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EC Healthcare

醫思健康

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2138)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2026**

| FINANCIAL HIGHLIGHTS | | | |
|---|----------------|-------------|-------------|
| <i>For the year ended 31 March 2026 in HK\$ millions</i> | | | |
| | FY26 | FY25 | YoY% |
| Total Revenue | 3,770.2 | 4,140.2 | -8.9% |
| Medical | 2,080.2 | 2,507.3 | -17.0% |
| Aesthetic medical and beauty and wellness | 1,322.9 | 1,296.1 | 2.1% |
| Veterinary and other | 367.1 | 336.8 | 9.0% |
| (LBITDA)/EBITDA | (110.1) | 307.8 | -135.8% |
| Adjusted EBITDA | 280.3 | 375.2 | -25.3% |
| Net cash generated from operating activities | 606.6 | 743.2 | -18.4% |
| Net loss | (412.9) | (111.9) | 268.9% |
| Loss per share (HK cents) attributable to equity shareholders of the Company | | | |
| Basic and Diluted | (34.0) | (14.1) | 141.1% |
| Dividend per share (HK cents) | | | |
| Interim | 0.0 | 1.0 | |
| Final | 0.0 | 0.0 | |
| <i>As at 31 March 2026</i> | | | |
| Cash and cash equivalents and time deposits | 777.3 | 1,054.9 | |
| Current financial assets at fair value through profit or loss | 211.4 | 17.2 | |
| Total debt | 600.9 | 796.5 | |
| Total equity | 1,710.8 | 2,205.0 | |
| Total debt/equity | 35.1% | 36.1% | |
| Total debt/adjusted EBITDA | 2.1x | 2.1x | |

LBITDA/EBITDA equals loss/earnings before interests, taxation, depreciation-owned property, plant and equipment and amortisation. LBITDA/EBITDA is not standard measure under HKFRS. The Company's management believes that LBITDA/EBITDA, as a proxy of operating cash flow generated by the Group's businesses, provide investors with useful supplementary information to assess the performance of the Group.

In addition to LBITDA/EBITDA, we present Adjusted EBITDA as a supplemental non-HKFRS financial measure.

We present these financial measures because they are used by our management to evaluate our financial performance by eliminating the impact of items (i.e. one off and non-recurring items) that we do not consider indicative of the performance of our business. We also believe that the Adjusted EBITDA provide additional information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management and in comparing financial results across accounting periods.

When assessing our operating and financial performance, readers should not view the Adjusted EBITDA in isolation or as a substitute for our profit for the period or any other operating performance measure that is calculated in accordance with HKFRS. In addition, because Adjusted EBITDA may not be calculated in the same manner by all companies, they may not be comparable to other similarly titled measures used by other companies.

The following table sets out the reconciliation of the adjusted EBITDA, (LBITDA)/EBITDA and (loss)/profit before tax for the years indicated:

| | Year ended 31 March | | | | |
|--|---------------------|----------------|----------------|----------------|----------------|
| | 2026 | 2025 | 2024 | 2023 | 2022 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| (Loss)/profit before tax | (410,161) | (101,140) | 16,874 | 136,189 | 321,411 |
| Finance costs | 71,673 | 89,442 | 100,837 | 63,636 | 48,907 |
| Depreciation-owned property, plant and equipment | 152,303 | 218,762 | 177,073 | 137,204 | 96,031 |
| Amortisation of intangible assets | 92,106 | 118,182 | 108,921 | 97,767 | 71,379 |
| Bank and other interest income | (15,123) | (17,400) | (15,573) | (4,526) | (1,364) |
| Interest income on financial assets at fair value through profit or loss | (901) | – | – | – | – |
| (LBITDA)/EBITDA | (110,103) | 307,846 | 388,132 | 430,270 | 536,364 |
| Impairment loss on goodwill | 198,248 | 115,599 | – | 7,481 | – |
| Impairment loss on property, plant and equipment | 71,223 | – | – | – | – |
| Impairment loss on intangible assets | 74,575 | – | – | – | – |
| Impairment loss on interest in a joint venture | – | 9,892 | – | – | – |
| Share of impairment loss on interest in an associate [#] | – | 87,979 | – | – | – |
| Unrealised and realised losses on financial assets at fair value through profit or loss, net | 4,127 | 10,939 | 24,582 | 19,093 | 11,565 |
| Fair value loss/(gain) on other receivables | 6,906 | 36,039 | 1,254 | (13,560) | 3,792 |
| Fair value loss/(gain) on investment properties | 65,721 | 68,692 | 26,378 | (2,200) | (10,800) |
| Remeasurement loss on previously-held interest in an associate | – | 5,921 | – | – | – |
| (Gain)/loss on disposals of subsidiaries, net | (24,882) | (268,214) | 84 | – | – |
| Settlement income | (7,132) | – | – | – | – |
| Loss/(gain) on disposals and write-off of property, plant and equipment | 2,389 | 1,298 | 1,751 | (3,636) | (19,115) |
| Government grants | (742) | (841) | (538) | (51,877) | (2,280) |
| Adjusted EBITDA | <u>280,330</u> | <u>375,150</u> | <u>441,643</u> | <u>385,571</u> | <u>519,526</u> |

[#] Included in share of profits/(losses) of associates

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2026

| | <i>Notes</i> | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
|--|--------------|--------------------------------|-------------------------|
| REVENUE | 5 | 3,770,192 | 4,140,212 |
| Other net income and (losses)/gains | 6 | (37,528) | 186,785 |
| Impairment loss on non-financial assets | | (344,046) | (125,491) |
| Cost of inventories sold and consumed | | (817,998) | (797,951) |
| Registered practitioner expenses | | (829,965) | (1,075,846) |
| Employee benefit expenses | | (1,009,658) | (1,016,496) |
| Marketing and advertising expenses | | (152,211) | (177,469) |
| Rental and related expenses | | (104,108) | (91,633) |
| Depreciation – right-of-use assets | | (267,832) | (294,033) |
| Depreciation – owned property, plant and equipment | | (152,303) | (218,762) |
| Amortisation of intangible assets | | (92,106) | (118,182) |
| Charitable donations | | (242) | (138) |
| Finance costs | 7 | (71,673) | (89,442) |
| Credit card expenses | | (62,049) | (72,363) |
| Administrative and other expenses | | (247,135) | (254,900) |
| Share of results of joint ventures | | 6,458 | 1,284 |
| Share of results of associates | | 2,043 | (96,715) |
| | | <hr/> | <hr/> |
| LOSS BEFORE TAX | 8 | (410,161) | (101,140) |
| Income tax expense | 9 | (2,706) | (10,778) |
| | | <hr/> | <hr/> |
| LOSS FOR THE YEAR | | (412,867) | (111,918) |
| | | <hr/> | <hr/> |
| Attributable to: | | | |
| Equity shareholders of the Company | | (402,718) | (167,186) |
| Non-controlling interests | | (10,149) | 55,268 |
| | | <hr/> | <hr/> |
| | | (412,867) | (111,918) |
| | | <hr/> | <hr/> |
| | | <i>HK cents</i> | <i>HK cents</i> |
| LOSS PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY | <i>10</i> | | |
| Basic and diluted | | (34.0) | (14.1) |
| | | <hr/> | <hr/> |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

| | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| LOSS FOR THE YEAR | (412,867) | (111,918) |
| OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR | | |
| Item that may be reclassified subsequently to profit or loss: | | |
| Exchange differences on translation of financial statements of subsidiaries outside Hong Kong, net of tax | 3,287 | (1,314) |
| Item that will not be reclassified subsequently to profit or loss: | | |
| Fair value loss on financial assets at fair value through other comprehensive income, net of tax | — | (6,000) |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR | <u>(409,580)</u> | <u>(119,232)</u> |
| Attributable to: | | |
| Equity shareholders of the Company | (399,431) | (174,500) |
| Non-controlling interests | <u>(10,149)</u> | <u>55,268</u> |
| | <u>(409,580)</u> | <u>(119,232)</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

| | <i>Notes</i> | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | | 824,350 | 1,059,432 |
| Investment properties | | 196,480 | 104,230 |
| Goodwill | | 556,298 | 754,546 |
| Intangible assets | | 377,416 | 543,834 |
| Interests in joint ventures | | 32,481 | 31,473 |
| Interests in associates | | 234,815 | 201,838 |
| Rental and other deposits | | 89,037 | 102,052 |
| Prepayments and other receivables | | 114,991 | 132,255 |
| Financial assets at fair value through other comprehensive income | <i>13(a)</i> | 3,637 | 3,637 |
| Financial assets at fair value through profit or loss | <i>13(b)</i> | 159,052 | 102,143 |
| Deferred tax assets | | 102,063 | 110,527 |
| Total non-current assets | | 2,690,620 | 3,145,967 |
| CURRENT ASSETS | | | |
| Inventories | <i>11</i> | 153,175 | 152,545 |
| Trade receivables | <i>12</i> | 267,753 | 323,708 |
| Prepayments, deposits and other receivables | | 189,880 | 226,108 |
| Deferred costs | | 50,704 | 90,034 |
| Financial assets at fair value through profit or loss | <i>13(b)</i> | 211,372 | 17,158 |
| Tax recoverable | | 8,583 | 16,475 |
| Time deposits with original maturity of over 3 months | <i>14</i> | 10,351 | 50,980 |
| Cash and cash equivalents | <i>14</i> | 766,937 | 1,003,913 |
| Total current assets | | 1,658,755 | 1,880,921 |

| | <i>Notes</i> | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
|--|--------------|--------------------------------|-------------------------|
| CURRENT LIABILITIES | | | |
| Trade payables | <i>15</i> | 81,525 | 106,032 |
| Other payables and accruals | | 343,257 | 431,368 |
| Bank borrowings | <i>16</i> | 600,949 | 252,955 |
| Lease liabilities | | 179,654 | 232,644 |
| Convertible bonds | <i>18</i> | – | 254,325 |
| Deferred revenue | | 539,095 | 570,210 |
| Tax payable | | 17,545 | 38,483 |
| | | <hr/> | <hr/> |
| Total current liabilities | | 1,762,025 | 1,886,017 |
| | | <hr/> | <hr/> |
| NET CURRENT LIABILITIES | | (103,270) | (5,096) |
| | | <hr/> | <hr/> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 2,587,350 | 3,140,871 |
| | | <hr/> | <hr/> |
| NON-CURRENT LIABILITIES | | | |
| Deferred tax liabilities | | 39,777 | 77,044 |
| Lease liabilities | | 477,526 | 314,027 |
| Other payables | | 332,866 | 229,233 |
| Bank borrowings | <i>16</i> | – | 289,179 |
| Provision for reinstatement costs | | 26,392 | 26,392 |
| | | <hr/> | <hr/> |
| Total non-current liabilities | | 876,561 | 935,875 |
| | | <hr/> | <hr/> |
| NET ASSETS | | 1,710,789 | 2,204,996 |
| | | <hr/> | <hr/> |
| CAPITAL AND RESERVES | | | |
| Issued share capital | <i>17(b)</i> | 12 | 12 |
| Reserves | | 1,384,976 | 1,793,365 |
| | | <hr/> | <hr/> |
| Total equity attributable to equity shareholders of the Company | | 1,384,988 | 1,793,377 |
| Non-controlling interests | | 325,801 | 411,619 |
| | | <hr/> | <hr/> |
| TOTAL EQUITY | | 1,710,789 | 2,204,996 |
| | | <hr/> | <hr/> |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

| | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Net cash flows from operating activities | 606,559 | 743,241 |
| Net cash flows (used in)/from investing activities | (275,811) | 341,280 |
| Net cash flows used in financing activities | <u>(570,484)</u> | <u>(633,787)</u> |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (239,736) | 450,734 |
| Cash and cash equivalents at beginning of year | 1,003,913 | 553,625 |
| Effect of changes in foreign exchange rates | <u>2,760</u> | <u>(446)</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>766,937</u> | <u>1,003,913</u> |

NOTES TO THE ANNOUNCEMENT

1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at 20/F, FWD Tower, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (together referred to as the "Group") are principally engaged in the provision of medical and healthcare services.

2. BASIS OF PREPARATION

The consolidated financial statements for the year ended 31 March 2026 comprise the Company and its subsidiaries and the Group's interests in joint ventures and associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for investment properties, certain other receivables, financial assets at fair value through profit or loss and financial assets designated at fair value through other comprehensive income which have been measured at fair value.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Going concern basis

Notwithstanding the net current liabilities of HK\$103,270,000 as at 31 March 2026 and incurred a loss for the year of HK\$412,867,000, the Group's consolidated financial statements have been prepared on a going concern basis.

In assessing the appropriateness of the going concern assumption, the directors of the Company have reviewed the Group's cash flow projections prepared by management, covering a period of twelve months from 31 March 2026. Based on this assessment, the directors are of the opinion that the Group will have adequate financial resources to meet its obligations as and when they fall due, taking into account the following:

- (a) the Group is expected to generate positive operating cash flows in connection with its principal activities; and
- (b) deferred revenue of approximately HK\$539,095,000 as at 31 March 2026 mainly relates to non-refundable prepaid packages for which settlement (i.e., recognised as revenue) is expected within one year without material cash outflow.

In addition, subsequent to the end of the reporting period and up to the date of this announcement, the Group has obtained a waiver from a bank in respect of non-compliance of a financial covenant. The interest-bearing bank borrowings of HK\$517,672,000, which were classified as current liabilities as at 31 March 2026, would have become non-current liabilities and will be settled in accordance with the maturity dates as set out in the banking facility letter.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, branches and a joint venture for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the Hong Kong Institute of Certified Public Accountants has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. The amendments do not have any material impact on the Group's financial statements.

4. OPERATING SEGMENT INFORMATION

For management purpose, the Group is organised into business units based on their services and products. Accordingly, the Group has three reporting segments as follows:

- (a) Medical;
- (b) Aesthetic medical and beauty and wellness; and
- (c) Veterinary and other.

Medical segment represents all medical services (excluding aesthetic medical services) and dental services. Aesthetic medical and beauty and wellness segment represents aesthetic medical, traditional beauty, haircare and ancillary wellness services and sale and distribution of skincare, healthcare and beauty equipment and products. Veterinary and other mainly represents veterinary services and multi-channel networking and related services.

Segment results, assets and liabilities

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

Segment assets include all tangible, intangible assets and current assets with the exception of investment properties, interests in associates and joint ventures, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. Segment liabilities include trade payables, other payables and accruals, provision for reinstatement costs, lease liabilities, deferred revenue, current tax payable and deferred tax liabilities.

The segment revenue of the Group is based on the type of goods and services provided to the customers. 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.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that bank interest income, interest income on financial assets at fair value through profit or loss, other interest income, dividend income from unlisted investment funds, impairment losses on goodwill, property, plant and equipment, intangible assets and interests in a joint venture, unrealised losses on financial assets at fair value through profit or loss, net, fair value loss on other receivables, fair value loss on investment properties, remeasurement loss on previously-held interest in an associate, impairment loss on other receivables, rental income from investment properties, gain on disposal of subsidiaries, net, settlement income, share of results of joint ventures and associates and head office and other corporate expenses are excluded from such measurement.

| | Medical | | Aesthetic medical and beauty and wellness | | Veterinary and other | | Total | |
|--|------------------|-----------|--|-----------|----------------------|----------|------------------|-----------|
| | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Reportable segment revenue | 2,223,399 | 2,561,617 | 1,322,906 | 1,296,127 | 368,860 | 343,341 | 3,915,165 | 4,201,085 |
| Less: Inter-segment revenue | (143,199) | (54,351) | – | – | (1,774) | (6,522) | (144,973) | (60,873) |
| Revenue from external customers | 2,080,200 | 2,507,266 | 1,322,906 | 1,296,127 | 367,086 | 336,819 | 3,770,192 | 4,140,212 |
| Segment results | (64,639) | (43,088) | 66,079 | 49,235 | 33,004 | 11,566 | 34,444 | 17,713 |
| Bank interest income | | | | | | | 14,630 | 15,842 |
| Interest income on financial assets at fair value through profit or loss | | | | | | | 901 | – |
| Other interest income | | | | | | | 493 | 1,558 |
| Dividend income from unlisted investment funds | | | | | | | 69 | 225 |
| Impairment loss on goodwill | | | | | | | (198,248) | (115,599) |
| Impairment loss on property, plant and equipment | | | | | | | (71,223) | – |
| Impairment loss on intangible assets | | | | | | | (74,575) | – |
| Impairment loss on interest in a joint venture | | | | | | | – | (9,892) |
| Unrealised losses on financial assets at fair value through profit or loss, net | | | | | | | (4,127) | (10,939) |
| Fair value loss on other receivables | | | | | | | (6,906) | (36,039) |
| Fair value loss on investment properties | | | | | | | (65,721) | (68,692) |
| Remeasurement loss on previously-held interest in an associate | | | | | | | – | (5,921) |
| Rental income from investment properties | | | | | | | 3,559 | 3,849 |
| Gain on disposal of subsidiaries, net | | | | | | | 24,882 | 268,214 |
| Settlement income | | | | | | | 7,132 | – |
| Share of results of joint ventures | | | | | | | 6,458 | 1,284 |
| Share of results of associates | | | | | | | 2,043 | (96,715) |
| Others | | | | | | | (83,972) | (66,028) |
| Consolidated loss before tax | | | | | | | (410,161) | (101,140) |
| Depreciation and amortisation for the year | 292,537 | 398,437 | 177,869 | 185,223 | 41,835 | 47,317 | 512,241 | 630,977 |
| | | | | | | | | |
| | Medical | | Aesthetic medical and beauty and wellness | | Veterinary and other | | Total | |
| | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Reportable segment assets | 1,881,441 | 2,391,793 | 911,803 | 1,709,179 | 718,294 | 465,437 | 3,511,538 | 4,566,409 |
| Investment properties | | | | | | | 196,480 | 104,230 |
| Interests in joint ventures | | | | | | | 32,481 | 31,473 |
| Interests in associates | | | | | | | 234,815 | 201,838 |
| Financial assets at fair value through other comprehensive income | | | | | | | 3,637 | 3,637 |
| Financial assets at fair value through profit or loss | | | | | | | 370,424 | 119,301 |
| Consolidated total assets | | | | | | | 4,349,375 | 5,026,888 |
| Additions to non-current segment assets during the year (excluding business acquisitions) | 94,498 | 95,262 | 21,153 | 103,679 | 267,762 | 13,750 | 383,413 | 212,691 |
| Reportable segment liabilities | 913,566 | 1,096,553 | 788,316 | 833,997 | 335,755 | 94,883 | 2,037,637 | 2,025,433 |
| Bank borrowings | | | | | | | 600,949 | 542,134 |
| Convertible bonds | | | | | | | – | 254,325 |
| Consolidated total liabilities | | | | | | | 2,638,586 | 2,821,892 |

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

Information about geographical areas

| | Revenue from external customers | |
|------------------|--|------------------|
| | 2026 | 2025 |
| | HK\$'000 | HK\$'000 |
| Hong Kong | 3,461,319 | 3,853,839 |
| Macau | 124,742 | 108,048 |
| Chinese Mainland | 67,684 | 99,984 |
| Taiwan | 116,447 | 78,341 |
| | <u>3,770,192</u> | <u>4,140,212</u> |

Information about major customers

Since no revenue derived from sales to a single customer of the Group has individually accounted for over 10% or more of the Group's total revenue during each of the reporting periods presented, no information about major customers in accordance with HKFRS 8 *Operating Segments*, is presented.

5. REVENUE

Revenue represents the value of services rendered and the net invoiced value of goods sold, excluding value added tax or other sales taxes and is after deduction of trade discounts. An analysis of revenue is as follows:

| | 2026 | 2025 |
|--|-------------------------|------------------|
| | HK\$'000 | HK\$'000 |
| Revenue | | |
| Medical services | 2,080,200 | 2,507,266 |
| Aesthetic medical and beauty and wellness services and related revenue | 1,322,906 | 1,296,127 |
| Veterinary and other services | 367,086 | 336,819 |
| | <u>3,770,192</u> | <u>4,140,212</u> |

All of the above revenue is recognised in accordance with HKFRS 15 *Revenue from Contracts with Customers*.

6. OTHER NET INCOME AND (LOSSES)/GAINS

| | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Bank interest income | 14,630 | 15,842 |
| Interest income on financial assets at fair value through profit or loss | 901 | – |
| Other interest income | 493 | 1,558 |
| Dividend income from unlisted investment funds | 69 | 225 |
| Unrealised losses on financial assets at fair value through profit or loss, net | (4,127) | (10,939) |
| Fair value loss on investment properties | (65,721) | (68,692) |
| Remeasurement loss on previously-held interest in an associate | – | (5,921) |
| Rental income from investment properties | 3,559 | 3,849 |
| Gain on disposal of subsidiaries, net | 24,882 | 268,214 |
| Settlement income | 7,132 | – |
| Gain on early termination of leases, net | 283 | 298 |
| Loss on disposal and write-off of property, plant and equipment | (2,389) | (1,298) |
| Fair value loss on other receivables | (6,906) | (36,039) |
| Government grants | 742 | 841 |
| Others | (11,076) | 18,847 |
| | <u>(37,528)</u> | <u>186,785</u> |

7. FINANCE COSTS

| | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Interest on bank borrowings | 29,933 | 47,167 |
| Interest on convertible bonds | 15,316 | 19,189 |
| Interest on financial assets at fair value through profit or loss | 183 | – |
| Interest on lease liabilities | 26,241 | 24,339 |
| Reversal of imputed interest expenses on consideration payable | – | (1,253) |
| | <u>71,673</u> | <u>89,442</u> |

8. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

| | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Depreciation | | |
| – owned property, plant and equipment | 152,303 | 218,762 |
| – right-of-use assets | 267,832 | 294,033 |
| Amortisation of intangible assets | 92,106 | 118,182 |
| Provision for loss allowance of trade receivables | – | 1,816 |
| Impairment loss on goodwill | 198,248 | 115,599 |
| Impairment loss on property, plant and equipment | 71,223 | – |
| Impairment loss on intangible assets | 74,575 | – |
| Impairment loss on interest in a joint venture | – | 9,892 |
| Foreign exchange differences, net | 77 | 2,564 |
| Rental income from investment properties less direct outgoings of HK\$495,000 (2025: HK\$587,000) | (3,064) | (3,262) |

9. INCOME TAX EXPENSE

Taxation in the consolidated statement of profit or loss represents:

| | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Current – Hong Kong | | |
| Provision for the year | 42,532 | 56,081 |
| Over-provision in respect of prior years | (9,944) | (1,794) |
| | 32,588 | 54,287 |
| Current – Outside Hong Kong | | |
| Provision for the year | 8,900 | 7,183 |
| Under/(over)-provision in respect of prior years | 521 | (2,051) |
| | 9,421 | 5,132 |
| Total current tax | 42,009 | 59,419 |
| Deferred tax | (39,303) | (48,641) |
| Tax charge for the year | 2,706 | 10,778 |

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and BVI.

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2025: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2025: 8.25%) and the remaining assessable profits are taxed at 16.5% (2025: 16.5%). Macau complementary tax has been provided at progressive rates up to 12% (2025: 12%) on the estimated taxable profits arising in Macau. Taiwan income tax is calculated at 20% (2025: 20%) of the estimated assessable profits for the year. Taxes on profits assessable outside Hong Kong have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

10. LOSS PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

Basic loss per share

The calculation of the basic loss per share amounts is based on the loss for the year attributable to equity shareholders holders of the Company of HK\$402,718,000 (2025: HK\$167,186,000) and the weighted average number of ordinary shares of 1,185,211,000 (2025: 1,185,211,000) outstanding during the year.

The weighted average number of ordinary shares outstanding for the year is equal to the number of issued ordinary shares.

Diluted loss per share

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 March 2026 and 2025 in respect of a dilution as the impact of the share options and warrants (2025: share options, warrants and convertible bonds) outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

11. INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

| | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Skincare, healthcare and beauty equipment and products | 52,159 | 54,918 |
| Medications, consumables and other supplies | <u>101,016</u> | <u>97,627</u> |
| | <u>153,175</u> | <u>152,545</u> |

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

| | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Carrying amount of inventories sold and consumed | <u>817,998</u> | <u>797,951</u> |

12. TRADE RECEIVABLES

| | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Trade receivables | 285,654 | 341,609 |
| Less: loss allowance of trade receivables | <u>(17,901)</u> | <u>(17,901)</u> |
| | <u>267,753</u> | <u>323,708</u> |

The Group's trading terms with its customers are mainly on credit card settlements and other institutional customers in respect of provision of medical, aesthetic medical and beauty and wellness and veterinary and related services. The credit period is generally 0 to 120 days for the credit card settlements from the respective financial institutions and other institutional customers. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

| | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
|----------------|-------------------------|-------------------------|
| Within 1 month | 155,994 | 194,013 |
| 1 to 3 months | 32,984 | 54,137 |
| Over 3 months | <u>78,775</u> | <u>75,558</u> |
| | <u>267,753</u> | <u>323,708</u> |

The following table provides information about the Group's exposure to credit risk for trade receivables as at the end of the reporting period:

| | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
|-----------------------------|-------------------------|-------------------------|
| Current (not past due) | 154,619 | 178,095 |
| Less than 3 months past due | 31,072 | 80,378 |
| 3 to 6 months past due | 72,542 | 30,227 |
| 7 to 12 months past due | 829 | 21,149 |
| More than 1 year past due | <u>8,691</u> | <u>13,859</u> |
| | <u>267,753</u> | <u>323,708</u> |

13. FINANCIAL ASSETS

(a) Financial assets at fair value through other comprehensive income

| | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
|-----------------------------|-------------------------|-------------------------|
| Unlisted equity investments | <u>3,637</u> | <u>3,637</u> |

The Group designated above investments at fair value through other comprehensive income, as the investments are held for strategic purpose. As at 31 March 2026, the investments held by the Group were principally engaged in market and data research and provision of medical and related services. No dividends were received on these investments during the year (2025: Nil).

(b) Financial assets at fair value through profit or loss

| | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| <i>Non-current</i> | | |
| – Unlisted equity investments | 15,013 | 15,619 |
| – Unlisted fund investments | 13,147 | 19,452 |
| – Unlisted note investments | 3,918 | 8,001 |
| – Investments in life insurance policies | <u>126,974</u> | <u>59,071</u> |
| | <u>159,052</u> | 102,143 |
| <i>Current</i> | | |
| – Listed equity investments | 942 | 885 |
| – Index-linked notes* | 76,769 | – |
| – Interest rate swap | 534 | – |
| – Unlisted fund investments | <u>133,127</u> | <u>16,273</u> |
| | <u>211,372</u> | 17,158 |
| | <u>370,424</u> | <u>119,301</u> |

* *The notes are principal protected.*

14. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

| | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Cash at banks and on hand | 766,937 | 1,003,913 |
| Time deposits | <u>10,351</u> | <u>50,980</u> |
| | 777,288 | 1,054,893 |
| Less: Time deposits with original maturity of over 3 months | <u>(10,351)</u> | <u>(50,980)</u> |
| Cash and cash equivalents | <u>766,937</u> | <u>1,003,913</u> |

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods depending on the Group's immediate cash requirements, and earn interest at the respective time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

15. TRADE PAYABLES

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

| | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
|----------------|-------------------------|-------------------------|
| Within 1 month | 66,164 | 67,660 |
| 1 to 2 months | 8,822 | 19,742 |
| 2 to 3 months | 617 | 11,824 |
| Over 3 months | <u>5,922</u> | <u>6,806</u> |
| | <u>81,525</u> | <u>106,032</u> |

The trade payables are non-interest bearing and generally have payment terms within 60 days.

16. BANK BORROWINGS

At the end of the reporting period, the bank borrowings were repayable as follows:

| | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
|---------------------------------|-------------------------|-------------------------|
| Within 1 year or on demand | 600,949 | 252,955 |
| After 1 year but within 2 years | – | 289,179 |
| | <u>600,949</u> | <u>542,134</u> |
| | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
| Bank borrowings | | |
| – secured | 598,190 | – |
| – unsecured | 2,759 | 542,134 |
| | <u>600,949</u> | <u>542,134</u> |

As at 31 March 2026, the Group's bank borrowings were secured by certain operating equipment, investment properties, owner interests in land and building held for own use and insurance policies with respective carrying amount of approximately HK\$97,315,000, HK\$96,270,000, HK\$28,204,000 and HK\$126,974,000.

In respect of bank borrowings with an aggregate carrying amount of HK\$598,190,000 (2025: nil) as at 31 March 2026, the Group is required to comply with certain financial covenants throughout the tenure of the borrowings and while such borrowings remain outstanding. During the year, the Group failed to comply with a covenant in relation to a bank borrowing of HK\$488,902,000, which requires the total equity attributable to equity shareholders of the Company to be maintained above HK\$1,950,000,000. Subsequent to the year end and up to the date of approval of these consolidated financial statements, the Group has obtained a waiver from the bank in respect of this non-compliance.

The amounts based on the scheduled repayment dates set out in the loan agreements and the maturities of the Group's total borrowings at the balance sheet date (i.e. ignoring the effect of any repayment on demand clause) are shown below:

| | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Amounts of borrowings that are repayable: | | |
| – Within 1 year | 83,277 | 252,955 |
| – After 1 year but within 2 years | 132,773 | 289,179 |
| – After 2 years but within 5 years | 384,899 | – |
| | <u>600,949</u> | <u>542,134</u> |

17. ISSUED SHARE CAPITAL AND DIVIDENDS

(a) Dividends

Interim dividends paid by the Company to equity shareholders:

| | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Interim dividend declared and paid of HK nil cent per ordinary share (2025: HK 1 cent per ordinary share) | <u>–</u> | <u>11,852</u> |

(b) Issued share capital

| | 2026 | | 2025 | |
|---|-----------------------------|-----------------|-----------------------------|-----------------|
| | <i>Number of shares</i> | <i>HK\$'000</i> | <i>Number of shares</i> | <i>HK\$'000</i> |
| Authorised | | | | |
| Ordinary shares of HK\$0.00001 each | <u>38,000,000,000</u> | <u>380</u> | <u>38,000,000,000</u> | <u>380</u> |
| Ordinary shares, issued and fully paid | | | | |
| At beginning of year and end of year | <u>1,185,211,265</u> | <u>12</u> | <u>1,185,211,265</u> | <u>12</u> |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

18. CONVERTIBLE BONDS

During the year ended 31 March 2021, the Company issued 3 tranches of convertible bonds. The bondholders were entitled to exercise the conversion rights to convert the principal amount outstanding at a pre-determined conversion price at any time up to the maturity of the convertible bonds. The details of the convertible bonds that were outstanding as at 31 March 2025 are as follows:

| Tranche | Issue date | Principal amount outstanding | Interest rate per annum | Maturity date | Conversion price per share (adjusted) | Conversion period |
|-----------|-----------------|------------------------------|-------------------------|-----------------|---------------------------------------|---------------------------------|
| Tranche A | 5 February 2021 | HK\$234,000,000 | 2.5% | 4 February 2026 | HK\$5.37 | At any time up to maturity date |
| Tranche C | 8 February 2021 | HK\$31,200,000 | 2.5% | 7 February 2026 | HK\$5.37 | At any time up to maturity date |

Upon the issuance of convertible bonds, the liability component was initially measured at its fair value of HK\$238,118,000. The residual amount of HK\$66,082,000 was recognised as capital reserve within the equity.

The liability component of convertible bonds was analysed as follows:

| | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
|---------------------|-------------------------|-------------------------|
| Current liabilities | — | 254,325 |

In February 2026, the Group repaid HK\$265,200,000 of the principal amount of the convertible bonds and the relevant interests accrued, following which the convertible bonds have been repaid in full.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

The year ended 31 March 2026 (the “Reporting Period”) was a year of disciplined platform reinforcement and operating consolidation for the Group. During the Reporting Period, Hong Kong’s private healthcare, aesthetic medical, beauty and wellness markets continued to face a challenging operating environment. Consumer sentiment remained cautious, while outbound travel, cross-border consumption and the increasing availability and competitive pricing of healthcare and wellness services in the Greater Bay Area continued to affect selected self-paid and discretionary service categories. Customers became more value-conscious, with greater emphasis on affordability, trusted clinical outcomes, service quality, convenience and transparent pricing.

Against this backdrop, the Group continued to strengthen the resilience of its integrated healthcare platform. Essential medical services, programme-based demand channels and recurring healthcare services remained relatively resilient, while discretionary services required more active management of pricing, capacity utilisation, cost structure and service mix. The Group therefore continued to recalibrate its operating model towards more scalable and recurring demand channels, including insurance, corporate healthcare and public-private collaboration, supported by network optimisation, digitalisation, cross-referral development and procurement discipline.

During the Reporting Period, the Group recorded revenue of HK\$3,770.2 million and sales volume of HK\$3,760.1 million, representing year-on-year decreases of 8.9% and 9.9%, respectively. The decline was mainly attributable to: (1) subdued demand across selected discretionary healthcare, aesthetic medical, beauty and wellness-related categories amid cautious consumer spending and cross-border consumption leakage; (2) the continued recovery in outbound travel by Hong Kong residents, which affected local customer traffic in certain self-paid healthcare and wellness services during holiday periods; and (3) the full-year impact from the strategic disposal of certain medical service assets in FY25, as the relevant revenue streams were no longer consolidated into the Group’s results during the Reporting Period.

On an adjusted basis, after excluding items separately disclosed in the Group's adjusted EBITDA reconciliation, including gain on disposal of subsidiaries, settlement income, government grants, unrealised and realised losses on financial assets at fair value through profit or loss, impairment losses on goodwill, intangible assets, fair value losses on investment properties and other receivables, and losses on disposals and write-off of property, plant and equipment, adjusted EBITDA amounted to HK\$280.3 million, representing a year-on-year decrease of 25.3%. The decrease was primarily driven by lower revenue and sales volume, reduced operating leverage across certain business units and the absence of EBITDA contribution from disposed medical assets. This impact was partially mitigated by disciplined cost control, practitioner fee optimisation, network consolidation, central procurement discipline and tighter manpower deployment.

During the Reporting Period, the Group recognised net gain on disposals of subsidiaries and property, plant and equipment, settlement income and government grant of approximately HK\$30.4 million. The Group also recognised non-cash impairment charges of approximately HK\$344.0 million in respect of goodwill/intangible assets/property, plant and equipment relating to certain medical/veterinary/other businesses. In addition, non-cash fair value losses and other non-recurring charges of approximately HK\$76.8 million were recognised in respect of investment properties/financial assets/other receivables. As a result of these gain on disposals, impairment and fair value adjustments, together with the lower underlying operating contribution as reflected by the decrease in adjusted EBITDA, the Group recorded a loss attributable to equity shareholders of the Company of HK\$402.7 million, compared with a loss attributable to equity shareholders of HK\$167.2 million in FY25. The loss was partially mitigated by lower depreciation and amortisation charges and lower net finance costs during the Reporting Period.

The Board and management view the Reporting Period as a continued transition and consolidation year. While reported earnings were affected by impairment charges and the reset of the operating environment, the Group made progress in reshaping its business model from a scale-led healthcare service platform into a more disciplined, integrated and partnership-driven healthcare platform. Through network optimisation, cost management, B2I/B2B/B2G channel development and digital transformation, the Group strengthened its operating foundation and improved its readiness for sustainable profitability.

With the first phase of the 37 Cameron Road, Tsim Sha Tsui project having commenced operation, the Group further enhanced its strategic service network, multidisciplinary delivery capability and flagship medical hub presence. Together with the Group's integrated medical, the project improves service capacity, cross-referral efficiency, customer accessibility and brand visibility. The Group remains positioned to capture long-term structural opportunities in Hong Kong's private healthcare market, supported by ageing demographics, rising demand for preventive and chronic disease management, increasing insurance penetration and ongoing healthcare policy reform.

Operational Excellence – Cost Discipline, Network Integration and Productivity Enhancement

Operational Excellence remained a core priority during the Reporting Period. The Group focused on strengthening unit economics, improving manpower productivity and reallocating resources towards service lines and locations with stronger demand visibility, recurring patient flow and strategic relevance.

As at 31 March 2026, the Group operated a comprehensive network of 148 service points, including 144 in Hong Kong and 4 in Macau. Overall service gross floor area amounted to approximately 600,335 sq ft, representing a slight increase from approximately 590,854 sq ft as at 31 March 2025. The increase was primarily attributable to the commencement of operation of the 37 Cameron Road, Tsim Sha Tsui project, which strengthened the Group's flagship medical hub capacity and multidisciplinary service delivery capability.

Excluding this new strategic project, the Group released approximately 87,000 sq ft of underutilised facilities through the consolidation of overlapping or lower-productivity service points, relocation of selected operations and disciplined floor-space optimisation. These initiatives enhanced the Group's asset utilisation and strengthened the overall efficiency of its service network.

During the second half of the Reporting Period, the Group ceased its aesthetic medical, beauty and wellness services operations in Chinese Mainland and refocused its strategic resources on Hong Kong and Macau, where the Group has stronger brand recognition, operating scale, customer base and established industry presence. This decision was consistent with the Group's disciplined approach to resource allocation, particularly given the competitive landscape, continuous consumption downgrade trend and margin pressure in Chinese Mainland discretionary aesthetic medical, beauty and wellness services.

The Group continued to review clinic-level performance, centre utilisation, manpower productivity, rent-to-sales ratio and service-line profitability. Underperforming, overlapping or strategically less relevant operations were consolidated where appropriate, while resources were reallocated to higher-demand locations, essential medical services, programme-based healthcare channels such as B2I, B2B and B2G opportunities, and multidisciplinary hubs with stronger cross-referral potential. The Group also leveraged lease expirations and the tenant-favourable leasing environment to renegotiate rental terms, improve space efficiency and reduce idle capacity.

In parallel with network optimisation, the Group has streamlined its manpower structure and enhanced organisational productivity. The number of staff, excluding doctors, decreased to 2,400 as at 31 March 2026, compared with 2,977 as at 31 March 2025. This reflected the Group's continued efforts to centralise shared services, rationalise back-office functions, AI automation, optimise frontline deployment and align staffing levels more closely with actual patient flow and service demand.

Cost management initiatives were implemented across registered practitioner expenses, staff costs, procurement, consumables, marketing, credit card expenses and administrative overheads. The Group further strengthened practitioner fee arrangements, staff rostering, appointment scheduling, inventory control, procurement governance and marketing return analysis. These measures allowed the Group to better align its cost base with market conditions and reduce the impact of short-term demand volatility, particularly in discretionary service categories.

At the same time, the Group maintained its commitment to clinical governance, patient safety and service quality. Operational streamlining was implemented in a disciplined manner without compromising service standards. Through staff training, process standardisation, enhanced customer service protocols and more rigorous performance monitoring, the Group continued to improve service consistency across its medical, aesthetic medical, beauty and wellness, and veterinary platforms.

Overall, the Group's Operational Excellence initiatives in the Reporting Period were focused not merely on cost reduction, but on building a leaner, more integrated and more productive operating platform. These structural improvements strengthened the Group's foundation for sustainable profitability, better asset utilisation and long-term operating resilience.

Business Development – Strengthening Channel Scalability and Ecosystem Integration

During the Reporting Period, the Group continued to advance its business development strategy as a key pillar of its platform transformation. In response to more selective self-paid and discretionary demand, the Group continued to recalibrate its growth model from primarily transaction-led B2C demand towards more scalable, recurring and programme-based demand channels.

The Group prioritised B2I, B2B and B2G opportunities, leveraging its multidisciplinary clinical platform, service network, brand reputation and partner ecosystem to deepen patient access and reduce reliance on discretionary self-paid spending. This strategic shift is intended to enhance revenue visibility, improve customer lifetime value and strengthen the resilience of the Group's healthcare platform across different economic cycles.

In the B2I channel, the Group continued to deepen collaboration with insurance companies, agency networks and strategic payer partners. As insurance penetration increases and private healthcare affordability becomes a more important consideration for customers, insurer-led patient flow is becoming an increasingly important source of demand. During the Reporting Period, the Group enhanced panel coverage, claims coordination, billing workflow, pre-authorisation support and patient journey management. These initiatives improved the accessibility, reliability and service experience of insured healthcare services, while supporting insurers in managing medical inflation, service quality and network consistency.

The Group also refined preventive health, chronic disease management, health screening, imaging, specialist consultation, dental, rehabilitation and wellness programmes for insured members. By combining clinical capability with service network scale, the Group is able to offer more comprehensive care pathways to insurers and their policyholders, while improving cross-referral opportunities across the Group's integrated platform.

In the B2B channel, the Group strengthened engagement with corporate clients, human resources benefit consultants, brokers and enterprise partners. In the current macro environment, employers are increasingly focused on staff wellbeing, productivity, medical cost control and efficient delivery of healthcare benefits. The Group supported corporate customers through flexible healthcare packages, workplace health initiatives, executive health checks, vaccination programmes, specialist referral access, mental wellness support, chronic disease follow-up and integrated care coordination.

In the B2G and community healthcare channels, the Group continued to participate in public-private partnership opportunities, tenders and service programmes involving government bodies, non-government organizations, schools, elderly-care operators and community-based organisations. Hong Kong's healthcare system continues to face structural pressure from ageing demographics, rising chronic disease prevalence and increasing demand for accessible primary care. These trends create opportunities for private healthcare providers with scale, clinical governance and operational capacity to support public healthcare objectives.

The Group also strengthened cross-referral pathways among primary care, specialist care, dental, imaging, diagnostics, health screening, aesthetic medical, wellness and veterinary services. As customer acquisition costs remain elevated and discretionary spending becomes more selective, improving service continuity and increasing customer lifetime value have become increasingly important. Through clearer referral protocols, coordinated patient journeys, integrated case management and enhanced service bundling, the Group improved its ability to capture multi-service demand across its customer base.

The commencement of operation of the 37 Cameron Road, Tsim Sha Tsui project further supports the Group's business development strategy by providing a centralised multidisciplinary platform for specialty services, diagnostics, health screening, chronic disease management, and day procedures facilities. This enhances the Group's ability to serve insurance-led, corporate and public-private healthcare programmes with greater service density and operational coordination.

Overall, the Group's business development strategy is focused on building a more resilient and scalable demand engine. While self-paid discretionary demand may remain affected by cautious consumption, cross-border competition and outbound travel trends, the Group's expanded B2I, B2B and B2G channels, together with its integrated service network, support more stable patient flow and stronger partner relationships.

Digital Transformation – Strengthening Operating Infrastructure, Data Governance and Scalable Healthcare Operations

During the Reporting Period, the Group continued to advance digital transformation as one of its key strategic pillars, focusing on operating infrastructure, process standardisation, customer engagement, data governance and scalable healthcare operations. These initiatives enhanced service consistency, operational visibility, internal controls and execution efficiency across customer-facing, clinical and back-office functions.

In customer experience and omnichannel engagement, the Group enhanced its digital interaction capabilities through integrated communication and customer service platforms. These platforms consolidated telephony, messaging and workflow management across multiple healthcare brands, improving customer handling, appointment coordination and service workflow efficiency. Real-time dashboards also strengthened management visibility over enquiries, response time and resource deployment.

In human capital management, the Group completed the rollout of a unified Human Resources Management System (HRMS) covering payroll, leave, roster management and employee administration across the Group. The platform introduced standardised workflows, automated approvals and enhanced compliance controls, improving workforce visibility, governance and manpower planning.

In finance transformation, the Group continued to implement its next-generation SAP platform as part of a multi-year finance modernisation programme. The initiative supports standardised financial processes, stronger internal controls, improved reporting transparency and faster financial closing. It also provides a more robust foundation for revenue recognition management, group consolidation, procurement governance and management reporting.

In supply chain and procurement digitalisation, the Group advanced the integration of procurement, inventory and logistics operations through enhanced warehouse management and supply chain systems. These initiatives improved inventory visibility, demand forecasting, traceability, procurement governance and automated inventory controls across the healthcare network.

In clinical systems and healthcare operations, the Group continued to modernise appointment scheduling, electronic medical documentation, patient management and service delivery workflows. Key initiatives included next-generation member management capabilities, workflow automation and platform integration, supporting a more seamless patient journey across the Group's multidisciplinary services while reducing manual processes and improving operational consistency.

In data governance and analytics, the Group further standardised master data structures, integration architecture and reporting capabilities. Enhanced data capture and management dashboards improved operational visibility and supported more timely, data-driven decision-making across business functions. These initiatives also laid the foundation for future applications of artificial intelligence, automation and predictive analytics in customer engagement, clinical workflow support, procurement planning and operational management.

Overall, the Group's digital transformation initiatives for the Reporting Period strengthened the infrastructure required to manage a complex, multidisciplinary healthcare platform with greater efficiency, transparency and control. By integrating customer engagement, human resources, finance, procurement, clinical operations and data governance systems, the Group continued to build a more standardised and scalable operating platform.

37 Cameron Road, Tsim Sha Tsui Project – Network Transformation and Strategic Capacity Building

The 37 Cameron Road, Tsim Sha Tsui project represented a major milestone in the Group's long-term development roadmap during the Reporting Period. The project was developed as the Group's second flagship medical hub, complementing EC Healthcare Tower in Central and strengthening the Group's strategic presence across both sides of Victoria Harbour.

As at 31 March 2026, the Group had launched the first phase of the 37 Cameron Road, Tsim Sha Tsui project, with operations commencing across five floors. This first phase covers approximately 33,000 sq ft, representing approximately one-third of the Tower's total gross floor area. The Tower comprises approximately 103,000 sq ft of gross floor area and forms a key part of the Group's broader network transformation strategy.

The 37 Cameron Road, Tsim Sha Tsui project houses a curated mix of medical specialties and healthcare services, anchored by diagnostic imaging, dental services and day-procedure facilities for endoscopy services, together with specialist outpatient services such as paediatrics, obstetrics and gynaecology, and pain management. The Group also intends to add further specialist outpatient services over time, subject to service demand, licensing readiness, regulatory requirements and market conditions.

The service mix is designed to support cross-referrals, improve patient convenience and provide a more integrated care pathway for self-paid, insured and corporate customers. The Tower also supports the Group's network rationalisation strategy by providing flexibility to relocate selected existing services as appropriate, while creating capacity for organic expansion and complementary partnership opportunities. This approach improves service density, reduces fragmented operations and enhances utilisation efficiency across the broader service network.

Strategically, the Tower enhances the Group's ability to serve insurance, corporate and public-private collaboration channels by providing a centralised, medical-grade platform for multidisciplinary care delivery. The co-location of specialties, diagnostics, dental care and day-procedure capabilities improves referral efficiency, shortens patient journeys and supports more coordinated healthcare programmes.

The Tower also reinforces the Group's TTIPP strategy, particularly in relation to Technology, Insurance and Property. Through digital integration, unified clinical workflows, payer collaboration and purpose-built medical-grade premises, the Tower strengthens the Group's operating scalability and asset quality. Beyond its direct operating contribution, the project enhances the Group's strategic asset base and provides longer-term flexibility in asset utilisation and partnership formation.

Together with EC Healthcare Tower in Central, the 37 Cameron Road, Tsim Sha Tsui project reinforces the Group's position as one of Hong Kong's largest non-hospital, multidisciplinary private healthcare service providers and provides an important platform for the Group's long-term participation in Hong Kong's private healthcare market.

Prudent Capital Management and Balance Sheet Discipline

During the Reporting Period, the Group maintained a prudent capital management approach, with a focus on liquidity preservation, cash-flow discipline, deleveraging and return-driven resource allocation. In view of the challenging operating environment and pressure on discretionary spending, the Group prioritised operational efficiency, network optimisation and core healthcare capabilities over scale expansion.

Following the strategic disposals completed in FY25, the Group continued to review its asset portfolio, service mix and capital commitments. During the Reporting Period, this was reflected in the consolidation of service points, release of underutilised floor area, cessation of wellness and beauty operations in Chinese Mainland, and refocus on Hong Kong and Macau, where the Group has stronger operating scale, customer base and market presence.

Capital allocation during the Reporting Period was concentrated on initiatives with clear operational relevance, including the phased commencement of the 37 Cameron Road, Tsim Sha Tsui project, digital infrastructure enhancement, procurement optimisation, cross-referral development and support for recurring demand channels such as insurance, corporate healthcare and public-private collaboration.

As at 31 March 2026, the Group's cash and cash equivalents, time deposits, current principal protected notes and other liquid financial assets amounted to HK\$955.5 million. The Group's total debt, excluding lease liabilities relating to properties leased for own use, amounted to HK\$600.9 million. Gearing ratio, calculated by total debt divided by total equity, amounted to 35.1%, while total debt to adjusted EBITDA amounted to 2.1x. The Group continued to manage working capital, receivables collection, inventory levels, lease obligations, capital expenditure phasing and financing costs in a prudent manner.

Overall, the Reporting Period was a period of disciplined capital control and operational reallocation. The Group focused on improving the quality, efficiency and return profile of its existing asset base, thereby strengthening its financial discipline and foundation for sustainable profitability.

BUSINESS SEGMENT REVIEW

Medical Service Segment

The Medical Service segment remained the Group's core business pillar and the foundation of its integrated healthcare platform. During the Reporting Period, revenue from the Medical Service segment amounted to HK\$2,080.2 million, representing a year-on-year decrease of 17.0% and accounting for 55.2% of the Group's total revenue. As at 31 March 2026, the Group operated 92 medical service points, supported by 281 registered practitioners across 33 specialties.

The revenue decline was mainly attributable to the full-year impact from the strategic disposal of certain medical assets in FY25, as well as softer demand in selected self-paid and elective medical service categories. Certain discretionary medical categories, including dental care, health screening, pain management and selected specialist services, were affected by more cautious spending behaviour and competitive pricing from Shenzhen-based providers.

Despite these short-term pressures, the Group believes that the long-term fundamentals of Hong Kong's private healthcare market remain solid and intact. Ageing demographics, rising chronic disease prevalence, growing preventive-care awareness, increasing insurance penetration and public healthcare capacity constraints continue to support structural demand for accessible, trusted and multidisciplinary private healthcare services. At the same time, patients are becoming more informed and discerning, with greater emphasis on doctor quality, clinical governance, service transparency, convenience, insurance coverage, follow-up care and integrated treatment pathways.

In response to these evolving patient needs, the Group continued to strengthen its medical platform through service quality enhancement, clinical workflow improvement, cross-referral development and digitalisation. The Group focused on building a more coordinated medical ecosystem across primary care, specialist care, dental, imaging, diagnostics, health screening and chronic disease management. By improving referral protocols and patient journey management, the Group enhanced service continuity, patient retention and multi-service utilisation across its platform.

The Group also continued to align the medical segment with its business development strategy across B2I, B2B and B2G channels. In the B2I channel, the Group strengthened collaboration with insurers, agency networks and payer partners by improving panel access, claims workflow, billing coordination and insured patient experience. In the B2B channel, the Group supported corporate healthcare demands through health checks, vaccination programmes, specialist referrals, employee wellness initiatives and integrated follow-up services. In the B2G and community healthcare channels, the Group continued to participate in public-private collaboration opportunities, tenders and community-based healthcare programmes.

These programme-based and institutional channels provide a more recurring and scalable demand base compared with purely discretionary self-paid consumption. They also allow the Group to better utilise its multidisciplinary network, deepen payer and corporate relationships, and reinforce its role as a trusted private healthcare service provider in Hong Kong.

The Group also continued to strengthen diagnostic and imaging capabilities, including the application of technology-enabled workflow tools where appropriate. With the commencement of operation of the 37 Cameron Road, Tsim Sha Tsui project, these initiatives enhanced the Group's multidisciplinary delivery capability, service capacity and referral efficiency. The Medical Service segment is therefore expected to remain the Group's key platform for recurring patient flow, institutional healthcare partnerships and long-term private healthcare growth.

Aesthetic Medical, Beauty and Wellness Services Segment

The Group's Aesthetic Medical, Beauty and Wellness Services segment comprises minimally-invasive aesthetic medical services, traditional beauty treatments, haircare and ancillary wellness services across Hong Kong and Macau, as well as the sale and distribution of skincare, healthcare and beauty products across Hong Kong, Macau and Taiwan. This diversified portfolio enables the Group to serve customers across appearance enhancement, wellness management and daily beauty needs.

During the Reporting Period, revenue from the segment amounted to HK\$1,322.9 million, representing a year-on-year increase of 2.1% and accounting for 35.1% of the Group's total revenue. As at 31 March 2026, the Group operated 46 aesthetic medical, beauty and wellness service points, including 43 in Hong Kong and 3 in Macau.

During the Reporting Period, the segment continued to face a challenging discretionary consumption environment. Local customer traffic was affected by cautious consumer sentiment, increasing cross-border consumption, recovery in outbound travel and more selective spending behaviour. Customers became more informed and cost conscious, with more focus on service quality, treatment safety, visible results, pricing transparency and brand trust before making purchase decisions.

At the same time, the industry continued to evolve from traditional beauty services towards more technology-enabled, personalised and medically supervised solutions. Demand has gradually shifted towards evidence-based aesthetic medical procedures, skin health management, hair and scalp care, body management, preventive wellness and integrated treatment plans. These trends favour operators with trusted brands, practitioner resources, service breadth, customer data capabilities and strong clinical governance.

In response, the Group continued to refine the segment from a volume-driven sales model towards a more retention-focused and data-driven operating model. The Group placed greater emphasis on customer loyalty, repeat purchase behaviour and customer lifetime value through improved treatment protocols, service consistency, post-treatment follow-up, membership engagement and cross-brand service bundling.

The Group also strengthened its data-driven and AI-assisted marketing capabilities to support more efficient B2C customer acquisition. Through customer segmentation, behavioural analytics and AI-assisted campaign optimisation, the Group improved its ability to identify higher-propensity customer groups, optimise campaign timing, personalise product and treatment recommendations and allocate marketing resources more precisely. These initiatives supported more targeted customer acquisition while maintaining discipline over customer acquisition cost amid cautious discretionary spending and intensified market competition.

During the second half of the Reporting Period, the Group ceased its wellness and beauty operations in Chinese Mainland and refocused its strategic resources on Hong Kong and Macau, where the Group has stronger brand recognition, customer base, operating scale and market presence. This decision was consistent with the Group's disciplined portfolio optimisation approach, particularly given the intense competition, promotional pressure and margin compression in Chinese Mainland discretionary wellness and beauty services.

From the operation perspective, the Group continued to review and enhance centre-level performance, treatment utilisation, therapist productivity, product mix, marketing efficiency and customer conversion. Resources were reallocated towards brands, locations and service lines with stronger demand visibility and better return potential, while underperforming or overlapping operations were consolidated where appropriate. The Group also maintained disciplined control over consumables, inventory, staff deployment, rental costs and marketing spending.

Although the segment remained affected by short-term discretionary spending pressure, the Group believes that long-term demand for trusted, technology-enabled and medically supervised aesthetic medical, beauty and wellness services remains solid and intact. With its established brand portfolio, disciplined operating model, AI-enabled marketing capability and integrated healthcare platform, the segment remains well-positioned to support customer engagement, repeat purchase behaviour, cross-referral opportunities and long-term platform value.

Veterinary and Other Services Segment

The Veterinary and Other Services segment mainly represents veterinary services and multi-channel networking and related services. During the Reporting Period, revenue from the segment amounted to HK\$367.1 million, representing a year-on-year increase of 9.0% and accounting for 9.7% of the Group's total revenue. Excluding multi-channel networking related services, revenue from veterinary services amounted to HK\$336.4 million, representing a year-on-year increase of 15.7%.

As at 31 March 2026, the Group operated 10 veterinary service points across New Territories, Kowloon and Hong Kong Island, covering mass-market, mid-market and high-end premium veterinary services. The veterinary platform was supported by 63 registered veterinary surgeons and 9 registered veterinary specialists covering 10 specialties.

Demand for essential pet healthcare services remained relatively resilient, supported by recurring medical needs, diagnostics, surgery, emergency care and specialist referrals. While cautious consumer sentiment affected selected discretionary procedures, utilisation across core veterinary services remained broadly stable.

During the Reporting Period, the Group continued to upgrade its veterinary platform from a clinic network into a more integrated operating system. Key initiatives included system integration across clinics, standardisation of operating workflows, consolidation of procurement data, and enhanced visibility over medicine, consumables and pet healthcare product usage. These initiatives laid the foundation for more targeted bulk purchase arrangements, improved procurement efficiency, stronger inventory management and better supplier coordination across the veterinary network.

The Group also continued to enhance the service capabilities of Animal Medical Academy Hospital (“AMAH”) and the broader veterinary platform. During the second half of the Reporting Period, AMAH further strengthened its anesthesia and analgesia specialist team and established two new specialties by offering oncology and ophthalmology services. These developments expanded AMAH’s specialist capabilities, enhanced its ability to handle higher-complexity cases and reinforced its positioning as a premium veterinary hospital within the Group’s multi-tier veterinary network.

From the operation perspective, the Group improved network performance through clinic scheduling optimisation, enhanced manpower deployment, procurement discipline, inventory planning and closer coordination among general practice, emergency care and specialty services. These initiatives supported continuity of care, broadened case capture and strengthened the long-term positioning of the Group’s veterinary platform as an integrated, multi-tier veterinary service network in Hong Kong.

OUTLOOK

Looking ahead, the Group expects the operating environment in Hong Kong’s private healthcare, aesthetic medical and wellness markets to remain challenging in the near term. Consumer sentiment is expected to remain cautious amid an uncertain macroeconomic environment, while outbound travel, cross-border consumption and intensified competition continue to affect selected discretionary medical, aesthetic and wellness service categories. At the same time, operating costs, competition for healthcare professionals and evolving customer expectations continue to reshape the competitive landscape.

From the demand perspective, the Board remains confident in the long-term fundamentals of Hong Kong’s healthcare market. According to the Health Bureau’s latest Domestic Health Accounts, Hong Kong’s current health expenditure reached approximately HK\$251.2 billion in 2023/24, representing 8.3% of gross domestic products and HK\$33,334 per capita. Public healthcare expenditure amounted to approximately HK\$130.1 billion, or 51.8% of current health expenditure, while private healthcare expenditure amounted to approximately HK\$121.1 billion, or 48.2% of current health expenditure. Public hospitals accounted for 91.7% of total patient days, and 95.3% of patient days among patients aged 65 or above, highlighting the structural pressure on the public healthcare system and the important role of the private sector in supporting Hong Kong’s healthcare ecosystem.

Long-term demand is expected to be supported by Hong Kong's ageing population, rising chronic disease burden, increasing health awareness, expanding insurance penetration and the continued inflow of professionals and families under talent admission schemes. The proportion of Hong Kong's population aged 65 or above increased from 14.2% in mid-2013 to 21.8% in mid-2023. Since late 2022, nearly 600,000 applications were received and over 410,000 applications were approved under various talent admission schemes, of which around 300,000 were from Mainland China. The Board believes that the continued inflow of professionals, executives and dependants will enlarge the addressable customer base for private healthcare, health screening, specialist consultation, dental, aesthetic medical and family healthcare services.

The healthcare funding structure is also evolving in favour of insurance-funded and corporate healthcare channels. In private secondary and tertiary healthcare expenditure, the share funded by health insurance schemes, including privately purchased insurance and employer-based insurance schemes, increased from 33.4% to 44.8% over the past decade, while the number of Voluntary Health Insurance Scheme policies reached 1.428 million by the end of 2024. The Insurance Authority also reported that Hong Kong's total insurance gross premiums reached approximately HK\$637.8 billion in 2024, while direct onshore Accident & Health business represented the largest line of direct onshore general insurance business, with gross written premiums of approximately HK\$21.4 billion in 2024. These trends support the Group's strategy to deepen B2I insurance-funded services and B2B corporate healthcare programmes, including health screening, chronic disease management, outpatient services, specialist referrals and integrated medical network services.

From a policy perspective, the Government's healthcare reform direction continues to support preventive care, primary healthcare, chronic disease management and public-private collaboration. The Primary Healthcare Blueprint promotes a shift from treatment-oriented care to prevention-focused and community-based healthcare. The Chronic Disease Co-Care Pilot Scheme, launched in November 2023, provides government-subsidised diabetes mellitus and hypertension screening and doctor consultation services through the private healthcare sector for eligible Hong Kong residents aged 45 or above. The public healthcare fees and charges reform, implemented from January 2026, is also designed to guide the public to make optimal use of healthcare resources, reduce wastage and enhance the sustainability of the public healthcare system.

At the same time, regulatory standards for private healthcare operators are becoming more stringent. The regulatory regime for clinics and small practice clinics under the Private Healthcare Facilities Ordinance (Cap. 633) came into effect on 13 October 2025. Operators of clinics must obtain a relevant license, while operators of small practice clinics may request a letter of exemption. Licensees must comply with the Ordinance, license conditions and the Code of Practice for Clinics issued by the Director of Health. The Board believes that the higher compliance threshold will favour operators with established clinical governance, standardised operating procedures, compliance infrastructure and operating scale.

From a supply and operator perspective, recent manpower-related policy developments may gradually expand Hong Kong's healthcare talent pool and indirectly ease manpower constraints across the broader healthcare system over time. Hong Kong has been broadening pathways for non-locally trained doctors through limited registration and special registration. As of mid-March 2025, nearly 300 non-locally trained doctors had joined the Hospital Authority, nearly double the level of the prior year. The recognised qualification pool under the special registration regime has also expanded, with 150 recognised medical qualifications as of June 2025.

In parallel, the Government is also expanding the supply of nurses and healthcare supporting staff. Following the Nurses Registration (Amendment) Ordinance 2024, more than 100 non-locally trained nursing candidates had been employed by the Hospital Authority as of May 2025. In addition, from June 2025, a new channel under the General Employment Policy and the Admission Scheme for Mainland Talents and Professionals allows young and experienced non-degree mid-level talents to enter Hong Kong for eight skilled trades facing acute manpower shortages, including nurses. The Government has also approved in principle the establishment of Hong Kong's third medical school at The Hong Kong University of Science and Technology, which aims to admit its first cohort of 50 students in the 2028/29 academic year.

The Board believes these demand, policy and supply-side developments will favour reputable and sizable healthcare operators. As Hong Kong's healthcare market moves towards higher utilisation, stronger regulation, broader talent supply and more structured healthcare funding, operators with multidisciplinary capabilities, clinical governance, compliance infrastructure, centralised recruitment and training systems, digital workflows and scaled patient channels are better positioned to capture demand growth, improve practitioner and staff deployment, mitigate manpower-related cost pressure over time and deliver more consistent patient experience.

Against this backdrop, the Group will continue to execute its long-term strategy of building a leading integrated private healthcare platform in Asia. The Group's strategic focus remains on deepening its core healthcare platform, strengthening insurance, corporate and government-related patient channels, enhancing operational efficiency, and deploying technology to improve service accessibility, clinical workflow and patient experience.

Medical Services

For the Medical Services segment, the Group will continue to prioritise sustainable growth, service quality and operating efficiency. The Group will focus on strengthening its specialty, diagnostic, dental, health screening and chronic disease management capabilities, while enhancing coordination between primary care, specialist care, diagnostics and allied health services.

The Group will continue to capture opportunities arising from the structural shift from reactive treatment to preventive and continuous care. In particular, the Group will deepen its offerings in health screening, early detection, chronic disease management, weight management and age-related healthcare services. These services are expected to support higher patient engagement, recurring utilisation and better long-term health outcomes.

The Group will also further develop its B2I, B2B and B2G channels, including insurance-funded services, corporate healthcare programmes and public-private partnership opportunities. As healthcare funding models become more insurance- and programme-based, the Group believes its scaled platform, clinical breadth and service network provide a strong foundation for sustainable patient acquisition and recurring demand.

Operational execution will remain a key priority for the medical segment. The Group will place greater emphasis on practitioner productivity, service mix optimisation, cross-referral conversion and utilisation improvement across general practice, specialist, diagnostic, dental and day-procedure services. Digital transformation will remain an important enabler, with continued enhancement of customer journey management, online-offline coordination, telehealth capabilities, data analytics and operational workflow automation.

Aesthetic Medical, Beauty and Wellness Services

The Group expects the aesthetic medical, beauty and wellness market to remain affected by cautious discretionary spending, outbound consumption and heightened price competition in the near term. However, the Group believes that long-term demand for beauty, wellness and minimally invasive aesthetic solutions remains supported by rising appearance and wellness awareness, customer preference for effective treatments, and increasing demand for trusted, professionally delivered services.

The Group will continue to position quality, safety, clinical standards and customer trust as the foundation of its aesthetic medical and wellness platform. At the same time, the Group will adopt a more disciplined and segmented approach to customer engagement, focusing on value-for-money entry offerings, membership loyalty, targeted campaigns, cross-selling of skincare and wellness products, and upgrading customers towards higher-value treatments through a structured service journey.

Operational discipline will remain central to the segment. The Group will continue to optimise centre productivity, manpower deployment, inventory management, treatment mix and marketing return on investment. Digital and data-driven marketing tools will be further applied to improve customer targeting, retention, conversion and lifetime value. These measures are expected to support margin resilience and position the segment for recovery when consumer sentiment normalises.

Veterinary and Other Services

The Group remains positive on the long-term development of its veterinary platform. Demand for essential pet healthcare services is expected to remain relatively resilient, supported by pet ownership trends, recurring medical needs, diagnostics, surgery, emergency care and specialist referrals.

The Group will continue to strengthen the operating foundation of its veterinary business by enhancing clinical governance, improving coordination between general practice, emergency care and specialty services, and increasing utilisation across the network. The Group will also continue to integrate systems, consolidate procurement data and standardise operating workflows across its veterinary platform. These actions are expected to support future bulk purchasing, improve cost visibility, enhance inventory control and create a more scalable operating model.

At AMAH, the Group will continue to strengthen its multidisciplinary specialist capabilities, referral network and case complexity. Together with the broader veterinary network across New Territories, Kowloon and Hong Kong Island, the Group aims to provide comprehensive veterinary services covering mass-market, mid-market and high-end premium customer segments.

37 Cameron Road Project and Network Transformation

The Group's 37 Cameron Road, Tsim Sha Tsui project is expected to play an important role in the next phase of the Group's network transformation and strategic capacity building. Following the launch of the first phase during the Reporting Period, the Tower provides the Group with a centralised, medical-grade platform to support phased service expansion, selected service relocation, higher service density and stronger multidisciplinary care delivery across Kowloon and Hong Kong's core commercial districts.

As utilisation ramps up, the Board believes the Tower can enhance patient flow, cross-referral efficiency, insurance and corporate programme delivery, and overall brand visibility. Together with EC Healthcare Tower in Central, the project strengthens the Group's hub-and-network model and reinforces its position as Hong Kong's largest non-hospital, multidisciplinary private healthcare service provider.

Beyond its direct operating contribution, the 37 Cameron Road project also provides a potential blueprint for the Group's long-term medical real estate infrastructure strategy. The project combines healthcare operating capability with external real estate and construction capital partners, while the Group participates as an equity stakeholder and serves as master tenant of the medical-grade tower. This structure allows the Group to secure strategic medical premises, control service standards and patient experience, and support hub-based healthcare delivery, while sharing the real estate capital commitment with strategic partners.

The Board believes that this "healthcare operator plus medical infrastructure" model may create long-term strategic optionality for the Group. By separating property ownership from healthcare operations, the Group can focus on its core strengths in clinical operations, practitioner network management, patient acquisition, payer collaboration and service integration, while leveraging purpose-built medical premises to enhance operating scalability and asset quality. Over time, subject to market conditions, regulatory requirements and execution performance, the project may provide opportunities for capital recycling, third-party capital partnerships and healthcare real estate platform development, including structures with REIT-like characteristics where appropriate.

The Group does not consider 37 Cameron Road merely as an expansion site, but as a strategic infrastructure initiative under its TTIPP strategy, particularly in relation to Technology, Insurance and Property. Through digital integration, unified clinical workflows, payer collaboration and medical-grade premises, the Tower is expected to support more coordinated healthcare programmes and improve the efficiency of service delivery. If successfully executed, this model may enable the Group to scale future medical hubs in a more capital-efficient manner, while preserving operating control and unlocking new forms of long-term value creation.

Prudent Capital Management and Portfolio Optimisation

The Group will maintain a disciplined approach to capital management, with a continued focus on liquidity, cash flow, deleveraging and return on invested capital. Capital allocation will remain selective and aligned with the Group's long-term strategic priorities, including integrated medical hubs, digital transformation, scalable patient acquisition channels and operational efficiency enhancement.

The Group will continue to review its asset portfolio and business mix, and may selectively recycle capital from mature or non-core assets where appropriate. This approach allows management to focus resources on core service pillars, projects with clearer return visibility and initiatives that strengthen the Group's integrated healthcare platform.

At the same time, the Group will remain open to selective acquisition, partnership and consolidation opportunities arising from the current market environment. Any such opportunities will be assessed prudently, with emphasis on strategic fit, integration feasibility, EBITDA contribution, clinical quality, cash flow contribution and long-term shareholder value creation.

EC Healthcare's Vision

The Group's long-term vision is to build a trusted, multidisciplinary and technology-enabled private healthcare platform serving patients across the full continuum of care. As Hong Kong's healthcare market evolves under the combined factors of ageing demographics, rising chronic disease burden, more structured insurance and corporate healthcare funding, stronger public-private collaboration and higher regulatory standards, the Board believes that scale, clinical governance, service integration and operating discipline will become increasingly important sources of competitive advantage.

The Group's next phase of value creation will focus not merely on network size, but on converting its existing scale into higher utilisation, operating leverage, cash flow and return on invested capital. Through its integrated medical, aesthetic medical, beauty and wellness, veterinary and other healthcare service platforms, the Group aims to deepen cross-referrals, strengthen customer lifetime value and deliver more coordinated care pathways for self-paid, insured, corporate and programme-based customers.

The Group will continue to strengthen its hub-and-network model, supported by EC Healthcare Tower in Central and 37 Cameron Road in Tsim Sha Tsui. These flagship hubs, together with the Group's broader service network, provide the physical infrastructure for multidisciplinary care delivery, while digital transformation, payer collaboration and centralised operating systems support greater scalability and efficiency.

Looking forward, the Group will remain disciplined in execution. The management will continue to prioritise liquidity, cash flow, deleveraging, portfolio optimisation and integration of existing business units, while selectively pursuing opportunities that strengthen the Group's core healthcare platform. The Board believes that the Company is well positioned to benefit from Hong Kong's long-term healthcare transformation and to build a more resilient, integrated and capital-efficient healthcare platform for patients, partners and shareholders.

Together, these developments reinforce our leadership as Hong Kong's most comprehensive healthcare service provider, blending strategic location advantage, operational excellence, and patient-centered innovation to shape the future of integrated medical services.

Profit Guarantee Update on Veterinary Business

Reference is made to the profit guarantee arrangements in respect of certain veterinary businesses previously acquired by the Group. During the Reporting Period and up to the date of this announcement, the Company has continued to review and follow up on the relevant profit guarantee shortfall positions and has engaged in discussions with the relevant obligors with a view to preserving the Group's rights while seeking a commercially viable settlement arrangement.

The relevant profit guarantee arrangements comprise two separate groups of target companies with different obligors, profit guarantee periods and negotiation status. In respect of King Equity Investments Limited (“King Equity”), the relevant obligors are Dr. Tiong Hai Hean and Dr. Tan Shyue Wei. Based on the audited financial results for FY22 to FY25 and the terms of the relevant sale and purchase agreement, the historical profit shortfall payback amount previously demanded from the relevant obligors was approximately HK\$13.1 million. Following settlement discussions and certain proposed settlement adjustments, the proposed outstanding settlement amount for the period from FY22 to FY25 is approximately HK\$11.1 million. In addition, the remaining profit guarantee amount for the period from FY26 to FY28 is HK\$57.136 million.

The Company has reached an in-principle commercial consensus with the relevant obligors of King Equity on the major terms of a proposed settlement framework. The proposed framework comprises two components. First, the historical profit shortfall payback amount of approximately HK\$11.1 million is proposed to be repaid over five years commencing from 31 December 2026 by five instalments falling on 31 December 2026, 31 December 2027, 31 December 2028, 31 December 2029 and 31 December 2030. Secondly, in respect of the remaining profit guarantee amount of HK\$57.136 million for FY26 to FY28, the parties have reached an in-principle understanding that there will be no waiver nor discount to the remaining profit guarantee amount, and the full amount will remain subject to an extension of the relevant profit guarantee period. As at the date of this announcement, no definitive agreement has been executed, and the proposed arrangement remains subject to internal approval, legal review, preparation and execution of definitive documentation and compliance with the applicable requirements under the Listing Rules.

In respect of Eternal Harvest International Limited (“Eternal Harvest”), Hong Kong Veterinary Imaging Center Limited (“HKVIC”) and Crown Leader Limited (“Crown Leader”), the relevant obligor is Dr. Tiong Hai Hean and the relevant profit guarantee period is from FY22 to FY26. Based on the audited financial results for FY22 to FY25 and the terms of the relevant sale and purchase agreement, the profit shortfall payback amount previously demanded from Dr. Tiong Hai Hean was approximately HK\$11.4 million. The remaining profit guarantee amount for FY26 is approximately HK\$11.9 million. Discussions with Dr. Tiong Hai Hean remain ongoing. The commercial gap has narrowed compared with the position previously reported, but no definitive agreement has been executed as at the date of this announcement.

As part of the ongoing discussions in respect of Eternal Harvest, HKVIC and Crown Leader, Dr. Tiong Hai Hean has indicated his agreement in principle that the aggregate cash balance of approximately HK\$15.4 million as at 30 April 2026, currently held in the bank accounts of the relevant target companies, shall be retained within the Group and shall not be distributed as dividend to him as minority shareholder. Where appropriate, the relevant portion of such cash balance may be used as part payment of the relevant profit shortfall payback. The Company considers that preserving such cash balance is an important value preservation measure while the parties continue to negotiate the proposed repayment settlement arrangement.

The Board has not treated the outstanding profit guarantee obligations as waived, abandoned or compromised without consideration. The Company has pursued a dual-track approach by reserving its legal rights under the relevant transaction documents while seeking a commercially viable settlement structure that maximises actual recoverability and supports the continuing operation of the veterinary businesses. The Company has maintained its contractual rights, instructed solicitors to issue legal demand letters, engaged in direct commercial discussions with the relevant obligors, pursued value preservation measures, and considered operational recovery and business continuity matters in parallel. Any settlement, adjustment, extension or revised arrangement remains subject to internal approval, legal review, execution of definitive documentation and compliance with the applicable requirements under the Listing Rules.

In determining the appropriate course of action, the Board has taken into account the Company's legal rights to recover the profit guarantee shortfall, the commercial and operational circumstances of the relevant veterinary businesses, and the continued involvement of the relevant veterinary professionals in the day-to-day operations and management of the clinics. The Board considers that an immediate enforcement approach may preserve the legal claim in form but could materially disrupt clinic operations, affect staff and customer stability, impair business performance and reduce actual recoverability. Accordingly, the Board considers that pursuing a structured settlement, where appropriate, while expressly reserving the Company's legal rights, is a commercially appropriate course of action intended to maximise recovery, avoid unnecessary disruption to the veterinary businesses and maintain the operational involvement of the relevant sellers.

The Board has also considered the overall commercial economics of the relevant acquisitions and profit guarantee arrangements. The aggregate profit guarantee amount under the relevant transaction documents was approximately HK\$171.1 million, which is substantially higher than the Group's original investment cost of approximately HK\$66.0 million. Accordingly, even after taking into account the proposed settlement adjustments to the historical shortfall and the proposed extension of the remaining profit guarantee period without interest, the Board considers that the proposed approach would not result in the Group failing to recover its original investment cost. Rather, the proposed approach is intended to preserve and maximise the Group's practical recovery while maintaining the operational continuity and profitability of the veterinary businesses.

If the relevant obligors fail to finalise definitive agreements within a reasonable timeframe, or fail to comply with any agreed settlement arrangements after execution, the Company reserves all rights to take further legal or enforcement actions available under the relevant transaction documents and applicable law. The Company will comply with all applicable requirements under the Listing Rules, including making further announcement(s) where required, in relation to any settlement, adjustment, extension, re-profiling or modification of the relevant profit guarantee arrangements.

Profit Guarantee Update on Good Union Corporation Limited and Good Union Medical Limited

In respect of the acquisition of shares in Good Union Corporation Limited and Good Union Medical Limited, based on the unaudited management accounts of the relevant target companies for the years ended 25 November 2024 and 25 November 2025 currently available to the Group, the relevant profit guarantee may not have been fulfilled. The aggregate profit guarantee amount under the relevant transaction documents is HK\$15,497,000. The relevant audit procedures are in progress and the final result of the profit guarantee assessment remains subject to confirmation.

Profit Guarantee Update on Hong Kong Pain and Wellness Solutions Limited

In respect of Hong Kong Pain and Wellness Solutions Limited, the aggregate profit guarantee amount under the relevant transaction documents was HK\$188,000,000 for the five years ended 31 March 2025. Based on the financial information available to the Group, the relevant profit achieved by Hong Kong Pain and Wellness Solutions Limited satisfied the profit guarantee requirement, and the profit guarantee arrangement has been fulfilled and completed.

Profit Guarantee Update on other acquisitions

References are made to (i) the announcement of the Company dated 7 February 2023 regarding the acquisition of shares in Excellent Connect Limited; (ii) the announcement of the Company dated 30 September 2022 regarding the acquisition of shares in Pioneer Evolution Limited; (iii) the announcement of the Company dated 29 November 2021 regarding the acquisition of shares in Bayley & Jackson Dental Surgeons Limited; (iv) the announcement of the Company dated 15 June 2021 regarding the acquisition of veterinary business (including the target companies named King Equity, Eternal Harvest, HKVIC and Crown Leader); (v) the announcement of the Company dated 8 March 2021 regarding the acquisition of shares in Young Aesthetics Medical Limited; (vi) the announcement of the Company dated 20 July 2020 regarding the acquisition of shares in Hong Kong Pain and Wellness Solutions Limited; and (vii) the announcement of the Company dated 2 November 2016 regarding the acquisition of shares in Good Union Corporation Limited and Good Union Medical Limited.

Save and except disclosed above, all relevant profit guarantees/revenue guarantees (as the case may be) given by the relevant parties up to the year ended 31 March 2026, which were calculated based on the agreed formula, have been met. There have been no change in the terms of the profit guarantees or revenue guarantees since the respective dates of the agreements.

FINANCIAL REVIEW

LIQUIDITY AND CAPITAL RESOURCES

Financial Resources

We continue to maintain a strong financial position with cash and cash equivalents, time deposits, current principal protected notes and other liquid financial assets of HK\$766.9 million, HK\$10.4 million and HK\$178.2 million respectively as at 31 March 2026. With our steady cash inflow from operations, coupled with sufficient cash and bank balances, we have adequate liquidity and financial resources to meet the current working capital requirements as well as to fund our budgeted expansion plans in the next financial year.

As at 31 March 2026, a majority of our cash and bank balances were in Hong Kong dollar.

CAPITAL EXPENDITURE AND COMMITMENTS

Capital Expenditure

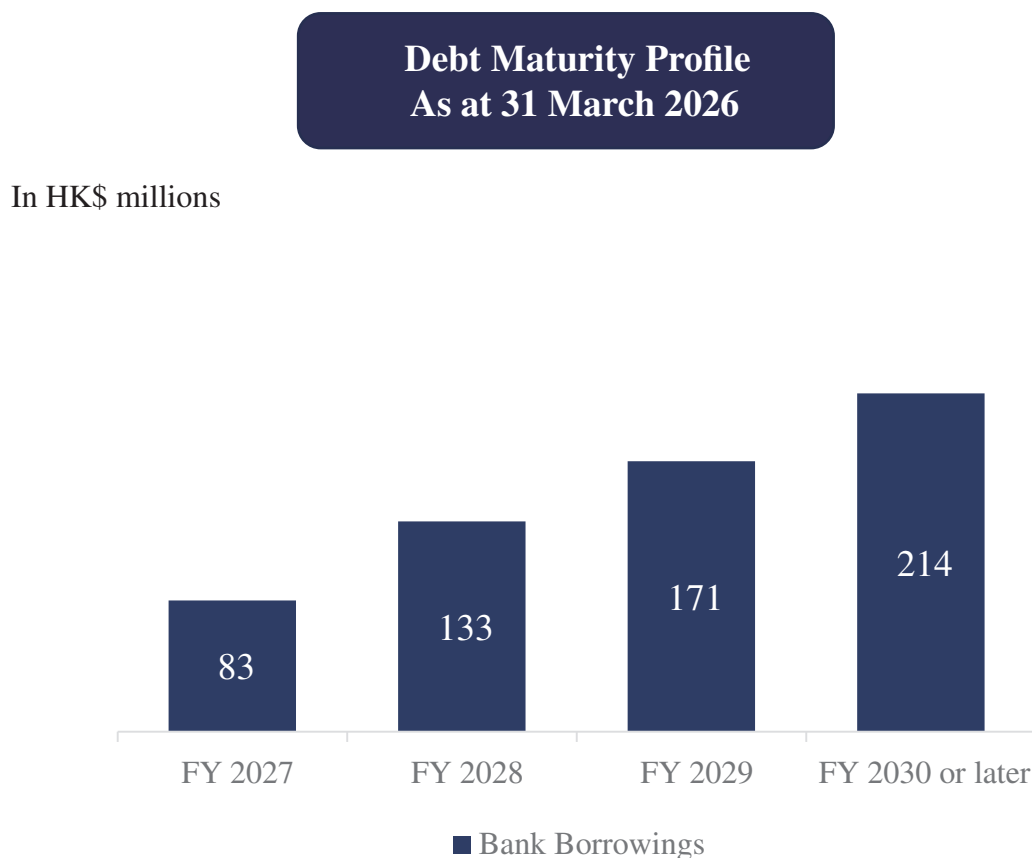
Our capital expenditures during the year ended 31 March 2026 were primarily related to the setting up of new clinics and services centres, purchases of operation equipment, which primarily included medical, aesthetic and beauty devices, and expenditure in leasehold improvements. We have financed our capital expenditure through cash flows generated from operating activities.

Capital Commitment

The estimated budget for the expansion to the brand-new 37 Cameron Road project in Tsim Sha Tsui, Kowloon is approximately HK\$100 million. Save for the above, we do not have any capital commitments in respect of acquisition of property, plant and equipment as at 31 March 2026.

INDEBTEDNESS

Debt Maturity Profile



Interest-bearing Liabilities

As at 31 March 2026, the Group had outstanding interest-bearing bank borrowings in the amount of HK\$600.9 million. In February 2026, the Group has repaid HK\$265.2 million of the principal amount of the convertible bonds and the interest accrued.

Contingent Liabilities and Guarantees

As at 31 March 2026, the Group had no significant contingent liabilities and guarantees.

Charge of Assets

As at 31 March 2026, investment properties of HK\$96.3 million, ownership interests in land and building held for own use of HK\$28.2 million, operating equipment of HK\$97.3 million and financial assets at fair value through profit or loss of HK\$127.0 million were pledged for bank borrowings.

Gearing Ratio

Gearing ratio equals total debt (total debt refers to the aggregate sum of bank borrowings and convertible bonds excluding lease liabilities relating to properties leased for own use) divided by total equity. As at 31 March 2026, the Group had interest-bearing liabilities, except for the properties leased for own use, of HK\$600.9 million and the gearing ratio is 35.1%.

Foreign Currency Risk

The Group carries out certain operating transactions in foreign currencies, which expose the Group to foreign currency risk, mainly pertaining to the risk of fluctuations in the Hong Kong dollar and U.S. dollar against Renminbi.

The Group has not used any derivative contracts to hedge against its exposure to currency risk. The management manages the currency risk by closely monitoring the fluctuation of the foreign currency rates and will consider hedging measures against significant foreign exchange exposure should such need arise.

Interest Rate Risk

As at 31 March 2026, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables remaining constant, would have decreased/increased the Group's profit after taxation and retained profits by approximately HK\$5.0 million.

ANNUAL GENERAL MEETING

The annual general meeting of the Company is proposed to be held on Friday, 21 August 2026. A notice convening the AGM will be published and dispatched to the relevant Shareholders in accordance with the requirements of the Articles of Association and the Listing Rules in due course.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2026 (2025: Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 18 August 2026 to Friday, 21 August 2026, both days inclusive, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the AGM. The record date is Friday, 21 August 2026. All transfers of Shares accompanied by the relevant Share certificates and transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Link Market Services (Hong Kong) Pty. Ltd., at Suite 1601, 16/F., Central Tower, 28 Queen's Road Central, Hong Kong for registration no later than 4:30 p.m. on Monday, 17 August 2026.

CORPORATE GOVERNANCE PRACTICES

The Board acknowledges the vital importance of good governance to the Group's success and sustainability by providing a framework for the Company to formulate its business strategies and policies, and to enhance its transparency, accountability and shareholder value.

The Board is committed to maintaining statutory and regulatory standards and adhering to the principles of corporate governance emphasising on transparency, independence, accountability, responsibility and fairness.

The Company has adopted the principles as set out in the CG Code contained in Appendix C1 to the Listing Rules. The Company has complied with all code provisions set out in the CG Code during the Reporting Period.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Specific enquiries have been made to all the Directors, and the Directors have confirmed that they have complied with the Model Code throughout the Reporting Period.

Co-owners, senior management, executives and staff who, because of their offices in the Company, are likely to possess inside information, have also been requested to comply with the Model Code. No incident of non-compliance with the Model Code by such co-owners, employees was noted by the Company during the Reporting Period.

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

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the consolidated financial statements of the Group for the Reporting Period. The audit committee of the Company has also reviewed the accounting principles and practices adopted by the Company and discussed auditing, internal control, risk management and financial reporting matters.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2026 as set out in the preliminary announcement have been agreed by the Company's auditors to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditors in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Company's auditors on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement of the Company is published on the Company's website at www.ehealthcare.com and Hong Kong Exchanges and Clearing Limited website at www.hkexnews.hk. The annual report of the Company for the Reporting Period will be dispatched to the relevant Shareholders and made available on the above websites in due course.

DEFINITION

References in this announcement to Hong Kong are to Hong Kong Special Administrative Region, to Macau are to Macao Special Administrative Region and to Taiwan are to the Taiwan region.

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| “AGM” | the annual general meeting of the Company proposed to be held on Friday, 21 August 2026 |
| “Articles of Association” | the Company's articles of association |
| “Audit Committee” | the audit committee of the Board |
| “Board” | the board of Directors |
| “CG Code” | the Corporate Governance Code contained in Appendix C1 to the Listing Rules, as amended from time to time |
| “Company” | EC Healthcare 醫思健康, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange |
| “Director(s)” | the director(s) of the Company |
| “EBITDA” | earnings before interests, taxation, depreciation – owned property, plant and equipment and amortisation |
| “FY22” | the financial year ended 31 March 2022 |
| “FY25” | the financial year ended 31 March 2025 |

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| “FY26” | the financial year ended 31 March 2026 |
| “FY28” | the financial year ended 31 March 2028 |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “LBITDA” | loss before interests, taxation, depreciation-owned property, plant and equipment and amortisation |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Macau” | the Macau Special Administrative Region of the People’s Republic of China |
| “Macau Doctor(s)” | doctor(s) licensed by and registered with the department of health in Macau (澳門特別行政區政府衛生局) |
| “Memorandum and Articles of Association” | the Company’s memorandum and articles of association |
| “Model Code” | Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules |
| “PRC” | the People’s Republic of China |
| “PRC Doctor(s)” | medical practitioner(s) with the qualification of a doctor (醫師) or assistant doctor (執業助理醫師) under the PRC Law on Medical Practitioners (中華人民共和國執業醫師法) and is practicing at a medical or healthcare institution |

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| “Registered Practitioner(s)” | registered dentist within the meaning of the Dentists Registration Ordinance (Cap. 156), registered medical practitioner within the meaning of the Medical Registration Ordinance (Cap. 161), registered chiropractor within the meaning of the Chiropractors Registration Ordinance (Cap. 428), listed or registered Chinese medicine practitioner within the meaning of the Chinese Medicine Ordinance (Cap. 549), registered veterinary surgeons within the meaning of the Veterinary Surgeons Registration Ordinance (Cap. 529), Macau Doctors and PRC Doctors |
| “Reporting Period” | financial year ended 31 March 2026 |
| “Sales Volume” | being the total sales volume generated from contracted sales entered into, and all products and services offered by the Group |
| “Share(s)” | ordinary share(s) in the share capital of the Company with par value of HK\$0.00001 each |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “YoY” | year-on-year |
| “%” | per cent. |

By order of the Board
EC Healthcare
Raymond Siu
Company Secretary

Hong Kong, 29 June 2026

As at the date of this announcement, the executive Directors are Mr. Tang Chi Fai, Mr. Lu Lyn Wade Leslie and Mr. Lee Heung Wing; the non-executive Directors are Mr. Luk Kun Shing Ben and Mrs. Leung Yang, Shih Ti Marianne; and the independent non-executive Directors are Mr. Ma Ching Nam, Mr. Look Andrew and Mr. Au Tsun.