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TIAN YUAN HEALTHCARE

天元医疗

CHINA TIAN YUAN HEALTHCARE GROUP LIMITED

中國天元醫療集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 557)

DECISION OF THE STOCK EXCHANGE ON RULE 13.24 OF THE LISTING RULES

This announcement is made by China Tian Yuan Healthcare Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

On 20 November 2026, the Company received a letter from the Stock Exchange (the "**Letter**") notifying the Company of its decision that the Company has failed to maintain a sufficient level of operations and assets of sufficient value to support its operations to warrant the continued listing of its shares under Rule 13.24 of the Listing Rules and that trading in the Company's shares will be suspended under Rule 6.01(3) of the Listing Rules (the "**Decision**"). In making the Decision, the Stock Exchange has considered, among others, the following:

ON OPERATION

The Company's business operations have substantially deteriorated, with revenue declining from HK$94.6 million in 2021 to HK$19.8 million in 2025 and net losses recorded in each of those five financial years. The Company has ceased operating the plastic surgery business (the "**Plastic Surgery Business**") and the light medical beauty business (the "**Light Medical Beauty Services Business**"), while the Stock Exchange considers that its remaining trademark licensing business (the "**Trademark Licensing Business**"), skincare products distribution business (the "**Skincare Products Distribution Business**") and money lending business (the "**Money Lending Business**") remain limited in scale. The Company has shifted its focus to the newly acquired or developed medical examination business (the "**Medical Examination Business**") and health management business (the "**Health Management Business**"), which the Stock Exchange considers to be also small in scale and to have a short track record of operation within the Group. Although the Company submitted that its various business lines form part of an integrated healthcare platform, the Stock Exchange is not satisfied that the Company's current businesses are viable and sustainable, or the changes in business focus would result in substantive and sustainable improvements in its operations.

Healthcare Business

The Healthcare Business has undergone substantial changes, and the Stock Exchange does not consider its deterioration a temporary downturn:

(i) From 2021 to 2024, revenue from its principal Plastic Surgery Business declined from HK$66.7 million to HK$7.6 million, or around 89%. The Company attempted to transform the operations of Shanghai Yuyue Weilai Healthcare Beauty Hospital Limited (the "**Shanghai Hospital**") from plastic surgery to light medical beauty services but this failed to improve the performance, leading to the disposal of the Shanghai Hospital in July 2026 and the cessation of those operations.

(ii) The Trademark Licensing Business had declined to a minimal scale. This business generated revenue of HK$16,000 only in 1H2026. The Company projected no revenue for the second half of 2026 or for 2027.

(iii) The Skincare Products Distribution Business has remained small in scale since its commencement in 2024, generating annual revenue of less than HK$1 million. Although the Company submitted that it has developed other distribution channels following the disposal of Shanghai Hospital, the Stock Exchange considers that it has not demonstrated that these channels have brought about any material improvement in the performance. The Stock Exchange further considers that its revenue forecasts of HK$3.1 million for 2026 and HK$6.9 million for 2027 relied on management's assumptions of rapid growth in the new sales channels, which were not substantiated by a sufficient operating track record or other evidence of customer demand.

The Company has shifted its focus to the newly acquired Medical Examination Business and the newly developed Health Management Business. However, the Stock Exchange considers both businesses to remain small in scale and to have only a short track record of operation within the Group. Even taking into account the planned expansion of the services of Ningxia Deshang Clinic Co., Ltd. (the "**Clinic**"), the Stock Exchange is not satisfied that the Company has demonstrated that these businesses are viable and sustainable:

(i) The Medical Examination Business (operated via the Clinic) was acquired only in March 2026. The Clinic historically operated on a small scale, generating annual revenue of less than HK$6 million in 2024 and 2025 and recording losses since its establishment, notwithstanding that it has established facilities, licences, professional staff and a customer base. While the Stock Exchange notes the improvement in the Clinic's revenue following the Company's acquisition of 70% equity interest in the Clinic in March 2026, these results cover a period of a few months only and do not sufficiently demonstrate a sustained improvement of the performance of this business.

The Company intended to expand the Clinic's services to include traditional Chinese medicine, medical aesthetic and skincare treatments. However, the Stock Exchange is not satisfied that the Company has demonstrated a substantive operational nexus between these additional services in Ningxia and its previous operations in Shanghai. The commercial development of these services remains at an early stage. Without a sufficient operating track record or substantive evidence of customer demand, the Stock Exchange is not satisfied that the Company has demonstrated how these services would materially and sustainably expand the Clinic's operations.

(ii) The Health Management Business commenced only in the second half of 2026. Its operations comprised contracts with 10 customers with an aggregate value of approximately HK$3.3 million, indicating a small operating scale and a limited customer base. The Stock Exchange also finds the evidence provided by the Company regarding continuing demand or expansion of customer base of this business to be insufficient. All 10 contracts are due to expire by the end of 2026, with no committed renewal beyond that date. The business is expected to remain small in scale based on the revenue forecast of HK$4.0 million for 2027.

The Company projected that the Healthcare Business would generate revenue of HK$35.2 million for 2026 and HK$36.8 million for 2027 and record a loss of approximately HK$0.8 million in 2026 and only a small profit of HK$4.5 million in 2027. The Stock Exchange is also concerned about the credibility of these projections given the lack of a sufficient track record or other evidence substantiating the projected growth.

Money Lending Business

The Money Lending Business has remained limited in scale, generating annual revenue of approximately HK$16 million to HK$18 million between 2021 and 2025. Its portfolio comprised only 18 outstanding loans, of which 10 loans, representing approximately 60% of the gross outstanding principal, were entered into in or before 2022 and had been repeatedly rolled over with only partial repayment of principal and/or accrued interest. The Stock Exchange notes that this indicates limited new loan origination and continued reliance on an aged portfolio. The Company did not have plan to develop or improve the business, and its forecast did not contemplate any growth, with revenue forecast at approximately HK$16.3 million for each of 2026 and 2027 on the assumption that all 18 existing loans would continue to be rolled over.

Securities Investment

Under Rule 13.24(2), income/revenue derived from securities investment is excluded when considering the Company's compliance with Rule 13.24(1).

ON ASSETS

As at 30 June 2026, the Company had total assets of HK$243 million and net assets of HK$154 million. A substantial portion of the Company's assets comprised loan receivables (of HK$117 million, net of impairment allowance) under the Money Lending Business. The Stock Exchange considers that the cash balances, property, plant and equipment, and other intangible assets (e.g. goodwill) do not demonstrate that the Company has assets supporting substantive revenue-generating operations, and that the Company has not demonstrated that its assets support sufficient operations.

RIGHT TO REVIEW AND TRADING SUSPENSION AND DELISTING PROCEDURES

Under Chapter 2B of the Listing Rules, the Company has the right to have the Decision referred to the Listing Committee for review. Any request for review must be served on the Secretary of the Listing Committee within seven business days from the date of the Decision (i.e. on or before 1 December 2026). Trading in the Company's shares will be suspended on 2 December 2026 (i.e. after the expiry of seven business days from the date of the Decision) unless the Company applies for a review of the Decision.

Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of the Company's shares if trading remains suspended for a continuous period of 18 months. This is without prejudice to the Stock Exchange's right under Rules 6.01 and 6.10 of the Listing Rules to impose a specific remedial period under Rule 6.10 of the Listing Rules ending earlier than the prescribed remedial period or cancel the listing of the Company's shares immediately.

The Company is in the process of reviewing the Letter and is discussing the same internally, and will consider whether to lodge a request for the Decision to be referred to the Listing Committee for review.

The board of directors of the Company (the "**Board**") remind the shareholders (the "**Shareholders**") and potential investors of the Company that (i) the Company may or may not proceed with the review by the Listing Committee; and (ii) the outcome of such review is uncertain, if undertaken.

Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules.

Shareholders who have any queries about the implications of the Decision are advised to obtain appropriate professional advice. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 23 November 2026

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