures.

The Board hereby announces the audited consolidated results of the Group for the year together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2025

	<i>Note</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Revenue	3	19,178	26,845
Cost of sales		<u>(2,939)</u>	<u>(5,607)</u>
Gross profit		16,239	21,238
Other gain/(losses), net	4	3,569	(4,356)
Reversal of expected credit loss recognised, net		2,744	2,497
Impairment loss on goodwill		(27,248)	(23,473)
Administrative expenses		(31,067)	(31,103)
Share of loss of associates (net of tax)		(311)	(14)
Finance costs	5	<u>(2,992)</u>	<u>(3,218)</u>
Loss before taxation	7	(39,066)	(38,429)
Income tax credit/(expense)	6	<u>650</u>	<u>(177)</u>
Loss for the year		<u>(38,416)</u>	<u>(38,606)</u>
Loss for the year attributable to:			
Equity shareholders of the Company		(34,014)	(34,238)
Non-controlling interests		<u>(4,402)</u>	<u>(4,368)</u>
Loss for the year		<u>(38,416)</u>	<u>(38,606)</u>
	8	HK cents	<i>HK cents</i>
Loss per share			
Basic loss per share		<u>(8.52)</u>	<u>(8.58)</u>
Diluted loss per share		<u>(8.52)</u>	<u>(8.58)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss for the year	(38,416)	(38,606)
Other comprehensive income for the year (after taxation):		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations	<u>(921)</u>	<u>(624)</u>
Total other comprehensive loss for the year	<u>(921)</u>	<u>(624)</u>
Total comprehensive loss for the year	<u>(39,337)</u>	<u>(39,230)</u>
Total comprehensive loss attributable to:		
Equity shareholders of the Company	(33,463)	(35,581)
Non-controlling interests	<u>(5,874)</u>	<u>(3,649)</u>
Total comprehensive loss for the year	<u>(39,337)</u>	<u>(39,230)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*as at 31 December 2025*

	<i>Note</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		33,077	38,045
Intangible assets		3,727	5,644
Goodwill	<i>10</i>	6,668	31,473
Interests in associates		6,331	6,355
Trade and other receivables	<i>11</i>	2,238	2,986
Deferred tax assets		2,294	1,644
		<hr/> 54,335	<hr/> 86,147
Current assets			
Trade and other receivables	<i>11</i>	19,931	19,382
Inventories		1,559	798
Financial assets at fair value through profit or loss		1,774	2,578
Loan receivables	<i>12</i>	119,645	127,561
Cash and cash equivalents		27,733	24,468
		<hr/> 170,642	<hr/> 174,787
Current liabilities			
Trade and other payables	<i>13</i>	(49,484)	(43,891)
Bank overdraft		–	(154)
Lease liabilities		(4,927)	(5,044)
Provision for taxation		(163)	(163)
		<hr/> (54,574)	<hr/> (49,252)
Net current assets		<hr/> 116,068	<hr/> 125,535
Total assets less current liabilities		<hr/> 170,403	<hr/> 211,682

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Non-current liabilities			
Lease liabilities		<u>(33,789)</u>	<u>(35,731)</u>
		<u>(33,789)</u>	<u>(35,731)</u>
NET ASSETS		<u>136,614</u>	<u>175,951</u>
Capital and reserves			
Share capital		398,980	398,980
Share premium		20,663	20,663
Reserves		<u>(258,424)</u>	<u>(224,961)</u>
Equity attributable to equity shareholders of the Company			
Non-controlling interests		<u>161,219</u>	<u>194,682</u>
		<u>(24,605)</u>	<u>(18,731)</u>
TOTAL EQUITY		<u>136,614</u>	<u>175,951</u>

1. Application of amendments to HKFRS Accounting Standards

The audited annual results for the year ended 31 December 2025 have been prepared in accordance with the same accounting policies adopted by the Group as disclosed in the annual report for the year ended 31 December 2024, except for the accounting policy changes that are effective for the year ended 31 December 2025.

The Group has applied the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time, which are mandatorily effective for the Group’s financial annual period beginning on or after 1 January 2025, to the consolidated financial statements for the current accounting year:

Amendments to HKAS 21	Lack of Exchangeability
-----------------------	-------------------------

The Group has not applied any new standards and amendments to HKFRS Accounting Standards that are not yet mandatorily effective for the current accounting period. The application of the amendments to HKFRS Accounting Standards 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. Segment reporting

The Group manages its businesses by divisions, which are organised by products and services. The Group has identified the following four reportable segments based on the information that is reported internally to the Group’s most senior executive management for the purposes of resource allocation and performance assessment. No operating segments have been aggregated to form the following reportable segments.

- | | |
|---------------------------------------|--|
| – Investment holding: | This segment relates to investments in listed equity investments held as financial assets at fair value through profit or loss (“FVTPL”). Currently, the Group’s equity investment portfolio includes equity securities listed on The Philippines Stock Exchange, Inc., The Stock Exchange of Hong Kong and The New York Stock Exchange. |
| – Healthcare: | This segment primarily derives the revenue from the provision of procurement, marketing and management services to the medical industry, sales of skincare products including cosmetics products (make-up and skincare products) and mechanical products (medical device products), royalty fees from the licensing of trademarks as well as revenue from providing plastic surgery services generated from Shanghai hospital in PRC. Currently, the Group’s activities in this segment are carried out in PRC, Hong Kong and Korea. |
| – Money lending and related business: | This segment primarily derives the revenue from the interests earned from the provision of loans to third parties, as well as referral and handling fees receivable for the provision of loan related services and the introduction of prospective lenders and borrowers. Currently, the Group’s activities in this segment are carried out in PRC and Hong Kong. |
| – Hospitality: | This segment primarily derives the revenue from provision of procurement services relating to hospitality industry. |

(a) **Segment results, assets and liabilities**

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all current and non-current assets with the exception of current tax recoverable and deferred tax assets. Segment liabilities include all current and non-current liabilities with the exception of current and deferred tax liabilities and provision for taxation.

Revenue and expenses are allocated to the reportable segments with reference to income generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment revenue and expenses include the Group's share of revenue and expenses arising from the activities of the Group's associates.

The measure used for reporting segment profit is "profit from operations". In addition to receiving segment information concerning profit from operations, management is provided with segment information concerning revenue, interest income, depreciation and amortisation, impairment losses, foreign exchange gain/loss, gain/loss on financial assets at FVTPL and additions to non-current segment assets used by the segments in their operations.

(b) **Information about reportable segments**

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below:

	Investment holding		Healthcare		Money lending and related business		Hospitality		Total	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Disaggregated by timing of revenue recognition										
Point in time	-	-	2,605	7,637	-	-	-	-	2,605	7,637
Over time	-	-	-	1,617	-	-	-	-	-	1,617
Revenue from contracts with external customers	-	-	2,605	9,254	-	-	-	-	2,605	9,254
Interest income	612	739	-	-	16,573	17,591	-	-	17,185	18,330
Reportable segment revenue	612	739	2,605	9,254	16,573	17,591	-	-	19,790	27,584
Reportable segment (loss)/ profit before taxation	(17,848)	(17,980)	(41,243)	(37,821)	20,180	17,582	(155)	(210)	(39,066)	(38,429)
Depreciation and amortisation	(1,053)	(917)	(7,519)	(7,062)	-	-	-	-	(8,572)	(7,979)
Impairment loss on										
- goodwill	-	-	(27,248)	(23,473)	-	-	-	-	(27,248)	(23,473)
Net realised and unrealised valuation loss on financial assets at FVTPL	(806)	(3,255)	-	-	-	-	-	-	(806)	(3,255)
Net realised and unrealised foreign exchange gain/(loss)	3,587	(3,043)	716	(295)	(1,729)	857	8	(31)	2,582	(2,512)
Additions to non-current assets	-	2,499	292	17	-	-	-	-	292	2,516
Reportable segment assets	68,805	77,196	26,791	28,358	126,900	146,960	187	6,776	222,683	259,290
Reportable segment liabilities	13,276	14,509	74,319	69,706	100	100	505	505	88,200	84,820

(c) **Reconciliations of reportable segment assets and liabilities**

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Assets		
Reportable segment assets	222,683	259,290
Deferred tax assets	2,294	1,644
	<hr/>	<hr/>
Consolidated total assets	224,977	260,934
	<hr/> <hr/>	<hr/> <hr/>
Liabilities		
Reportable segment liabilities	88,200	84,820
Provision for taxation	163	163
	<hr/>	<hr/>
Consolidated total liabilities	88,363	84,983
	<hr/> <hr/>	<hr/> <hr/>

3. Revenue

Revenue of the Group comprises revenue from healthcare related services and money lending and related business activities. Disaggregation of revenue recognised during the year by category is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts within the scope of HKFRS 15		
Healthcare related services		
Royalty fees	–	1,617
Healthcare income	2,605	7,637
	<hr/>	<hr/>
	2,605	9,254
	<hr/> <hr/>	<hr/> <hr/>
Revenue from other sources		
Money lending and related business activities		
Interest income on third party loans	16,573	17,591
	<hr/>	<hr/>
Total revenue	19,178	26,845
	<hr/> <hr/>	<hr/> <hr/>
Timing of revenue recognition within the scope of HKFRS 15		
A point in time		
Healthcare related services	2,605	7,637
Overtime		
Healthcare related services	–	1,617
	<hr/>	<hr/>
	2,605	9,254
	<hr/> <hr/>	<hr/> <hr/>

Healthcare related services – royalty fees

Royalty fees represent the royalties received for the use of a trademark and recognised over a period agreed under contracts. The royalty fees are recognised over the contract terms.

Revenue that is expected to be recognised in the future arising from contracts in existence at the reporting date is insignificant.

4. Other gain/(losses), net

	2025 HK\$'000	2024 <i>HK\$'000</i>
Net realised and unrealised foreign exchange gain/(loss)	2,582	(2,512)
Net realised and unrealised valuation loss on financial assets at fair value through profit or loss	(806)	(3,255)
Management fee income	1,167	526
Interest income	612	739
Loss on disposal of property, plant and equipment	–	(73)
Miscellaneous income	14	219
	3,569	(4,356)

5. Finance costs

	2025 HK\$'000	2024 <i>HK\$'000</i>
Interest expenses on lease liabilities	2,992	3,218

6. Income tax credit/(expense)

	2025 HK\$'000	2024 <i>HK\$'000</i>
Current tax:		
Other jurisdictions	–	–
Deferred tax:		
Origination and reversal of temporary differences	650	(177)
	650	(177)

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, except for subsidiary which is a qualifying corporation under the two-tiered Profits Tax rate regime. The first HK\$2 million of assessable profits is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

No Hong Kong profits tax has been provided for in the financial statements either because the Hong Kong subsidiaries have accumulated tax losses brought forward which exceed the estimated assessable profits or the Hong Kong subsidiaries sustained losses for both years.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the EIT tax rate of the PRC subsidiaries is 25% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The Company is exempted from taxation in the Cayman Islands for a period of twenty years from 1989 under the provisions of Section 6 of the Tax Concessions Law (Revised) of the Cayman Islands. The tax concession was renewed for a further period of twenty years from 2 June 2009.

7. Loss before taxation

Loss before taxation is arrived at after charging:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Finance cost		
Interest expenses on lease liabilities	<u>2,992</u>	<u>3,218</u>
Staff costs		
Salaries, wages and other benefits	4,925	10,340
Directors' emoluments	1,051	1,049
Retirement benefit scheme (excluding those of Directors)	<u>49</u>	<u>52</u>
	<u>6,025</u>	<u>11,441</u>
Other items		
Amortisation of intangible assets	1,922	1,656
Auditors' remuneration		
– audit services	1,750	1,700
– other services	440	50
Impairment loss on goodwill	27,248	23,473
Reversal of expected credit loss recognised, net	(2,744)	(2,497)
Depreciation of property, plant and equipment	6,650	6,323
Lease payments not included in the measurement of lease liabilities	<u>217</u>	<u>207</u>

8. Loss per share

The calculation of the basic and diluted loss per share attributable to the 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>(34,014)</u>	<u>(34,238)</u>
	2025 NO. of shares	2024 NO. of shares
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>398,979,524</u>	<u>398,979,524</u>

The calculation of the basic and diluted loss per share is based on loss for the year attributable to owners of the Company amounted to approximately HK\$34,014,000 (2024: HK\$34,238,000).

For the years ended 31 December 2025 and 2024, diluted loss per share equals basic loss per share as there is no dilutive potential share.

9. Dividends

The Directors of the Company do not recommend the payment of any final dividend for the year ended 31 December 2025 (2024: nil).

No interim dividend was paid for the year ended 31 December 2025 (2024: nil).

10. Goodwill

HK\$'000

Cost

At 1 January 2024	137,486
Exchange adjustments	(2,439)
	<hr/>
At 31 December 2024 and 1 January 2025	135,047
Exchange adjustments	2,443
	<hr/>
At 31 December 2025	137,490

Accumulated impairment losses

At 1 January 2024	(80,101)
Impairment loss recognised	(23,473)
	<hr/>
At 31 December 2024 and 1 January 2025	(103,574)
Impairment loss recognised	(27,248)
	<hr/>
At 31 December 2025	(130,822)

Carrying amount

At 31 December 2025	6,668
	<hr/> <hr/>
At 31 December 2024	31,473
	<hr/> <hr/>

Impairment testing for CGU containing goodwill

For the purpose of impairment testing, goodwill is allocated to CGU as follows:

	2025	2024
	HK\$'000	HK\$'000
Healthcare business	6,668	31,473
	<hr/> <hr/>	<hr/> <hr/>

In addition to goodwill, property, plant and equipment (including right-of-use assets) that generate cash flows together with the related goodwill are also included in the respective cash-generating unit for the purpose of impairment assessment.

During the year ended 31 December 2025, operations at the Shanghai Hospital were temporarily suspended for comprehensive renovation and resumed in late October 2025, marking a shift in focus from surgical aesthetics to light medical aesthetics. In performing the impairment assessment of the goodwill allocated to this CGU, the Group noted that the absence of a prolonged track record for this new 'light-medical-focused' strategy resulted in a higher degree of estimation uncertainty. Consequently, the revenue growth and margin profile projections used to determine the CGU's recoverable amount were adversely affected by these estimation sensitivities as of 31 December 2025.

During the year ended 31 December 2024, the Group experienced a significant drop in revenue due to a downward trend at the Shanghai Hospital. This decline was attributed to a moderating macroeconomy and persistent challenges to business activities in the PRC, which weakened consumer sentiment and reduced demand for plastic surgery services. Consequently, the financial performance of Shanghai Hospital was adversely affected.

The recoverable amount of the CGU related to the Shanghai Hospital's healthcare business segment is determined based on value in use calculation which requires the use of assumptions. The calculation uses cash flow projections based on financial budgets approved by management of the Group covering a 10-years (2024: 10-years) period. Cash flows beyond the 6-years period are extrapolated using the estimated growth rate stated below. This growth rate does not exceed the average long-term growth rate included in industry reports specific to the industry in which this CGU operates. The cash flows projections, growth rates, gross margins and pre-tax discount rates at 31 December 2025 and 2024 have been reassessed taking into consideration high degree of estimation uncertainties due to uncertain macroeconomic environment.

Pre-tax discount rate reflects the current market assessment of the time value of money and the risks specific to this CGU.

The long-term revenue growth rate is referenced to the average inflation rate of consumer prices in the PRC.

Based on the result of the assessment, an impairment loss of approximately HK\$27,248,000 (2024: HK\$23,473,000) has been recognised for CGU related to the Shanghai Hospital's healthcare business segment. The amount is included in the consolidated statement of profit or loss. No class of asset other than goodwill was impaired.

11. Trade and other receivables

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables (<i>note (i)</i>)	6,242	7,960
Less: Allowance for expected credit loss	<u>(4,894)</u>	<u>(4,021)</u>
	<u>1,348</u>	<u>3,939</u>
Interest receivables (<i>note (i)</i>)	7,450	8,196
Less: Allowance for expected credit loss	<u>(195)</u>	<u>(399)</u>
	<u>7,255</u>	<u>7,797</u>
Other receivables and deposits	4,469	2,344
Prepayments (<i>note (ii)</i>)	<u>9,097</u>	<u>8,288</u>
Trade and other receivables	<u>22,169</u>	<u>22,368</u>
Analysed as:		
Non-current	2,238	2,986
Current	<u>19,931</u>	<u>19,382</u>
	<u>22,169</u>	<u>22,368</u>

(i) **Ageing analysis**

Trade receivables are due within 30 days from the date of invoice.

As of the end of the reporting period, the ageing analysis of trade receivables and interest receivables (net of allowance for expected credit loss) based on invoice date is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Less than 1 month	7,371	11,675
1 to 3 months	195	8
More than 3 months but less than 12 months	–	–
More than 12 months	1,037	53
	<u>8,603</u>	<u>11,736</u>

(ii) **Prepayments**

Prepayments mainly consist of professional fees of approximately HK\$1,777,000 (2024: HK\$3,546,000) paid in advance to business consultants who provide advisory services on the businesses of the Group.

12. Loan receivables

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loans to third parties	186,002	197,305
Less: Allowance for expected credit loss	<u>(66,357)</u>	<u>(69,744)</u>
	<u>119,645</u>	<u>127,561</u>
Analysed as:		
Secured	23,447	37,921
Unsecured	<u>96,198</u>	<u>89,640</u>
	<u>119,645</u>	<u>127,561</u>

The reason for granting the loans by the Group is because it would help enhance the efficiency in the use of the Group's working capital and that it would be beneficial to the Group in terms of generating cashflow stream from expected interest income.

Before granting loans to potential borrowers, the Group performs internal credit assessment process to assess the potential borrowers' credit quality individually and defines the credit limits granted to the borrowers. The credit limits attributed to the borrowers are reviewed by the management regularly.

The Group has a policy for assessing the impairment on loan receivables on an individual basis. The assessment includes evaluation of collectability, aging analysis of account and current creditworthiness, collateral and past collection history of each borrower under the Group's credit risk rating system.

In determining the recoverability of the loan receivables on a collective basis, the Group considers any change in the credit quality of the loan receivables from the date the credit was initially granted up to the reporting date. This includes assessing the credit history of the borrowers, such as financial difficulties or default in payments, and current market conditions.

At the end of each reporting date, the Group's loan receivables were individually and collectively assessed for impairment.

One of the loans to third parties of approximately HK\$101,140,000 (2024: approximately HK\$100,900,000) which is secured by a pledge of properties owned by two individuals who have also extended personal guarantees in favour of the borrower. On 12 February 2020, the aforesaid outstanding amount has fallen due. However, the borrower informed the Company that it was unable to repay the said principal amount and the accrued interest at the repayment date, which constituted a default in repayment of the principal amount and accrued interest. On 5 March 2020, the borrower, through its PRC agent, paid a sum of RMB16,000,000 (equivalent to approximately HK\$17,600,000) to a wholly-owned subsidiary of the Company incorporated in the PRC as partial repayment ("Repayment 1"). On 6 March 2020, one of the personal guarantor ("1st Guarantor") paid a sum of HK\$33,000,000 to the Company as partial repayment ("Repayment 2"). Taking into account of Repayment 2 is not lower than the estimated market value of 1st Guarantor's residential property in Hong Kong as secured under the second legal charge, on 15 March 2020, instead of exercising the second legal charge, the Company entered into a deed of partial release to release the second legal charge over the residential property in Hong Kong charged by the 1st Guarantor under the second legal charge in favour of the Company. The remaining amount after the settlement of Repayment 1 and Repayment 2 was fully recognised for expected credit loss.

In order to recover the outstanding amount of the facility, the Company has commenced bankruptcy proceedings against the 1st Guarantor on 2 July 2021, and subsequently, bankruptcy order has then been granted against the 1st Guarantor on 19 April 2022. A Proof of debt was submitted on 19 May 2022, and the total amount of claim (including any outstanding uncapitalised interest as at the date of bankruptcy order) was approximately USD12,000,000. The Official Receiver was appointed as the trustee of the property and estate of the Bankrupt (the "Trustee"). On 25 November 2022, the Trustee adjudicated the Company's proof of debt and declared that a sum of approximately HK\$95,000,000 was admitted as the petitioner's claim. Subsequently, on 20 January 2023, the Trustee distributed a sum of approximately HK\$2,000 as first and final dividend to the Company.

In addition, the Company has commenced an action against Mr. Zhang Shihong ("2nd Guarantor") for an order for possession of a pledged property and served the Originating Summons dated 9 January 2024 on the 2nd Guarantor on 10 January 2024, pursuant to the agreement of Second Legal Charge of a property as security entered between the 2nd Guarantor and the Company on 29 March 2018.

Regarding the legal action against the 2nd Guarantor, a favourable decision with indemnity costs against the 2nd Guarantor was handed down on 22 January 2026. Pursuant to the decision, the Company is entitled to recover the total sum of the outstanding principal, USD8,521,278.33 (or its Hong Kong dollars equivalent), together with interest from the 2nd Guarantor. Additionally, the 2nd Guarantor must deliver vacant possession of the pledged property to the Company by 22 April 2026. As at the date hereof, no appeal has been lodged by the 2nd Guarantor. The enforcement proceedings are still ongoing.

The loans bear interest at rates ranging from 12% to 18.5% (2024: 12% to 18.5%) per annum, and are repayable within one year.

13. Trade and other payables

	2025 HK\$'000	2024 <i>HK\$'000</i>
Trade payables	3,356	3,685
Other payables and accrued charges	31,426	40,206
Due to non-controlling interests	14,702	—
	<u>49,484</u>	<u>—</u>
	<u>49,484</u>	<u>43,891</u>

- (i) All of the trade and other payables are expected to be settled within one year.
- (ii) As of the end of the reporting period, the ageing analysis of trade payables based on due date is as follows:

	2025 HK\$'000	2024 <i>HK\$'000</i>
Due within 1 month or on demand	115	189
Due 1 to 3 months	—	18
Due over 3 months but less than 12 months	7	1,761
Due over 12 months	3,234	1,717
	<u>3,356</u>	<u>—</u>
	<u>3,356</u>	<u>3,685</u>

MANAGEMENT DISCUSSION AND ANALYSIS

The Group recorded a net loss of approximately HK\$38.4 million for FY2025, compared with a net loss of approximately HK\$38.6 million in the previous corresponding year. The lower net loss was mainly attributable to the increase in impairment loss on goodwill of HK\$3.8 million, partially offset by the decrease in net realised and unrealised valuation loss on financial assets at fair value through profit or loss of HK\$2.4 million, the change from a net realised and unrealised foreign exchange loss of HK\$2.5 million in the previous corresponding year to a gain of HK\$2.6 million for FY2025, and the increase in reversal of expected credit loss recognised by HK\$0.2 million. The Group recorded a net loss attributable to the equity shareholders of the Company of approximately HK\$34.0 million for FY2025, compared with a net loss attributable to the equity shareholders of the Company of approximately HK\$34.2 million in the previous corresponding year.

Investment Holding segment

The Group's Investment Holding segment recorded a net realised and unrealised foreign exchange gain of approximately HK\$3.6 million and a net realised and unrealised valuation loss on financial assets at FVTPL of approximately HK\$0.8 million. Overall, a total net realised and unrealised gain of approximately HK\$2.8 million was recorded for FY2025, compared with a total net realised and unrealised loss of approximately HK\$6.3 million in the previous corresponding year. Consequently, the Group's Investment Holding segment reported a loss before tax of approximately HK\$17.8 million for FY2025, compared with a loss before tax of approximately HK\$18.0 million in the previous corresponding year.

Healthcare segment

The Group's healthcare business has been carried out under Shanghai Yuyue Weilai Healthcare Beauty Hospital Limited* (上海愉悅薇萊醫療美容醫院有限公司)(the "Shanghai Hospital"), PRIP Communications Limited ("PRIP") and DIAM Holdings Co., Ltd ("DIAM").

The Group partially owned the Shanghai Hospital which is principally engaged in plastic surgery operation in Shanghai in the People's Republic of China (the "PRC"). Shanghai Hospital is a specialized plastic surgery hospital that operates class 1 to class 3 plastic surgery operations and facial bone contouring technique plastic surgery operations in the PRC, and provides high quality services to the public. Shanghai Hospital has obtained the medical institution practicing license in the PRC to carry out its plastic surgery services in the PRC. Shanghai Hospital has been providing plastic surgery services, including but not limited to Chinese medical aesthetic services, aesthetic dentistry, facial contouring surgery. Shanghai Hospital recorded revenue of approximately HK\$1.9 million and a net loss of approximately HK\$8.0 million for FY2025, compared with revenue of approximately HK\$7.6 million and a net loss of approximately HK\$12.4 million in the previous corresponding year. The drop in revenue in 2025 was primarily due to the temporary suspension of business operations and renovation of Shanghai Hospital, which re-opened only in late October 2025.

On the other hand, Shanghai Hospital has optimized its cost structure by reducing various expenses, and so the net loss for FY2025 was reduced by approximately HK\$4.4 million as compared to the previous corresponding year.

PRIP contributed no royalty income for FY2025, compared with royalty income of approximately HK\$1.6 million in the previous corresponding year, and DIAM contributed service income of HK\$47,000 for FY2025, compared with service income of approximately HK\$16,000 in the previous corresponding year.

In relation to the new skincare products business under the healthcare segment of the Group, the Group recorded revenue of approximately HK\$0.7 million for FY2025, compared with revenue of HK\$0.1 million for the previous corresponding year.

Money Lending and Related Business segment

Regarding the Group's Money Lending and Related Business segment, the Company recognised interest income from third-party loans of HK\$16.6 million for FY2025, compared with interest income from third-party loans of HK\$17.6 million in the previous corresponding year.

Others

Basic loss per share for FY2025 was HK\$8.52 cents, calculated on the weighted average number of ordinary shares of the Company in issue during the year of 398,979,524. The Group's net tangible assets per share was HK\$0.38 as at 31 December 2025, decreased from HK\$0.39 as at 31 December 2024. The board did not propose a final dividend for FY2025.

PROSPECTS

Healthcare business

The Group will continue to further develop and expand its existing core business, including but not limited to strengthening and expanding its plastic surgery and medical beauty services in the PRC and other Asian markets, and exploring investment opportunities in the upstream and downstream of the consumer healthcare industry. The Group has been continuously operating in the healthcare and plastic surgery sector in the PRC and believes there is room for growth in customer spending within the medical beauty industry in the future. Leveraging the Group's experience in the management of PRIP, the introduction of the Korean DA brand to the PRC market, and its investment in Shanghai Hospital, the Group intends to further develop the business of providing management and marketing services to other plastic surgery hospitals in the PRC going forward.

In 2025, the Group strategically carried out a comprehensive renovation and upgrade of Shanghai Hospital, which reopened in late October of the same year. This upgrade marks the strategic transformation of Shanghai Hospital from traditional plastic surgery to the "light medical aesthetics" model. Although the new strategy brings a certain degree of estimation uncertainty in the initial stage due to the lack of long-term historical data, the Group believes that by optimizing the service structure and enhancing operational efficiency, this transformation will more accurately capture high-frequency consumption demand in the medical beauty market and further expand the Group's market share in the PRC medical aesthetics market.

In addition, leveraging the Group's professional expertise and industry presence in the medical aesthetics field, it entered the skincare business in late 2024. In 2025, market development was preliminarily completed and a product matrix was established, which currently includes medical-grade "DA Mask" and cosmetic-grade "BIOELEGENCE". DA Mask is specifically for immediate post-procedure use in medical aesthetics institutions, and management will actively promote it in the PRC and the Asia-Pacific region; BIOELEGENCE has launched products such as facial masks, single-use essences, face creams, and essence lotions.

In the future, the Group will deepen cooperation with online channels, expand high-quality resources, accelerate offline layout, and improve the online-and-offline integrated operation system. Relying on the rapid growth of the medical aesthetics post-procedure care market, the Group will enhance the brand influence and market share of BIOELEGENCE, while enriching the application scenarios of medical-grade products such as DA Mask, achieving two-way empowerment between medical services and skincare business, and providing consumers with more professional and precise skincare products.

As a significant move in the Group's diversified layout, it successfully completed the acquisition of the medical examination centre in early 2026, marking the Group's formal horizontal expansion from the medical aesthetics sector to the broader "Great Health" field. Entering 2026, the medical examination centre will become a new driver for the Group's business growth. The Group will adopt a diversified development strategy, including actively developing new sales channels to focus on expanding the occupational disease medical examination customer group, thereby establishing a stable corporate customer base; meanwhile, it will add new medical examination equipment to meet the demand of high-end customers for precision medicine and in-depth medical examinations. In addition, the Group will design competitive and distinctive medical examination programs, and based on these, launch targeted specialty outpatient services, while positioning itself in "Great Health" consultation and management services to provide customers with life-cycle health monitoring and management solutions, thereby opening up more diversified revenue streams.

Looking ahead, the Group will continue to use medical aesthetics and medical examination centres as "dual engines" to deepen its layout in the consumer healthcare and "Great Health" industries. The Group will continue to monitor emerging investment and collaboration opportunities within the industry, leverage its existing professional expertise and industry experience to actively expand its business footprint, and create long-term value for its Shareholders.

Money lending and related business

In 2026, the Group will continue its money lending and related business, which includes lender or borrower referral services, fund matching, fund arrangement, and/or fund participation, but excludes any regulatory activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). Delightful Aesthetics Investment Limited, a wholly-owned subsidiary of the Company, is a licensed money lender under the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong). Given the adverse impact of the trade friction between the PRC and the United States and the geopolitical tensions on the macroeconomy and the global and domestic business activities, the Group has been and will be more cautious with the credit assessment and acceptance of customers from money lending and related business. To strike a balance between expansion of the money lending and related business segment and the risk control of the Group, the Group will adopt a more prudent credit assessment and procedures when accepting customers for its money lending business in the future.

Investment holding

The Group will continue to hold certain trading securities and will monitor and make appropriate changes to its investment portfolio from time to time in response to the economic environment. In addition, the Group will explore various short-term investment plans to enhance its investment returns by utilising its cash reserves on hand in different currencies. From time to time, there may be ongoing adjustments attributable to unrealised gains or losses arising from the fair value measurement of the Group's trading securities and unrealised gains or losses on the revaluation of foreign currency cash deposits.

New business segments

Whilst the Group strives for progress in its existing businesses, the management is also actively seeking other business opportunities with a view of diversifying and enhancing its income sources.

AUDIT COMMITTEE

The members of the audit committee of the Company comprise 3 independent non-executive Directors. The annual results of the Group for FY2025 contained herein have been reviewed by the audit committee of the Company.

CORPORATE GOVERNANCE CODE

Paragraph C.2.1 of the Corporate Governance Code (the "Corporate Governance Code") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Starting from 4 November 2022, the roles of Chairman and Chief Executive Officer of the Company were both performed by Ms. Dong Wei. She is responsible for formulating the overall business development strategy and planning of the Group. The Directors meet regularly to consider issues related to corporate matters affecting operations of the Group and considers that this deviation will not impair the balance of power and authority of the Board and the Company's management and thus, the Directors believe the current structure will enable effective planning and implementation of corporate strategies and decisions of the Group. Notwithstanding the above, the Company is endeavouring to identify suitable candidate for executive directors to share the roles of Ms. Dong Wei (as the chairman and chief executive) as soon as practicable to meet the requirements of the Corporate Governance Code.

In the opinion of the Directors, saved as disclosed herein, the Company has complied with the code provisions as set out in the Corporate Governance Code throughout FY2025.

The Company reviews its corporate governance practices from time to time to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “Model Code”) as the Company’s code of conduct regarding Directors’ securities transactions. All Directors have confirmed that they have complied with the Model Code throughout FY2025.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during FY2025.

FINAL DIVIDEND

The Board does not recommend payment of final dividend for the year ended 31 December 2025 (2024: nil).

By Order of the Board
China Tian Yuan Healthcare Group Limited
Dong Wei
Executive Director

Hong Kong, 30 March 2026

As at the date of this announcement, the Board is composed of five directors of which Ms. Dong Wei is the executive director; Ms. He Mei is the non-executive director and Mr. Yuen Kwok Kuen, Ms. Zhou Siqi and Mr. Li Jun are the independent non-executive directors.

* *for identification purpose only*