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## **Sanai Health Industry Group Company Limited**

**三愛健康產業集團有限公司**

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

**(Stock Code: 1889)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025**

#### **FINANCIAL HIGHLIGHTS**

- Revenue of the Group's continuing operations for the year ended 31 December 2025 increased by approximately 0.80% to approximately RMB85.90 million (2024: approximately RMB85.22 million).
- Gross profit of the Group's continuing operations for the year ended 31 December 2025 was approximately RMB14.33 million (2024: approximately RMB16.86 million).
- Gross profit of the Group's continuing operations margin for the year ended 31 December 2025 was approximately 16.69% (2024: approximately 19.79%).
- Loss for the year ended 31 December 2025 amounted to approximately RMB26.54 million (2024: profit of approximately RMB3.40 million).
- Basic and diluted loss per Consolidated Share attributable to owners of the Company from continuing operations for the year ended 31 December 2025 was approximately RMB14.41 cent and approximately RMB14.41 cent respectively (2024: basic and diluted loss approximately RMB8.54 cent and RMB8.54 cent respectively).

## ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Sanai Health Industry Group Company Limited (“**Sanai Health Industry**” or the “**Company**”) hereby announces the annual consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**” or the “**Year Under Review**”), together with the comparative figures of the year ended 31 December 2024.

The Group’s financial information for the year ended 31 December 2025 in this announcement was prepared on the basis of the consolidated financial statements which have been reviewed by the Company’s audit committee. The Group has agreed with the auditor as to the contents of this results announcement.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	<i>Note</i>	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
<b><u>Continuing operations</u></b>			
Revenue	5	<b>85,900</b>	85,217
Cost of sales		<b>(71,566)</b>	(68,353)
Gross profit		<b>14,334</b>	16,864
Other income	6	<b>1,636</b>	4,483
Distribution costs		<b>(8,597)</b>	(6,252)
Administrative and other operating expenses		<b>(28,695)</b>	(26,054)
(Provision for) Reversal of impairment loss on trade receivables, net		<b>(117)</b>	575
Reversal of impairment loss on finance lease receivables, net		–	221
Provision for impairment loss on investments in associates	12	<b>(1,331)</b>	–
Share of results of associates		<b>(633)</b>	(456)
Net loss on disposal of subsidiaries		<b>(774)</b>	(124)
Finance costs	7	<b>(2,820)</b>	(2,196)
Loss before income tax from continuing operations	7	<b>(26,997)</b>	(12,939)
Income tax credit (expenses)	8	<b>455</b>	(968)
Loss for the year from continuing operations		<b>(26,542)</b>	(13,907)
<b><u>Discontinued operation</u></b>			
Profit for the year from discontinued operation		–	17,308
<b>(Loss) Profit for the year</b>		<b>(26,542)</b>	3,401
<b>(Loss) Profit for the year attributable to:</b>			
Owners of the Company		<b>(22,040)</b>	4,892
Non-controlling interests		<b>(4,502)</b>	(1,491)
		<b>(26,542)</b>	3,401
<b>(Loss) Earnings per share from continuing and discontinued operations</b>			
Basic (RMB cent)	10	<b>(14.41)</b>	3.37
Diluted (RMB cent)		<b>(14.41)</b>	3.37
<b>Loss per share from continuing operations</b>			
Basic (RMB cent)	10	<b>(14.41)</b>	(8.54)
Diluted (RMB cent)		<b>(14.41)</b>	(8.54)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>(Loss) Profit for the year</b>	<u>(26,542)</u>	<u>3,401</u>
<b>Other comprehensive expenses:</b>		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of foreign operations	(756)	(2,628)
Release of translation reserve upon disposal of subsidiaries	<u>–</u>	<u>(241)</u>
Total other comprehensive expenses	<u>(756)</u>	<u>(2,869)</u>
<b>Total comprehensive (expenses) income for the year</b>	<u><u>(27,298)</u></u>	<u><u>532</u></u>
<b>Total comprehensive (expenses) income for the year attributable to:</b>		
Owners of the Company	(22,796)	2,023
Non-controlling interests	<u>(4,502)</u>	<u>(1,491)</u>
	<u><u>(27,298)</u></u>	<u><u>532</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Note</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<i>11</i>	<b>56,124</b>	63,479
Right-of-use assets	<i>11</i>	<b>20,049</b>	36,258
Intangible assets	<i>11</i>	<b>136</b>	–
Goodwill		<b>1,732</b>	1,732
Investments in associates	<i>12</i>	<b>–</b>	1,952
		<b>78,041</b>	103,421
<b>CURRENT ASSETS</b>			
Inventories		<b>4,650</b>	9,865
Trade and other receivables	<i>13</i>	<b>31,831</b>	14,993
Financial assets at fair value through profit or loss (“ <b>FVPL</b> ”)		<b>8,422</b>	140
Tax recoverable		<b>190</b>	119
Cash and cash equivalents		<b>298,596</b>	340,426
		<b>343,689</b>	365,543
<b>CURRENT LIABILITIES</b>			
Trade and other payables	<i>14</i>	<b>52,875</b>	74,003
Interest-bearing borrowings	<i>15</i>	<b>41,601</b>	38,919
Lease liabilities		<b>805</b>	738
Tax payables		<b>327</b>	573
		<b>95,608</b>	114,233
<b>NET CURRENT ASSETS</b>		<b>248,081</b>	251,310
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>326,122</b>	354,731

	<i>Note</i>	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		<b>195</b>	763
Interest-bearing borrowings	<i>15</i>	<b>1,443</b>	1,507
Deferred tax liabilities		<b>384</b>	855
		<u><b>2,022</b></u>	<u>3,125</u>
<b>NET ASSETS</b>		<u><b>324,100</b></u>	<u>351,606</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	<i>16</i>	<b>1,421</b>	35,534
Reserves		<b>296,840</b>	286,453
		<u><b>298,261</b></u>	<u>321,987</u>
Equity attributable to owners of the Company		<b>298,261</b>	321,987
Non-controlling interests		<b>25,839</b>	29,619
		<u><b>324,100</b></u>	<u>351,606</u>
<b>TOTAL EQUITY</b>		<u><b>324,100</b></u>	<u>351,606</u>

## NOTES

### 1. GENERAL INFORMATION

Sanai Health Industry Group Company Limited (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”) was incorporated in the Cayman Islands on 21 March 2006 and registered as an exempted company with limited liability under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the “**Cayman Companies Law**”). Its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 1 February 2007. The address of the registered office of the Company is Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1- 1205, Cayman Islands. The principal place of business of the Company is Unit 5, 7/F., Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is the same as the functional currency of the Company. All amounts have been rounded to the nearest thousand, unless otherwise stated.

### 2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The measurement basis used in the preparation of the consolidated financial statements is historical cost, except for financial assets at FVPL, which are stated at fair value.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements except for the adoption of the new/revised HKFRS Accounting Standards that are relevant to the Group and effective from the current financial reporting period as detailed in Note 3.

### 3. ADOPTION OF NEW/REVISED HKFRS ACCOUNTING STANDARDS

The Group has applied, for the first time, the following new/revised HKFRS Accounting Standard that is relevant to the Group:

Amendments to HKAS 21                      Lack of Exchangeability

#### *Amendments to HKAS 21: Lack of Exchangeability*

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

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

### 4. SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the executive directors of the Company, being identified as the chief operating decision maker (the “CODM”), for the purposes of resources allocation and performance assessment, the Group has presented the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

- (i) Pharmaceutical products segment: development, manufacturing, marketing and sales of pharmaceutical products, sales of pharmaceutical related software and provision of consultancy services;
- (ii) Finance leasing segment: provision of finance leasing services; and
- (iii) Genetic testing and molecular diagnostic services segment: provision of genetic testing and molecular diagnostic services (which was reclassified as discontinued operation during the year ended 31 December 2024).

## **Segment results, assets and liabilities**

For the purposes of assessing segment performance and allocating resources between segments, the CODM monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets, goodwill and current assets with the exception of financial assets at FVPL, investments in associates and other corporate assets. Segment liabilities include trade and certain other payables attributable to the activities of the individual segments. Other liabilities are not allocated to operating segments as these liabilities are managed on a corporate basis.

Revenue and expenses are allocated to the reportable segments with reference to sales 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.

The measure used for reporting segment results is adjusted earnings before interest, income tax, depreciation and amortisation (“**Adjusted EBITDA**”), where “interest” includes interest income from bank and finance costs and “depreciation and amortisation” includes depreciation/amortisation of property, plant and equipment, right-of-use assets and intangible assets. To arrive at adjusted earnings, the Group’s earnings are further adjusted for items not specifically attributed to individual segments, such as remuneration of the Company’s directors and auditor, gain/loss on disposal of subsidiaries and other head office or corporate administration costs.

In addition to receiving segment information concerning adjusted profit or loss, the CODM is provided with segment information concerning revenue, interest income, depreciation and amortisation, write-off of inventories, write-off of property, plant and equipment, write-off of right-of-use assets, provision for/reversal of impairment losses, finance costs, additions to non-current segment assets and gain/loss on disposal of subsidiaries relating to the respective segments.

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

**2025**

	Continuing operations		Discontinued operation	Consolidated <i>RMB'000</i>
	Pharmaceutical products <i>RMB'000</i>	Finance leasing <i>RMB'000</i>	Genetic testing and molecular diagnostic services <i>RMB'000</i>	
<b>Reportable segment revenue from external customers</b>	<b>85,900</b>	–	–	<b>85,900</b>
<b>Reportable segment loss (Adjusted EBITDA)</b>	<b>(7,261)</b>	–	–	<b>(7,261)</b>
<b>Reportable segment assets</b>	<b>90,655</b>	–	–	<b>90,655</b>
<b>Reportable segment liabilities</b>	<b>(36,053)</b>	–	–	<b>(36,053)</b>
<b>Other segment information</b>				
<i>(Note):</i>				
Bank interest income	25	–	–	25
Finance costs	(1,073)	–	–	(1,073)
Depreciation and amortisation	(3,942)	–	–	(3,942)
Write-off of property, plant and equipment	(2)	–	–	(2)
Provision for impairment loss on trade receivables, net	(117)	–	–	(117)
Loss on disposal of subsidiaries	(774)	–	–	(774)
Additions to non-current assets	<b>1,888</b>	–	–	<b>1,888</b>

2024

	Continuing operations		Discontinued operation	Consolidated RMB'000
	Pharmaceutical products RMB'000	Finance leasing RMB'000	Genetic testing and molecular diagnostic services RMB'000	
<b>Reportable segment revenue from external customers</b>	85,047	170	5,721	90,938
<b>Reportable segment profit (Adjusted EBITDA)</b>	3,683	65	637	4,385
<b>Reportable segment assets</b>	132,699	801	–	133,500
<b>Reportable segment liabilities</b>	(55,480)	(936)	–	(56,416)
<b>Other segment information</b>				
<i>(Note):</i>				
Bank interest income	355	202	8	565
Finance costs	(939)	–	(29)	(968)
Depreciation and amortisation	(2,782)	–	(366)	(3,148)
Write-off of property, plant and equipment	(1,780)	–	–	(1,780)
Write-off of right-of-use assets	(731)	–	–	(731)
Reversal of impairment loss on finance lease receivables	–	221	–	221
Reversal of impairment loss on trade receivables, net	575	–	128	703
(Loss) Gain on disposal of subsidiaries	(370)	246	17,233	17,109
Additions to non-current assets	1,229	–	2,238	3,467

Segment revenue reported above represents revenue generated from external customers. There were no significant inter-segment sales during the years ended 31 December 2025 and 2024.

*Note:*

Any difference between the total amounts set out in the above segment information and the amounts reported elsewhere in the consolidated financial statements represented the unallocated portion for the corporate office.

## Reconciliation of reportable segment revenue, result, assets and liabilities

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Revenue from from continuing and discontinued operations</b>		
Reportable segment revenue from external customers	<u>85,900</u>	<u>90,938</u>
Total reportable segment (loss) profit from continuing and discontinued operations (Adjusted EBITDA)	(7,261)	4,385
Other income	280	3,381
Depreciation and amortisation	(3,942)	(3,153)
Net (loss) gain on disposal of subsidiaries	(774)	17,109
Share of results of associates	(633)	(456)
Provision for impairment loss on investments in associates	(1,331)	–
Finance costs	(2,820)	(2,225)
Unallocated head office and corporate expenses		
– staff costs (including directors' emoluments)	(4,918)	(5,457)
– others	<u>(5,598)</u>	<u>(9,040)</u>
<b>Consolidated (loss) profit before income tax, from continuing and discontinued operations</b>	<u>(26,997)</u>	<u>4,544</u>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Reportable segment assets	90,655	133,500
Financial assets at FVPL	8,422	140
Investments in associates	–	1,952
Unallocated head office and corporate assets	<u>322,653</u>	<u>333,372</u>
<b>Consolidated total assets</b>	<u>421,730</u>	<u>468,964</u>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Reportable segment liabilities	36,053	56,416
Unallocated head office and corporate liabilities	<u>61,577</u>	<u>60,942</u>
<b>Consolidated total liabilities</b>	<u>97,630</u>	<u>117,358</u>

## Geographic Information

Revenue from external customers

The following sets out information about the geographical location of the Group's revenue from external customers, based on the location at which the services were provided or the goods delivered.

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>Continuing operations</b>		
Chinese Mainland of the PRC	<b>85,900</b>	85,217
<b>Discontinued operation</b>		
Hong Kong	–	5,721
	<b>85,900</b>	90,938

### *Non-current assets*

No non-current assets information is presented for the Group's geographical location, as over 90% of the Group's non-current assets are located in Chinese Mainland of the PRC.

## Information about major customers

Details of the customers (including entities under common control) individually accounting for 10% or more of total revenue of the Group during the reporting periods are as follows:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>Continuing operations</b>		
Pharmaceutical products segment		
Customer A	<b>23,440</b>	39,903
Customer B	<b>Note</b>	9,422
Customer C	<b>24,407</b>	9,756

### *Note:*

This customer contributes less than 10% of revenue of the Group for the year ended 31 December 2025.

## 5. REVENUE

The principal activities of the Group are the development, manufacturing, marketing and sales of pharmaceutical products, provision of finance leasing services and provision of genetic testing and molecular diagnostic services (which was discontinued during the year ended 31 December 2024).

The amount of each significant category of revenue recognised during the reporting periods are as follows:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>Continuing operations</b>		
<b>Revenue from contracts with customers within HKFRS 15</b>		
At a point in time		
– Sales of pharmaceutical products	<b>83,090</b>	81,984
– Sales of other goods	<b>2,810</b>	3,063
	<b>85,900</b>	85,047
<b>Revenue from other sources</b>		
Finance leasing interest income	–	170
	<b>85,900</b>	85,217
<b>Discontinued operation</b>		
<b>Revenue from contracts with customers within HKFRS 15</b>		
Over time		
– Provision of genetic testing and molecular diagnostic services	–	5,721
	<b>85,900</b>	90,938

For sales of pharmaceutical products and other goods, revenue is recognised when control of goods has transferred, being when the goods have been accepted by customers (acceptance) after goods delivered to the specific location or picked up by customers. Following acceptance, the customers have full discretion over the manner of distribution and price to sell the goods, have the primary responsibility when they sell the goods, and bear the risks of obsolescence and loss in relation to the goods.

During the year ended 31 December 2024, the Group provided genetic services and molecular diagnostic services to the customers. Genetic services and molecular diagnostic services income was recognised when the genetic testing and molecular diagnostic services were rendered and there was no unfulfilled obligation that could affect the customer's acceptance of the service.

## 6. OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Continuing operations</b>		
Bank interest income	160	566
Changes in fair value of financial assets at FVPL, net	294	–
Exchange gain, net	–	2,516
Government subsidies ( <i>Note</i> )	423	982
Gain on disposal of property, plant and equipment, net	11	–
Gain on early termination of a lease	20	–
Sundry income	728	419
	<u>1,636</u>	<u>4,483</u>
<b>Discontinued operation</b>		
Bank interest income	–	8
Rent concession received	–	21
	<u>–</u>	<u>29</u>
	<u><u>1,636</u></u>	<u><u>4,512</u></u>

*Note:*

In the opinion of the management of the Group, there were no unfulfilled conditions or contingencies relating to these subsidiaries.

## 7. (LOSS) PROFIT BEFORE INCOME TAX

(Loss) Profit before income tax is arrived at after charging (crediting):

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Finance costs</b>		
<b>Continuing operations</b>		
Interest on convertible notes	–	415
Interest on borrowings	2,765	1,729
Finance charges on lease liabilities	55	52
	<u>2,820</u>	<u>2,196</u>
<b>Discontinued operation</b>		
Finance charges on lease liabilities	–	29
	<u>2,820</u>	<u>2,225</u>

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Staff costs</b>		
<b>Continuing operations</b>		
Directors' emoluments	2,775	2,324
Other staff costs		
– Salaries, wages, allowances and benefits in kind	16,497	12,372
– Discretionary bonus	571	–
– Contributions to defined contribution retirement plans	3,356	2,122
	<u>23,199</u>	<u>16,818</u>
<b>Discontinued operation</b>		
Other staff costs		
– Salaries, wages, allowances and benefits in kind	–	2,612
– Discretionary bonus	–	–
– Contributions to defined contribution retirement plans	–	79
	<u>–</u>	<u>2,691</u>
	<u>23,199</u>	<u>19,509</u>
<b>Other items</b>		
<b>Continuing operations</b>		
Depreciation of property, plant and equipment	2,504	1,703
Amortisation of intangible assets		
(included in “Cost of sales and services rendered”)	7	332
Depreciation of right-of-use assets	1,431	752
Auditor's remuneration	1,195	1,290
Exchange loss (gain), net	165	(2,516)
Expenses relating to short-term leases	741	395
Write-off of property, plant and equipment		
(included in “Administrative and other operating expenses”)	2	1,780
Write-off of right-of-use assets		
(included in “Administrative and other operating expenses”)	–	731
Research and development expenses	2,754	1,710
Cost of inventories ( <i>Note</i> )	70,223	67,069

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Other items (Continued)</b>		
<b>Discontinued operation</b>		
Auditor's remuneration	–	155
Depreciation of property, plant and equipment	–	74
Depreciation of right-of-use assets	–	292
Cost of services rendered ( <i>Note</i> )	–	3,076
Gain on disposal of subsidiaries	–	(17,233)
	<u>–</u>	<u>(17,233)</u>

*Note:*

For continuing operations during the year ended 31 December 2025, cost of inventories includes approximately RMB6,089,000 (2024: approximately RMB4,697,000) relating to staff costs, depreciation and amortisation which are included in the respective amounts disclosed separately above.

For discontinuing operation during the year ended 31 December 2024, cost of service rendered included approximately RMB1,776,000 relating to staff costs and depreciation which were included in the respective amounts disclosed separately above.

## 8. INCOME TAX (CREDIT) EXPENSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Continuing operations</b>		
<b>Current tax</b>		
PRC Enterprise Income Tax (“EIT”)		
– Current year	–	727
– Under-provision in prior periods	16	–
	<u>16</u>	<u>727</u>
<b>Deferred tax</b>		
Deferred taxation	(471)	241
	<u>(455)</u>	<u>968</u>
<b>Discontinued operation</b>		
<b>Current tax</b>		
Hong Kong Profits Tax		
– Current year	–	28
– Under-provision in prior periods	–	147
	<u>–</u>	<u>175</u>
<b>Total income tax (credit) expenses for continuing and discontinued operations</b>	<u>(455)</u>	<u>1,143</u>

For the Group's subsidiaries established in Chinese Mainland of the PRC, PRC EIT is calculated at 25% (2024: 25%) in accordance with the relevant laws and regulations in Chinese Mainland of the PRC except for 北京航洋健康科技有限公司 (Beijing Hangyang Health Technology Co., Ltd.\*) ("**Beijing Hangyang**") which was acquired by the Group during the year ended 31 December 2024 and has been recognised as High and New Technology Enterprise (the "**HNTE**") and is entitled to a preferential tax rate of 15% during the years ended 31 December 2025 and 2024. The entitlement of the HNTE is subject to renewal by the tax bureau in Chinese Mainland of the PRC every three years. The latest approval of the HNTE for Beijing Hangyang was obtained in October 2023 for the three years ended 31 December 2025.

Under the two-tiered profits tax regime of Hong Kong Profits Tax, the first Hong Kong dollars ("**HK\$**") 2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

\* *English name is translated for identification purpose only.*

## **9. DIVIDENDS**

The directors of the Company do not recommend the payment of any dividend for the years ended 31 December 2025 and 2024.

## 10. (LOSS) EARNINGS PER SHARE

The calculation of basic and diluted (loss) earnings per share attributable to the owners of the Company are based on the following data:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Continuing and discontinued operations</b>		
(Loss) Profit for the year from continuing and discontinued operations attributable to the owners of the Company for the purpose of basic and diluted (loss) earnings per share	<u>(22,040)</u>	<u>4,892</u>
<b>Continuing operations</b>		
Loss for the year from continuing operations attributable to the owners of the Company for the purpose of basic and diluted loss per share	<u>(22,040)</u>	<u>(12,416)</u>
	<b>2025</b> <b>'000</b>	2024 '000
<b>Weighted average number of ordinary shares for the purpose of basic and diluted (loss) earnings per share</b>	<u><b>152,899</b></u>	<u>145,338</u>

The diluted loss per share is the same as the basic loss per share for the year ended 31 December 2025.

The computation of diluted earnings per share does not assume the exercise of the outstanding share options because it would not have any dilutive effect on the loss per share for the year ended 31 December 2025.

For the year ended 31 December 2024, the weighted average number of ordinary shares for the purpose of calculating basic and diluted (loss) earnings per share was on the basis as if the Share Consolidation (as defined in Note 16) had been effective on 1 January 2024.

Potential ordinary shares arising from the assumed conversion of convertible notes and the assumed exercise of outstanding share options have not been included in the calculation of diluted (loss) earnings per share because they have anti-dilutive effect on loss per share from continuing operations for the year ended 31 December 2024.

## 11. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE-ASSETS AND INTANGIBLE ASSETS

During the year ended 31 December 2025, the Group has addition of property, plant and equipment of approximately RMB984,000 (2024: approximately RMB1,174,000) and right-of-use assets of approximately RMB781,000 (2024: approximately RMB2,293,000) from independent third parties. During the year ended 31 December 2024, the Group had addition of property, plant and equipment of approximately RMB64,548,000, and right of-use assets of approximately RMB35,810,000 through acquisition of subsidiaries. In addition, the Group had acquired property, plant and equipment of approximately RMB1,174,000 from independent third parties during the year ended 31 December 2024.

During the year ended 31 December 2025, the Group has disposed of property, plant and equipment of approximately RMB5,124,000 (2024: approximately RMB5,197,000), right-of-use assets of approximately RMB15,181,000 (2024: approximately RMB5,743,000) and intangible assets of nil (2024: approximately RMB2,122,000) through disposals of subsidiaries as disclosed in section headed “Significant acquisitions and disposal of investments” in this results announcement.

## 12. INVESTMENTS IN ASSOCIATES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Unlisted equity investments in Hong Kong:</b>		
Share of net assets	1,331	1,952
Less: Provision for impairment loss ( <i>Note</i> )	<u>(1,331)</u>	<u>—</u>
	<u>—</u>	<u>1,952</u>

*Note:*

In January 2026, the Hong Kong Department of Health (the “**Department**”) issued a letter and a public press release stating that Zentrogene Bioscience Laboratory Limited (the “**Zentrogene HK**”), which is the Group’s associate, had made false and misleading claims regarding its accreditation status. The Department clarified that it does not operate any laboratory accreditation system as claimed by Zentrogene HK and requested Zentrogene HK to remove all such claims immediately. Due to the resulting significant uncertainties over potential regulatory actions, legal liabilities, and adverse impacts on Zentrogene HK’s future operation, revenue and cashflows, the local statutory auditor of Zentrogene HK proposed to issue a disclaimer of opinion relating to the appropriateness of the use of going concern basis in light of this significant non-compliance matter for the preparation of its financial statements for the year ended 31 December 2025.

In view of above, the Group’s management considered the Group may not be able to recoverable its share of net assets of Zentrogene HK in an orderly manner under going concern basis. Having considered the potential write-down of Zentrogene HK’s assets and to further provision for any liabilities should it cannot be operated under going concern, full provision for impairment was recognised to reduce the carrying amount of the investments in associates to nil at 31 December 2025.

### 13. TRADE AND OTHER RECEIVABLES

	<i>Note</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
Trade receivables		<b>3,678</b>	9,561
Less: Provision for loss allowance	<i>(c)</i>	<b>(118)</b>	(1)
		<b>3,560</b>	9,560
Other receivables	<i>(b)</i>	<b>2,901</b>	3,190
Amount due from a related company	<i>(d)</i>	<b>3</b>	3
Security deposits	<i>(e)</i>	<b>23,627</b>	—
Deposits		<b>90</b>	90
Prepayments		<b>1,246</b>	1,742
Other tax recoverable		<b>404</b>	408
		<b>31,831</b>	14,993

*Notes:*

- (a) At 31 December 2025 and 2024, all of the trade and other receivables are expected to be recovered or recognised as expenses within one year.
- (b) The Group normally grants credit terms of 30 to 365 days (2024: 30 to 365 days) to its customers.

At the end of the reporting period, the ageing analysis of trade receivables presented based on the invoice date and net of loss allowance is as follows:

	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
Within 30 days	<b>3,349</b>	4,739
31 to 60 days	<b>211</b>	4,821
	<b>3,560</b>	9,560

(c) Reconciliation of loss allowance for trade receivables:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
At 1 January	<b>1</b>	1,663
Disposal of subsidiaries	–	(959)
Increase (Decrease) in loss allowance, net	<b>117</b>	(703)
At 31 December	<b>118</b>	1

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and with reference to the ageing. The expected credit losses also incorporate forward looking information.

	Not past due	Within 30 days past due	31 to 356 days past due	Over 365 days past due	Total
<b>At 31 December 2025</b>					
Weighted average expected loss rate	<b>2.14%</b>	N/A	N/A	<b>100%</b>	<b>3.21%</b>
Receivable amount (RMB'000)	<b>3,638</b>	–	–	<b>40</b>	<b>3,678</b>
Loss allowance (RMB'000)	<b>(78)</b>	–	–	<b>(40)</b>	<b>(118)</b>
	<b>3,560</b>	–	–	–	<b>3,560</b>
<b>At 31 December 2024</b>					
Weighted average expected loss rate	Nil	2.50%	N/A	N/A	0.01%
Receivable amount (RMB'000)	9,521	40	–	–	9,561
Loss allowance (RMB'000)	–	(1)	–	–	(1)
	9,521	39	–	–	9,560

During the year ended 31 December 2025, the significant changes in loss allowance are mainly contributed by increase in the weighted average expected loss rates.

During the year ended 31 December 2024, the significant changes in loss allowance were mainly contributed by (i) the derecognition of trade receivables upon the disposal of subsidiaries, (ii) decrease in gross balances and past due balances of the trade receivables and (iii) drop in the weighted average expected loss rates.

- (d) The amount due from a related company is unsecured, interest-free and repayable on demand.
- (e) The security deposits are pledged to an independent third party lender for the interest-bearing borrowings of approximately RMB17,601,000 (2024: Nil) at 31 December 2025 (*Note 15*).

#### 14. TRADE AND OTHER PAYABLES

	<i>Note</i>	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Trade payables		<b>7,110</b>	14,285
Payroll and welfare payables		<b>7,739</b>	5,755
Accrued expenses		<b>3,368</b>	3,924
Other payables		<b>25,736</b>	36,322
Other tax payables		<b>176</b>	434
Contract liabilities	<i>(a)</i>	<b>588</b>	4,147
Interest payables	<i>(b)</i>	<b>4,676</b>	3,100
Amounts due to directors	<i>(c)</i>	<b>590</b>	590
Amount due to an associate	<i>(d)</i>	<b>2,892</b>	5,446
		<b>52,875</b>	74,003

The trade payables are unsecured, interest-free and with normal credit terms up to 60 days (2024: 60 days).

The ageing analysis of trade payables presented based on the invoice date at the end of the reporting period is as follows:

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Within 30 days	<b>3,202</b>	6,607
31 to 60 days	<b>1,710</b>	6,628
61 to 90 days	<b>682</b>	292
91 to 120 days	–	20
121 to 365 days	<b>1,120</b>	551
Over 365 days	<b>396</b>	187
	<b>7,110</b>	14,285

*Notes:*

- (a) Movement of the contract liabilities (excluding those arising from increases and decreases both occurred within the same reporting period) of contract liabilities within HKFRS 15 during the reporting period:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
At 1 January	<b>4,147</b>	366
Additions	<b>761</b>	2,972
Acquisition of subsidiaries	–	4,268
Disposal of subsidiaries	<b>(1,325)</b>	(20)
Recognition of revenue	<b>(2,995)</b>	(3,439)
	<hr/>	<hr/>
<b>At 31 December</b>	<b><u>588</u></b>	<u>4,147</u>

The contract liabilities of approximately RMB588,000 and approximately RMB4,147,000 at 31 December 2025 and 2024, respectively, represented the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period. The Group expects the transaction price of approximately RMB588,000 and approximately RMB4,147,000 at 31 December 2025 and 2024, respectively, allocated to the unsatisfied performance obligations are expected to be recognised as revenue in one year or less when the obligations are performed.

Contract liabilities primarily represent advance payments received from customers for goods that have not been transferred to the customers. The changes in contract liabilities during the year ended 31 December 2025 are mainly due to decrease in deposits received from customers (2024: increase in deposits received from customers).

- (b) Interest payables at 31 December 2025 included approximately RMB1,749,000 (2024: approximately RMB1,828,000) related to convertible notes which were issued during the year ended 31 December 2022 and were fully converted during the year ended 31 December 2024 and approximately RMB2,927,000 (2024: approximately RMB1,272,000) related to interest-bearing borrowings.
- (c) The amounts due to directors are non-trade in nature, unsecured, interest-free and repayable on demand.
- (d) The amount due to an associate is non-trade in nature, unsecured, interest-free and repayable on demand.

## 15. INTEREST-BEARING BORROWINGS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Unsecured borrowings</b>		
– Fixed-rate other borrowings	1,443	8,426
– Fixed-rate bank loans	–	5,000
<b>Secured and/or guaranteed borrowings</b>		
– Fixed-rate other borrowings ( <i>Note (a)</i> )	17,601	–
– Variable-rate bank loans ( <i>Note (b)</i> )	24,000	27,000
	<u>43,044</u>	<u>40,426</u>
<b>Carrying amounts of the interest-bearing borrowings are repayable (<i>Remark</i>):</b>		
– On demand or less than 1 year	41,601	14,919
– 1 to 2 years	1,443	24,000
– 2 to 3 years	–	1,507
	<u>43,044</u>	<u>40,426</u>
<b>Less: Amounts shown in current liabilities</b>	<u>(41,601)</u>	<u>(38,919)</u>
<b>Amounts shown in non-current liabilities</b>	<u>1,443</u>	<u>1,507</u>
<b>Denominated in:</b>		
HK\$	19,044	8,426
RMB	24,000	32,000

*Remark:* At 31 December 2025, the interest-bearing borrowings of approximately RMB24,000,000 (2024: approximately RMB27,000,000), with a clause in the loan agreements that gave the lenders an overriding right to demand repayment without notice or with notice period of less than 12 months at their sole discretion, are classified as current liabilities even though the directors of the Company does not expect that the lenders would exercise their rights to demand repayment.

The ranges of effective interest rates on the Group's borrowings are as follows:

	2025 %	2024 %
Fixed-rate borrowings	8.00 – 12.00	2.45 – 12.00
Variable-rate borrowings	<u>3.25 – 3.35</u>	<u>3.25 – 3.35</u>

Notes:

- (a) At 31 December 2025, the other borrowings from an independent third party lender are secured by a deposit of approximately RMB23,627,000 (2024: Nil) (*Note 13*).
- (b) At 31 December 2025, the bank borrowings of approximately RMB24,000,000 (2024: approximately RMB27,000,000) are guaranteed by a financial institution (an independent third party) and the Group has pledged the right-of-use assets with carrying amount of approximately RMB11,945,000 (2024: approximately RMB12,325,000) and the buildings of a net carrying amount of approximately RMB2,073,000 (2024: RMB2,232,000) to the financial institution.

## 16. SHARE CAPITAL

	Number of ordinary shares (‘000)	Amount HK\$’000
<b>Authorised:</b>		
At 1 January 2024, ordinary shares of HK\$0.01 each	10,000,000	100,000
Decrease in number of authorised shares upon the Share Consolidation ( <i>Note</i> )	(9,600,000)	—
	<hr/>	<hr/>
At 31 December 2024, ordinary shares of HK\$0.25 each	400,000	100,000
Increase in number of authorised shares upon the Capital Reduction and Share Sub-division ( <i>Note</i> )	9,600,000	—
	<hr/>	<hr/>
<b>At 31 December 2025, ordinary shares of HK\$0.01 each</b>	<b>10,000,000</b>	<b>100,000</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Issued and fully paid:</b>		
At 1 January 2024, ordinary shares of HK\$0.01 each	3,210,223	32,102
Issue of shares upon conversion of convertible notes	612,245	6,122
Decrease in number of issued shares upon the Share Consolidation ( <i>Note</i> )	(3,669,569)	—
	<hr/>	<hr/>
At 31 December 2024 and 1 January 2025, ordinary shares of HK\$0.25 each	152,899	38,224
Decrease in amount of issued shares upon the Capital Reduction and Share Sub-division ( <i>Note</i> )	—	(36,695)
	<hr/>	<hr/>
<b>At 31 December 2025, ordinary shares of HK\$0.01 each</b>	<b>152,899</b>	<b>1,529</b>
	<hr/> <hr/>	<hr/> <hr/>
	<b>2025</b>	2024
	<b>RMB’000</b>	<b>RMB’000</b>
Shown in the consolidated and Company’s statement of financial position at 31 December	<b>1,421</b>	<b>35,534</b>
	<hr/> <hr/>	<hr/> <hr/>

*Note:*

On 4 July 2024, the Company, among others, proposed to impose (i) share consolidation on the basis that every twenty-five (25) issued and unissued ordinary shares of par value of HK\$0.01 each in the share capital of the Company into one (1) share of par value of HK\$0.25 each (“**Consolidated Share(s)**”) (the “**Share Consolidation**”); (ii) capital reduction (following the Share Consolidation) that the issued share capital of the Company will be reduced by cancelling the paid up capital to the extent of HK\$0.24 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$0.25 to HK\$0.01 (the “**Capital Reduction**”); and (iii) immediately after the Capital Reduction, each of the authorised but unissued Consolidated Shares of par value of HK\$0.25 each be sub-divided into twenty-five (25) new shares of par value of HK\$0.01 each (the “**Share Sub-division**”).

The Share Consolidation became effective on 13 August 2024 and the Capital Reduction and the Share Sub-division became effective on 3 February 2025.

Details of the above capital reorganisation are set out in the Company’s announcements dated 4 July 2024, 9 August 2024, 18 November 2024, 3 December 2024, 8 January 2025 and 27 January 2025 and the Company’s circular dated 24 July 2024.

## 17. CAPITAL COMMITMENTS

	<b>2025</b>	2024
	<b><i>RMB’000</i></b>	<i>RMB’000</i>
Contracted but not provided for net of deposits paid for acquisition of property, plant and equipment	<b>8,020</b>	52,244
Authorised but not contracted for acquisition of property, plant and equipment	<b>30,509</b>	—
	<b><u>38,529</u></b>	<u>54,244</u>

## **EXTRACT OF THE DRAFT INDEPENDENT AUDITOR’S REPORT**

The following is an extract of the draft independent auditor’s report on the Group’s draft consolidated financial statements for the year ended 31 December 2025.

### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the “*Basis for Qualified Opinion*” section of our report, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2025, and of its financial performance and cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **Basis for Qualified Opinion**

#### *Provision for litigation*

Due to the uncertainties in relation to the litigation as disclosed in Note 41 to the consolidated financial statements, we were unable to obtain sufficient appropriate audit evidence to assess whether any provision should be provided in relation to the litigation at 31 December 2025 and 2024 and the profit or loss effect on any provision for the litigation should be reported for the years ended 31 December 2025 and 2024.

We were unable to determine whether any adjustments to the figures as described above were necessary which might have a consequential effect on the Group’s financial performance and the elements making up its consolidated statement of changes in equity and its consolidated cash flow statement for the years ended 31 December 2025 and 2024 and the financial position of the Group at 31 December 2025 and 2024, and the related disclosures thereof in the consolidated financial statements.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

During the year ended 31 December 2025 (the “**Reporting Period**”), the Group was principally engaged in two businesses: (i) pharmaceutical products business and (ii) finance leasing business. The two businesses are stated as below:

#### Pharmaceutical Products Business

Since August 2022, Fujian Rui Chuang Health Industry Company Limited\* (福建瑞創健康產業有限公司) (“**Fujian Rui Chuang**”), the Company’s indirect wholly-owned subsidiary, has remained to be the core production centre as well as the exclusive sales channel of the Group’s own developed pharmaceutical products during the Reporting Period. The negative impact to our pharmaceutical products business brought by a very substantial increase in the general cost as well as a shortage in the volume of supply of traditional Chinese herbal materials in the PRC since the start of the year of 2023 has continued in 2025, which has adversely affected the gross profit margin as well as the volume of the sales of our own developed pharmaceutical products continued in the Reporting Period. In view of the continuous deterioration in gross profit margin and the gradual decrease in the sales volume of our own developed pharmaceutical products, the management has decided to downsize the production capacity of Fujian Rui Chuang in 2025, as such a write-off of and of Fujian Rui Chuang’s property, plant and equipment and right-of-use assets of RMB1,780,000 and RMB731,000 respectively have been made in the year ended 31 December 2024.

On the other hand, following the completion of the acquisition of a controlling 51% equity interests of Beijing Hangyang Health Technology Co., Ltd.\* (北京航洋健康科技有限公司) (“**Beijing Hangyang**”) on 14 May 2024, Beijing Hangyang has become a significant revenue contributor to the Company’s pharmaceutical product business, accounted for approximately 68.12% of the Company’s total revenue generated in the pharmaceutical product business in the Reporting Period.

\* English name is translated for identification purpose only.

Due to the significant drop in business and continuous operating losses recorded in recent years, the Company has disposed of its 100% equity interests in Fujian Zhixin Medicine Co., Limited\* (福建至信醫藥有限公司) (“**Fujian Zhixin**”), an indirect wholly-owned subsidiary of the Company, to an independent third party on 28 March 2025. Fujian Zhixin has not generated any sales revenue for the Group during the Reporting Period.

During the Reporting Period, the revenue derived from the pharmaceutical products business increased by 1.00% to approximately RMB85.90 million (2024: approximately RMB85.05 million). The loss sustained by the pharmaceutical products business for the Reporting Period was RMB7.26 million, as compared to a profit of RMB3.68 million for the corresponding period in 2024.

### **Finance Leasing Business**

The operation of the finance leasing business has been centralized in an indirect wholly-owned subsidiary of the Company, Union Development Financial Leasing (Shenzhen) Company Limited\* (聯合發展融資租賃(深圳)有限公司) (“**Union Development**”). The revenue derived from finance leasing business of the Group for the Reporting Period was nil (2024: RMB0.17 million) as most of the subsisting finance leasing contracts have expired and promptly settled before the beginning of the year 2024 and that the Group, having adopted a more prudent and cautious approach in the evaluation and granting of new finance leasing loans, had not entered into any new finance leasing contracts in the Reporting Period. Hence, the Group had nil customer as at 31 December 2025 (31 December 2024: nil customer).

### ***Business Model and Customer Profiles***

The Group’s finance leasing business mainly provides financial leasing services of medical devices and rehabilitation equipment which are complimentary to the Group’s existing pharmaceutical products business. The business of the lessees of our finance leases were generally in the medical industry, pharmaceutical industry and public infrastructure industry. However, the Group’s finance leasing services are not intended to be limited to any particular business or industry. Further, the products manufactured by the leased medical devices and rehabilitation equipment are not related to the business of the Group. The Group also does not preclude the possibility of providing financial leasing services for other types of devices and equipment.

\* English name is translated for identification purpose only.

### ***Credit Risk Assessment***

The potential lessee will first approach Union Development to confirm whether the equipment or devices fall within the scope in which financial leasing can be arranged. The management of Union Development will conduct site visits and carry out due diligence on the potential lessee, the equipment or devices proposed to be leased, assess the risks of the potential lease and followed by seeking the initial approval from the Group. The Group will further review, inter alia, the credit quality of the potential lessee, the purpose and value of the assets proposed to be leased, the financial conditions of the potential lessee, the ultimate beneficial owner(s) of the potential lessee and other relevant factors to assess the repayment capability of the potential lessee.

### ***Approval Process***

If the Group approves the finance lease in principle, the management of Union Development will further negotiate with the lessee on the terms of the transaction which include, inter alia, the lease terms, the interest rate, the option to purchase the equipment or device upon expiry of the lease term, etc. The Group will further check and seek professional advice on the compliance requirements and will comply with the requirements of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), including making timely disclosures and obtaining Shareholder’s approval, if necessary.

The Group has established several departments and committee including, the business department, the risk department, the finance department and the review committee to implement division of work (approval, release and review of the lease). The Group has also established lease approval procedures, internal guidelines and standard forms for the finance lease business, including the due diligence report on the lessees, lease approval checklist and lease evaluation checklists. Further, the management has also formulated pre-lease and post-lease administrative measures for various departments of Union Development to follow up, including the administration of guarantees and assets charges, monitoring of overdue payment, handling of leased assets and post-lease agreement follow ups.

The Board will be responsible for the final approval of material finance lease agreements and delegate one of the executive Directors to liaise with Union Development and directly monitor the finance lease projects with the responsible staff of Union Development, including the review of the due diligence report on the lessees, preparation of the finance lease documents, examination of the assets to be leased and registration of the charges thereto (if necessary), collection of the rental income, review of the risks and assets portfolio of the finance leases and regular site visits and reviews of the lessees. The Group also regularly monitors its working capital ratio, quick ratio and other relevant financial ratios in order to drive its finance leasing business forward as well as to balance the risks and return of the Group and its sustainability.

### ***Finance Lease Portfolio***

The Group has not entered into any new finance leasing agreements during the Reporting Period and hence the weighted average of the term of finance leases entered into by the Group is not applicable for the Reporting Period (2024: not applicable). In the past, in the event the lessee breaches the finance lease contract, the Group has the right to use or to sell the leased assets and to call for full or partial repayment of the outstanding balance of finance lease receivables.

The Company will continue to manage and monitor its finance leasing business with a prudent approach in order to maximise the long-term interests of the Shareholders.

## **OUTLOOK**

Looking forward to the year of 2026, our company remains focused on navigating the dynamic economic landscape with a commitment to sustainable growth. The macroeconomic environment in the PRC continues to be a focal point of our strategic planning. In light of current market trends and government policies, we are dedicated to proactively assessing opportunities and challenges. Our goal is to consolidate our competitive advantages while actively seeking new business investment opportunities in the PRC. By leveraging emerging technologies and innovative practices, we aim to enhance our market position.

As we move forward, we recognize that shifting consumer behaviors and increasing demand for sustainable products will play a significant role in shaping our strategies. Companies that prioritize sustainability and social responsibility are likely to gain a competitive edge. We are committed to aligning our operations with these values, which will resonate with an increasingly conscious consumer base.

To strengthen our financial performance, we will continue to implement stringent cost control measures. Our approach will remain flexible, allowing us to allocate resources effectively across various initiatives. This includes investing in digital transformation and operational efficiencies to drive productivity and reduce costs.

For pharmaceutical products business, following the completion of the Acquisition of Beijing Hangyang, the Group has started to achieve a growth in its sales revenue in the year of 2025 and expects a stable growth in the year of 2026. However, as a result of the significant increase in the cost as well as the volume of supply of traditional Chinese herbal materials in China since early 2023, the gross profit margin of our own developed pharmaceutical products will inevitably continue to be adversely affected.

For finance leasing business, the expected financial return from interests to be earned in granting financial leasing loans in China was not attractive and sometimes not well justified with the inherent risks of the business. Hence, the Group will closely monitor the development of the finance leasing market as well as the trend of the interest rates in China and will continue to take a prudent and cautious approach in the granting of new finance leasing loans in the near foreseeable future.

Looking ahead, while challenges persist, our commitment to sustainable growth in the PRC will guide our actions in the year of 2026. By focusing on strategic adaptability, sustainability and effective resource allocation, we maintain an optimistic and prudent approach in our ability to navigate the complexities of the market and achieve our long-term objectives.

## **FINANCIAL REVIEW**

### **Revenue**

For the year ended 31 December 2025, the Group generated a total revenue from continuing operations of approximately RMB85.90 million, representing an increase of approximately 0.80% as compared to approximately RMB85.22 million for the year ended 31 December 2024.

## **Distribution Costs**

For the year ended 31 December 2025, the distribution costs of the Group's continuing operations were approximately RMB8.60 million (2024: approximately RMB6.25 million), representing an increase of approximately RMB2.35 million, most of which was attributed by the distribution costs incurred by the Beijing Hangyang Group during the Reporting Period.

## **Administrative Expenses**

Administrative expenses for the Group's continuing operations amounted to approximately RMB28.70 million for the year ended 31 December 2025 (2024: approximately RMB26.05 million), representing an increase of approximately RMB2.65 million, most of which was attributed by the administrative expenses incurred by the Beijing Hangyang Group during the Reporting Period.

## **Gross Profit and Gross Profit Margin**

Gross profit and gross profit margin of the Group's continuing operations for the year ended 31 December 2025 amounted to approximately RMB14.33 million and 16.69% respectively (2024: approximately RMB16.86 million and 19.79% respectively). Gross profit decreased by approximately RMB2.53 million as compared with the corresponding period in 2024, which was mainly attributable to the decrease in both the sales volume of self-manufactured pharmaceutical products and the significantly lower gross profit margin recorded as a direct result of the very substantial increase in the general costs of traditional Chinese herbal materials in the PRC, which outweighed the increase in selling price of the Company's end-products, in the Reporting Period.

## **Finance Costs**

Finance costs of the Group's continuing operations for the year ended 31 December 2025 amounted to approximately RMB2.82 million (2024: approximately RMB2.20 million). The finance costs mainly represented the interest expenses attributable to the interest-bearing borrowings.

## **Loss for the Reporting Period**

Loss attributable to owners of the Company was approximately RMB22.04 million for the year ended 31 December 2025, as compared to the profit attributable to owners of the Company of approximately RMB4.89 million in the corresponding period in 2024. This was mainly attributable to (i) the fact that the Company has recorded a net loss on disposals of subsidiaries of approximately RMB0.8 million in 2025 while the Company has recorded a substantial one-time non-recurring net gain on disposals of subsidiaries of approximately RMB17.1 million in the corresponding period of 2024; (ii) that the Company has recorded a decrease in its gross profit in 2025 of approximately RMB2.5 million as compared to the corresponding period of 2024 mainly due to the continuous increase in the cost of herbal materials which outweighed the increase in selling price of the Company's end-products; and (iii) that the Company has accounted for an increase in its distribution costs and administration expenses combined of approximately RMB5.0 million in the Current Period, mainly attributable to Beijing Hangyang Health Technology Co., Ltd.\* (北京航洋健康科技有限公司) and its subsidiaries, the major part of which was not being accounted for in the corresponding period of 2024.

## **Basic and Diluted Loss per Share**

The basic and diluted loss per share for the year ended 31 December 2025 from continuing operations was approximately RMB14.41 cent and RMB14.41 cent respectively (2024: approximately RMB8.54 cent and RMB8.54 cent respectively).

## **Liquidity and Financial Resources**

As at 31 December 2025, the Group had cash and cash equivalents of approximately RMB298.60 million (2024: approximately RMB340.43 million) and most cash and cash equivalents were denominated in Renminbi and Hong Kong dollars.

## **Capital Structure and Gearing Ratio**

As at 31 December 2025, the total number of issued shares of the Company was 152,898,695 shares (as at 31 December 2024: 152,898,695 shares).

As at 31 December 2025, the share capital and equity attributable to owners of the Company amounted to approximately RMB1.42 million and approximately RMB298.26 million respectively (2024: approximately RMB35.53 million and approximately RMB321.99 million respectively).

\* English name is translated for identification purpose only.

The Group had reviewed the capital structure by using gearing ratio. The gearing ratio represents the total debt, which includes trade and other payables, interest-bearing borrowings, lease liabilities and convertible notes of the Group, divided by total equity of the Group. The gearing ratio of the Group was approximately 29.90% as at 31 December 2025 (2024: approximately 32.97%).

### **Exposure to Fluctuation in Exchange Rates**

For the Reporting Period, the Group conducted most of its business transactions in Renminbi. The Group has not experienced any material difficulties or negative impacts on its operations as a result of the fluctuations in currency exchange rates. As at 31 December 2025, the Group did not have any foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purpose. Therefore, the Group was not exposed to any material interest and exchange risks during the Reporting Period. The management, however, will monitor and consider hedging foreign currency exposure should the need arise.

### **CAPITAL COMMITMENTS AND CONTINGENCIES**

As at 31 December 2025, save as disclosed in note 17 to this announcement, the Group did not have any other significant capital commitment (2024: Nil).

Save as disclosed in this announcement, the Group did not have any other significant contingent liabilities as at the date of this announcement (2024: Nil).

### **SIGNIFICANT ACQUISITIONS AND DISPOSAL OF INVESTMENTS**

#### **Disposal of 99% equity interests of Luannan Hangyang Health Industry Co., Ltd. (瀾南航洋健康產業有限公司) (“Luannan Hangyang”)**

Beijing Hangyang Health Technology. Co., Ltd.\* (北京航洋健康科技有限公司), a non wholly-owned subsidiary of the Company, as the vendor, entered into a sales and purchase agreement with Ms. Xue Wenfen (薛文芬), as the purchaser, pursuant to which the vendor has agreed to sell and the purchaser has agreed to purchase, the sales shares representing 99% equity interests in Luannan Hangyang for a cash consideration of RMB18.69 million upon the terms and conditions set out in the sales and purchase agreements.

\* English name is translated for identification purpose only.

The Board believes that divesting Luannan Hangyang enables the Group to streamline its operations, obtain extra funding, and reallocate resources to markets and business segments where the Group has a stronger competitive advantage and expertise. The disposal was completed on 10 November 2025. For further details of the aforesaid disposal, please refer to the announcement of the Company dated 10 November 2025.

Save for those acquisition and disposals disclosed in this announcement, there were no significant acquisition and disposal of investments during the Reporting Period.

As at 31 December 2025, none of each individual investment held by the Group constituted 5% or above of the total assets of the Group and thus no significant investment was held by the Group.

Save as disclosed in this announcement, there was no other significant acquisition and disposal of investments held during the Reporting Period.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS, ACQUISITIONS AND CAPITAL ASSETS**

Save as disclosed in this announcement, the Group did not have other plans for material investments, acquisitions and capital assets during the Reporting Period.

## **NUMBER AND REMUNERATION OF EMPLOYEES**

For the Reporting Period, the Group employed approximately 160 employees (2024: 164 employees) with total staff cost of approximately RMB23.20 million (2024: approximately RMB16.82 million) from continuing operations. The Group determined staff remuneration with reference to the prevailing market salary scales, individual qualifications and performance. Remuneration packages, including performance bonuses and entitlements to share options, are reviewed on a regular basis.

## **RETIREMENT BENEFIT SCHEME**

During the years ended 31 December 2024 and 2025, the Group had no forfeited contributions under its retirement benefit scheme which may be used to reduce the existing level of contributions.

## **CAPITAL EXPENDITURE**

For the years ended 31 December 2024 and 2025, there was no significant capital expenditure of the Group for property, plant and equipment.

## **CHARGES ON THE GROUP'S ASSETS**

As at 31 December 2025, save as disclosed in note 15 to this announcement, no other assets of the Group have been pledged as security for the borrowings of the Group.

As at 31 December 2024, no assets of the Group have been pledged as security for the borrowings of the Group.

## **DIVIDEND**

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

## **SHARE OPTION SCHEME**

The Company has adopted a share option scheme (the “**Old Share Option Scheme**”) for, among others, the senior management and employees on 8 January 2007, which serve as incentives or rewards to attract, retain and motivate its staff. The Old Share Option Scheme has already expired on 7 January 2017.

Pursuant to the ordinary resolution passed on 16 June 2017, the Company has adopted another share option scheme (the “**New Share Option Scheme**”) for, among others, the senior management and employees, which serves as incentives or rewards to attract, retain and motivate staff. The New Share Option Scheme will remain valid for a period of 10 years commencing from 21 June 2017. Under the New Share Option Scheme, the Board may grant options to all full-time employees, Directors (including independent non-executive Directors) and part-time employees with weekly working hours of 10 hours and above, of the Group, substantial shareholders of each member of the Group, associates of the directors and substantial shareholders of any member of the Group, trustee of any trust pre-approved by the Board, and any advisor (professional or otherwise) or consultant, distributor, supplier, agent, customer, joint venture partner, service provider of the Group whom the Board considers, at its sole discretion, has contributed or contributes to the Group.

Pursuant to the ordinary resolution passed at the annual general meeting of the Company held on 5 January 2022, the scheme mandate limits of the New Share Option Scheme were refreshed. The said refreshed scheme mandate limits were solely used to grant options to all full-time employees, Directors (including independent non-executive Directors) and part-time employees with weekly working hours of 10 hours and above of the Group under the New Share Option Scheme as incentives or rewards for their continuous contributions and loyalty to the Group. Unless approved by the general meeting, the total number of Shares issued and to be issued upon exercise of the options granted to each participant under the scheme in any 12-month period must not exceed 1% of the Shares in issue. On 29 April 2022, 174,000,000 share options were granted by the Company to certain eligible persons under the New Share Option Scheme including 5 Directors at the exercise price of HK\$0.084 per share. Further details of the said share options granted are set out in the announcement of the Company dated 29 April 2022.

## **ADJUSTMENT TO THE NEW SHARE OPTION SCHEME**

Reference is made to the announcement of the Company dated 9 August 2024. As a result of the Share Consolidation (as defined below), the number of the options available for grant under the New Share Option Scheme was adjusted from 132,722,250 to 5,308,890, and the exercise price and the number of shares of the Company to be issued upon exercise of the outstanding Share Options already granted were adjusted with effect from the effective date (i.e. on Tuesday, 13 August 2024) of the Share Consolidation. The exercise price was adjusted from HK\$0.084 to HK\$2.10 for the outstanding Share Options (as defined below) and the number of shares of the Company to be issued upon exercise of the outstanding Share Options were adjusted from 31,000,000 to 1,240,000, on 13 August 2024.

The number of options available for grant under the refreshed mandate of the New Share Option Scheme as at 1 January 2025 and 31 December 2025 was 5,308,890 and 5,308,890 respectively. Other than the abovementioned share option schemes, the Company does not have other share schemes. No Share Option was granted during the Reporting Period.

The following table sets out the movements in the share options of the Company (the “Share Options”) during the Reporting Period:

Category of participant	Number of Share Options					Date of grant	Exercise period	Exercise price	Closing price of the shares immediately before the date of grant
	At 1 January 2025	Granted during the year	Lapsed during the year	Exercised during the year	At 31 December 2025				
<b>Directors</b>									
Professor Zhang Rongqing (Note 2)	240,000	-	(240,000)	-	-	29 April 2022	29 April 2022 to 28 April 2032	2.10	1.95
	<u>240,000</u>	<u>-</u>	<u>(240,000)</u>	<u>-</u>	<u>-</u>				
<b>Other participant</b>									
Employees in aggregate	400,000	-	-	-	400,000	29 April 2022	29 April 2022 to 28 April 2032	2.10	1.95
	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400,000</u>				
	<u><u>640,000</u></u>	<u><u>-</u></u>	<u><u>(240,000)</u></u>	<u><u>-</u></u>	<u><u>400,000</u></u>				

Note:

1. The Share Options are not subject to any vesting period.
2. Professor Zhang Rongqing is a former director of the Company who have resigned with effect from 26 June 2025. Accordingly, the share options held by Professor Zhang Rongqing have lapsed on 26 September 2025.

## LITIGATION

The Company has received a civil judgement (the “**Judgement**”) dated 22 December 2020 issued by 北京市第四中級人民法院 (the No. 4 Intermediate People’s Court of Beijing\*) (the “**Court**”) in relation to a civil litigation (the “**Litigation**”) brought by 北京市文化科技融資租賃股份有限公司 (Beijing Cultural Technology Finance Lease Company Limited\*, the “**Plaintiff**”) against, among others, (a) the Company; (b) 福建三愛藥業有限公司 Fujian Sanai Pharmaceutical Company Limited (“**Fujian Sanai Pharmaceutical**”)(the disposal of which was completed in April 2019); (c) Lin Ouwen, a former executive Director; and (d) Lin Min, a former executive Director.

The Plaintiff first filed a statement of claim (the “**Statement of Claim**”) with the Court on 30 August 2018, whereby, among others, the Plaintiff alleged that (i) Fujian Sanai Pharmaceutical, a then subsidiary of the Company, had entered into a finance lease agreement (the “**Finance Lease Agreement 2016**”) with the Plaintiff on 21 March 2016, pursuant to which the Plaintiff agreed to lease certain assets to Fujian Sanai Pharmaceutical for a term of 36 months with a total leasing cost of RMB134,954,600 at an interest rate of 8.3%; (ii) each of the Company, Lin Ouwen and Lin Min, entered into a guarantee agreement with the Plaintiff respectively to provide joint guarantee (the “**Guarantee**”) for the debts owed by Fujian Sanai Pharmaceutical under the Finance Lease Agreement 2016; and (iii) Fujian Sanai Pharmaceutical had failed to pay the rent payable under the Finance Lease Agreement 2016 since 20 August 2017, and the Company, Lin Ouwen and Lin Min had failed fulfill their obligations as guarantors. The Statement of Claim was received by the Company in July 2019.

As such, the Plaintiff demanded, among others, that (i) Fujian Sanai Pharmaceutical immediately pays to the Plaintiff the unpaid due rent in the amount of RMB33,855,032.69 with the default interest accrued thereon, undue rent in the amount of RMB47,592,982.21, default payment in the amount of RMB4,759,298.22 (being 10% of the undue rent), the legal fees in the amount of RMB800,000, the retention purchase price of RMB100 and the cost incurred in relation to the Litigation; and (ii) the Company, Lin Ouwen and Lin Min be jointly liable for the debts owed by Fujian Sanai Pharmaceutical under the Finance Lease Agreement 2016.

The Plaintiff also submitted to the Court a copy of the alleged minutes of the Board meeting held on 22 March 2016, during which resolutions were passed to approve, inter alia, the provision of the Guarantee by the Company. However, only two of the then Directors, Lin Ouwen and Lin Qingping, were recorded to have attended and voted on the said resolutions.

Pursuant to the Judgement, among other things, Fujian Sanai Pharmaceutical shall, within ten days of the Judgement, pay to the Plaintiff the unpaid due rent under the Finance Lease Agreement 2016 in the amount of RMB33,855,032.69 with the default interest accrued thereon, the accelerated due rent under the Finance Lease Agreement 2016 in the amount of RMB47,592,982.21, the default payment in the amount of RMB4,759,298.22, the retention purchase price of RMB100, the legal fees in the amount of RMB800,000, the announcement fees in the amount of RMB2,650, the preservation insurance fees in the amount of RMB175,636.06 and the preservation fees in the amount of RMB5,000 (collectively the “**Judgement Amount**”); and the Company, Lin Ouwen and Lin Min shall be jointly liable for the Judgement Amount, and they are entitled to claim against Fujian Sanai Pharmaceutical after discharging such joint liabilities.

The Company has lodged an appeal (the “**Appeal**”) against the Judgement to 北京市高級人民法院 (the Higher People’s Court of Beijing\*) on 22 January 2021.

In the Appeal, the Company has pleaded to 北京市高級人民法院 (the Higher People’s Court of Beijing\*) to rule that the Finance Lease Agreement 2016 and the Guarantee were invalid, and to reject all of the Plaintiff’s claims.

On 18 December 2023, the Company has received a 民事裁定書 (civil judgement) (the “**Civil Judgement**”) on the Appeal from the 北京市高級人民法院 (the Higher People’s Court of Beijing\*). Pursuant to the Civil Judgement, among other things, (i) the judgement of 北京市第四中級人民法院 (the No. 4 Intermediate Peoples’ Court of Beijing) (the “**Intermediate People’s Court**”) was dismissed; and (ii) the case was returned to the Intermediate People’s Court for retrial.

The case regarding the Litigation has been returned to the Intermediate People’s Court for retrial (the “**Retrial**”). On 29 April 2025, the Company has received a 民事判決書 (civil judgement) (the “**Second Civil Judgement**”) on the Retrial from 北京市第四中級人民法院 (the No. 4 Intermediate People’s Court of Beijing\*). Pursuant to the Second Civil Judgement, among other things, the payment obligation including the outstanding principal under the Finance Lease Agreement in the amount of RMB67,371,546.21, the outstanding default interest in the amount of RMB57,636,357.78, the default payment in the amount of RMB 2,904,331.80, the legal fees in the amount of RMB800,000 and preservation insurance fees in the amount of RMB175,636.06 (collectively the “**Litigation Amount**”) owed by Fujian Sanai to the Plaintiff is affirmed; and the Company, Lin Ouwen and Lin Min shall be jointly liable for the Litigation Amount, and they are entitled to claim against Fujian Sanai after discharging of such joint liabilities.

On 23 May 2025, the Company has lodged an appeal (the “**Second Appeal**”) against the Second Civil Judgement to 北京市高級人民法院 (the High People’s Court of Beijing\*). Pursuant to the Second Appeal, the Company has pleaded to 北京市高級人民法院 (the High People’s Court of Beijing\*) to rule that the Finance Lease Agreement and the Guarantee were invalid, and to reject all of the Plaintiff’s claims.

As at the date of this announcement, the Second Appeal at 北京市高級人民法院 (the High People’s Court of Beijing\*) is in progress.

For further details, please refer to the announcements of the Company dated 18 January 2021, 4 February 2021, 1 June 2023 and 19 December 2023, 12 May 2025 and 23 May 2025.

## **EVENTS AFTER THE REPORTING PERIOD**

There was no other major subsequent events occurred subsequent to the Reporting Period and up to the date of this announcement.

### **Capital reduction and Share sub-division**

The issued share capital of the Company had been proposed to be reduced by cancelling the paid up capital to the extent of HK\$0.24 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share reduced from HK\$0.25 to HK\$0.01 and each of the authorized but unissued Consolidated Share of par value of HK\$0.25 each be subdivided into twenty-five (25) new shares of par value of HK\$0.01 each (the “**Capital Reduction**”). Immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of par value of HK\$0.25 each be sub-divided into twenty-five (25) new shares (the “**New Share(s)**”) of par value of HK\$0.01 each (the “**Share Sub-division**”).

On 24 January 2025 (Cayman Islands time), a copy of the order of the Grand Court confirming the Capital Reduction and the Share Sub-division and the minutes approved by the Grand Court containing the particulars required under the Companies Act with respect to the capital reduction were filed and duly registered with the Registrar of Companies in the Cayman Islands.

All the other conditions for the implementation of the Capital Reduction and the Share Sub-division as set out in the circular of the Company dated 24 July 2024 were fulfilled and the Capital Reduction and the Share Sub-division became effective, both before 9:00 a.m. on Monday, 3 February 2025 (Hong Kong time) and the dealing in the New Shares commenced at 9:00 a.m. on Monday, 3 February 2025 (Hong Kong time).

Further details of the above are set out in the announcements of the Company dated 4 July 2024 and 9 August 2024, and the circular of the Company dated 24 July 2024, and the update announcements dated 18 November 2024, 3 December 2024, 8 January 2025 and 27 January 2025.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2025.

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **Compliance with the Corporate Governance Code**

The Company is committed to achieving a high standard of corporate governance practice, such that the interests of the Company’s shareholders, customers, employees as well as the long term development of the Company can be safeguarded.

The Company has complied with the provisions as set out in the Corporate Governance Code (“**CG Code**”) contained in Appendix C1 to the Listing Rules during the Reporting Period, except for the deviation below:

In respect of the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer of the Company shall be separated and shall not be performed by the same individual. During the Reporting Period, there was no Chairman of the Company and Mr. She Hao is the Deputy Chief Executive Officer of the Company. On the other hand, there are three independent non-executive Directors at the Board, all of them are independent from the Company and the Board believes that there is a sufficient check and balance at the Board. Therefore, the Board considers that the Company has provided sufficient protection to its interests and the interests of its shareholders. The Board shall review the structure from time to time and shall consider appropriate adjustments should suitable circumstances arise.

## CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B of the Listing Rules, the changes of information of the Directors subsequent to the date of the annual report for the year ended 31 December 2024 are set out below:

- Mr. Khor Khie Liem Alex resigned as an independent non-executive director of Xinming China Holdings Limited (stock code: 2699) and an independent non-executive Director of Pa Shun International Holdings Limited (stock code: 574) with effect from 14 April 2025 and 26 June 2025 respectively; and
- On 20 June 2025, Mr. Chen Chengqing retired as an executive Director and was not re-elected at the annual general meeting with effect from 20 June 2025; and
- On 26 June 2025, Professor Zhang Rongqing has tendered his resignation as an executive Director with effect from 26 June 2025.

Further details were disclosed in the announcements of the Company dated 20 June 2025 and 26 June 2025.

## COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Upon specific enquiries made by the Company, all Directors have confirmed that they have fully complied with the required standards as set out in the Model Code and its code of conduct regarding Directors’ securities transactions throughout the Reporting Period.

## **SCOPE OF WORK OF FORVIS MAZARS CPA LIMITED (“FORVIS MAZARS”)**

The figures in respect of the Group’s consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, and the consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by the Group’s auditor, Forvis Mazars, to the amounts set out in the Group’s draft consolidated financial statements for the year ended 31 December 2025. The work performed by Forvis Mazars in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Forvis Mazars on the preliminary announcement.

## **AUDIT COMMITTEE REVIEW**

An audit committee has been established by the Company to review the financial reporting process, risk management and internal control systems of the Group. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Khor Khie Liem Alex (“**Mr. Khor**”), Prof. Zhu Yi Zhun and Ms. Tsui Yuen Tan. Mr. Khor serves as the chairman of the Audit Committee, who possesses the professional qualification and experience in financial matters in compliance with the requirements of the Listing Rules.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters, including the review of the consolidated financial statements of the Group for the year ended 31 December 2025. They considered that the preparation of the annual results for the year ended 31 December 2025 are in compliance with the relevant accounting standards, rules and regulations and that appropriate disclosures have been made.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company (the “**AGM**”) will be held after despatch of the annual report for the year ended 31 December 2025. A notice of the AGM will be published and despatched to the shareholders of the Company in due course.

## **SUFFICIENCY OF THE PUBLIC FLOAT**

Based on the information publicly available to the Company and to the best knowledge, information and belief of the Directors, the Directors confirm that the Company had maintained a sufficient public float as required under the Listing Rules during the Reporting Period.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

The annual results announcement are published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.1889hk.com](http://www.1889hk.com)) and the annual report of the Company for the Reporting Period will be dispatched to the shareholders of the Company and published on the Company's and the Stock Exchange's websites in due course.

## **ACKNOWLEDGEMENT**

The Group would like to extend its sincere gratitude to the management team and all other employees for their hard work and dedication. Their excellence and commitment are of vital importance in enhancing the Company's sustainability. Finally, the Group would like to take this opportunity to thank our shareholders and all other stakeholders for their continuous support and confidence in us.

By order of the Board  
**Sanai Health Industry Group Company Limited**  
**She Hao**  
*Executive Director*

Hong Kong, 31 March 2026

*As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Yuan Chaoyang, Mr. She Hao and Mr. Xie Haijing, and three independent non-executive directors, namely, Professor Zhu Yi Zhun, Mr. Khor Khie Liem Alex and Ms. Tsui Yuen Tan.*