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天安中國投資有限公司

TIAN AN CHINA INVESTMENTS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 28)

## ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR 2024

The board of directors (“Board”) of Tian An China Investments Company Limited (“Company”) announces that the audited consolidated results of the Company and its subsidiaries (“Group”) for the year ended 31st December, 2024 are as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31st December, 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	(4)	3,012,234	2,782,050
Cost of sales		(1,979,555)	(1,882,243)
Gross profit		1,032,679	899,807
Other income and gains	(5)	264,726	315,178
Marketing and distribution expenses		(85,179)	(118,700)
Administrative expenses		(594,302)	(436,229)
Other operating expenses		(24,132)	(1,095)
Net increase (decrease) in fair value of financial assets at fair value through profit or loss		3,116	(4,722)
Net increase in fair value of equity securities at fair value through profit or loss		4,468	943
Impairment losses under expected credit loss model, net		(11,791)	(270,406)
Fair value gain on transfer of inventories of completed properties to investment properties		44,165	268,607
(Decrease) increase in fair value of investment properties		(438,768)	207,739
Impairment loss on properties for development		(2,569)	–
Reversal of impairment loss on properties under development, net		16,694	66,554
Impairment loss on other assets – properties interests		(108,027)	–
Amortisation of properties for development		(4,689)	(18,966)
Gain on bargain purchase of a subsidiary		–	495,142
Gain on disposal of subsidiaries		–	8,744
Finance costs		(220,833)	(192,598)
Share of (loss) profit of associates		(66,612)	16,796
Share of profit of joint ventures		145,796	391,158
(Loss) profit before tax		(45,258)	1,627,952
Taxation	(6)	(97,619)	(318,195)
(Loss) profit for the year	(7)	(142,877)	1,309,757

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS** (*Cont'd*)  
*for the year ended 31st December, 2024*

	<i>Note</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
(Loss) profit for the year attributable to:			
Owners of the Company		<b>(207,081)</b>	1,217,370
Non-controlling interests		<b>64,204</b>	92,387
		<u><b>(142,877)</b></u>	<u>1,309,757</u>
		<i>HK\$</i>	<i>HK\$</i>
(Loss) earnings per share	(8)		
Basic		<u><b>(0.14)</b></u>	<u>0.83</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

*for the year ended 31st December, 2024*

	<b>2024</b>	(Restated)
	<b>HK\$'000</b>	2023 HK\$'000
(Loss) profit for the year	<u>(142,877)</u>	<u>1,309,757</u>
Other comprehensive (expense) income		
Items that will not be reclassified to profit or loss:		
Exchange differences arising on translation to presentation currency	(237,251)	(337,591)
Share of other comprehensive expense of associates and joint ventures	(78,639)	(173,716)
Net change in fair value of equity instruments at fair value through other comprehensive income	(6,376)	(24,233)
Deferred tax effect on change in fair value of an equity instrument at fair value through other comprehensive income	138	124
Surplus on revaluation of owner-occupied properties upon transfer to investment properties	12,458	8,906
Deferred tax effect on revaluation of owner-occupied properties upon transfer to investment properties	<u>(7,931)</u>	<u>(6,101)</u>
	<u>(317,601)</u>	<u>(532,611)</u>
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	(24,315)	43,801
Others	<u>–</u>	<u>171</u>
	<u>(24,315)</u>	<u>43,972</u>
Other comprehensive expense for the year, net of tax	<u>(341,916)</u>	<u>(488,639)</u>
Total comprehensive (expense) income for the year	<u>(484,793)</u>	<u>821,118</u>
Total comprehensive (expense) income for the year attributable to:		
Owners of the Company	(537,372)	701,024
Non-controlling interests	<u>52,579</u>	<u>120,094</u>
	<u>(484,793)</u>	<u>821,118</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31st December, 2024

		(Restated)
	2024	2023
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current Assets</b>		
Property, plant and equipment	1,888,556	1,832,502
Deposits for acquisition of property, plant and equipment	23,887	23,398
Right-of-use assets	212,957	251,192
Investment properties	17,202,831	17,624,170
Properties for development	96,540	1,963,531
Other assets – properties interests	13,453	112,980
Interests in associates	2,094,076	2,173,316
Interests in joint ventures	10,830,612	10,142,118
Financial assets at fair value through profit or loss	891,376	683,416
Equity instruments at fair value through other comprehensive income	45,160	51,708
Club memberships	6,412	6,412
Deferred tax assets	162,306	163,687
	<u>33,468,166</u>	<u>35,028,430</u>
<b>Current Assets</b>		
Inventories of properties		
– under development	6,048,662	4,606,470
– completed	4,727,223	2,291,941
Other inventories	73,789	67,899
Amounts due from joint ventures	338,131	1,184,572
Loans receivable	76,103	155,553
Trade and other receivables, deposits and prepayments	(10) 671,323	517,951
Financial assets at fair value through profit or loss	52,971	183,626
Equity securities at fair value through profit or loss	50,494	46,450
Prepaid tax	585,731	318,252
Pledged bank deposits	–	32,984
Bank deposits	1,746,318	984,128
Cash and cash equivalents	10,572,181	8,039,801
	<u>24,942,926</u>	<u>18,429,627</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** (*Cont'd*)  
*at 31st December, 2024*

		(Restated)
	2024	2023
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Current Liabilities</b>		
Trade and other payables	(11) 2,714,654	2,498,573
Contract liabilities	14,096,057	7,177,622
Tax liabilities	2,086,151	2,151,986
Interest-bearing borrowings	2,324,216	1,873,703
Interest-free borrowings	1,873,255	1,941,467
Lease liabilities	1,543	3,389
	<u>23,095,876</u>	<u>15,646,740</u>
<b>Net Current Assets</b>	<u>1,847,050</u>	<u>2,782,887</u>
<b>Total Assets less Current Liabilities</b>	<u>35,315,216</u>	<u>37,811,317</u>
<b>Capital and Reserves</b>		
Share capital	3,788,814	3,788,814
Reserves	22,598,191	23,428,703
	<u>26,387,005</u>	<u>27,217,517</u>
Equity attributable to owners of the Company	26,387,005	27,217,517
Non-controlling interests	1,776,477	1,729,418
	<u>28,163,482</u>	<u>28,946,935</u>
<b>Total Equity</b>	<u>28,163,482</u>	<u>28,946,935</u>
<b>Non-current Liabilities</b>		
Contract liabilities	5,867	8,104
Interest-bearing borrowings	3,869,694	5,299,223
Rental deposits from tenants	17,283	17,831
Lease liabilities	1,282	35,193
Deferred tax liabilities	3,257,608	3,504,031
	<u>7,151,734</u>	<u>8,864,382</u>
	<u>35,315,216</u>	<u>37,811,317</u>

*Notes:*

**(1) Basis of preparation**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and the Hong Kong Companies Ordinance (Cap. 622) (“CO”).

The financial information relating to the financial years ended 31st December, 2024 and 2023 included in this announcement of annual results does not constitute the Company’s statutory annual financial statements for those financial years but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the CO is as follows:

The Company has delivered the financial statements for the year ended 31st December, 2023 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the CO. The Company’s auditor has reported on those financial statements for 2023. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the CO.

**(2) Application of amendments to HKFRSs**

*Amendments to HKFRSs that are mandatorily effective for the current year*

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on 1st January, 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(2) **Application of amendments to HKFRSs (Cont'd)**

**(2.1) Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)**

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity’s own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity’s right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively.

The application of the 2020 Amendments and 2022 Amendments has no material impact on the classification of the Group’s other liabilities. The change in accounting policy does not have impact to the Group’s profit or loss or (loss) earnings per share for the year ended 31st December, 2024 and 31st December, 2023.

**(3) Change of accounting policy for measurement of hospital and other buildings in the People’s Republic of China**

The Group re-assessed its accounting policy for measurement of hospital and other buildings in the People’s Republic of China (“PRC”) after initial recognition. The Group had previously adopted the revaluation model to measure the carrying amount of its hospital and other buildings in the PRC whereby, after initial recognition, the hospital and other buildings in the PRC were stated at fair value, based on annual valuations by an independent and qualified professional valuer not connected with the Group, less subsequent accumulated depreciation and impairment losses, if any.

The Group changed its accounting policy for the measurement of hospital and other buildings in the PRC, as the Group believes that adopting cost model provides a more reliable and more relevant information to reflect the Group’s operational performance, as well as aligns with the industry’s practice in the measurement of hospital and other buildings in the PRC. Under the cost model, the hospital and other buildings in the PRC were measured at their costs less accumulated depreciation and accumulated impairment losses. The Group applied the cost model retrospectively and the comparative figures in the consolidated statement of financial position as at 31st December, 2023 have been restated. After the acquisition of Tian An Medicare Limited (“TAMC”) (formerly known as China Medical & HealthCare Group Limited) as an indirectly non wholly-owned subsidiary of the Company on 5th October, 2023, the Group recognised the hospital and other buildings in the PRC held by TAMC. Before the acquisition of TAMC, the Group did not own any hospital and other buildings in the PRC. Therefore, no comparative figures in the consolidated statement of financial position as at 1st January, 2023 have been restated. In addition, such change in accounting policy has not resulted in restatement of the amounts reported in the consolidated statement of profit or loss for the year ended 31st December, 2023.

The effect on the line items on the consolidated statement of profit or loss and other comprehensive income for the year ended 31st December, 2023 arising from the change in accounting policy are set out below:

***Consolidated statement of profit or loss and other comprehensive income for the year ended 31st December, 2023***

	As previously reported HK\$’000	Effect HK\$’000	As restated HK\$’000
Gain on revaluation of leasehold land and buildings included in property, plant and equipment	7,217	(7,217)	–
Deferred tax arising from revaluation of leasehold land and buildings included in property, plant and equipment	(1,724)	1,724	–
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company	707,512	(6,488)	701,024
Non-controlling interests	119,099	995	120,094

(3) **Change of accounting policy for measurement of hospital and other buildings in the People’s Republic of China** (*Cont’d*)

The effect on the line items on the consolidated statement of financial position as at 31st December, 2023 arising from the change in accounting policy are set out below:

*Consolidated statement of financial position as at 31st December, 2023*

	As previously reported <i>HK\$’000</i>	Effect <i>HK\$’000</i>	As restated <i>HK\$’000</i>
<b>Non-current asset</b>			
Property, plant and equipment	1,839,719	(7,217)	1,832,502
<b>Non-current liability</b>			
Deferred tax liabilities	3,505,755	(1,724)	3,504,031
<b>Capital and reserves</b>			
Reserves	23,435,191	(6,488)	23,428,703
Non-controlling interests	<u>1,728,423</u>	<u>995</u>	<u>1,729,418</u>

(4) **Segment information**

The Group’s revenue for the year and assets are derived mainly from activities carried out and located in the PRC and Hong Kong. The Group’s basis of organisation is determined based on four main operations: property development, property investment, healthcare and other operations that comprises mainly property management, eldercare and trading of building materials. During the year ended 31st December, 2023, the Group acquired a Hong Kong listed company as subsidiary which engaged in investment in and management and operation of healthcare and related businesses. The healthcare business was considered as a new operating and reportable segment by the Executive Directors of the Company, the chief operating decision maker (“CODM”). Similarly, the Group’s reportable and operating segments, reported to the CODM for the purposes of resource allocation and performance assessment, also focused on these four main operations. For the property investment segment, it includes business activities of a listed property investment subsidiary. No reportable and operating segments of the listed property investment subsidiary are separately presented as its results are prepared and reviewed together with the Group’s other property investment activities for the internal performance assessment purposes.

(4) **Segment information** (Cont'd)

An analysis of the Group's segment revenue and results by reportable and operating segments is as follows:

	<b>Property development</b>	<b>Property investment</b>	<b>Healthcare</b>	<b>Other operations</b>	<b>Consolidated</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>For the year ended</b>					
<b>31st December, 2024</b>					
<b>SEGMENT REVENUE</b>					
External sales	<u>520,463</u>	<u>583,522</u>	<u>1,581,036</u>	<u>327,213</u>	<u>3,012,234</u>
<b>RESULTS</b>					
Segment profit (loss)	(32,018)	(108,971)	99,381	25,026	(16,582)
Other income and gains					264,726
Unallocated corporate expenses					(151,753)
Finance costs					(220,833)
Share of loss of associates	(505)	(66,107)	–	–	(66,612)
Share of profit (loss) of joint ventures	257,426	(56,826)	–	(54,804)	<u>145,796</u>
Loss before tax					<u>(45,258)</u>
<b>For the year ended</b>					
<b>31st December, 2023</b>					
<b>SEGMENT REVENUE</b>					
External sales	<u>1,530,108</u>	<u>591,380</u>	<u>394,154</u>	<u>266,408</u>	<u>2,782,050</u>
<b>RESULTS</b>					
Segment profit	175,722	787,442	508,068	31,516	1,502,748
Other income and gains					315,178
Unallocated corporate expenses					(405,330)
Finance costs					(192,598)
Share of profit (loss) of associates	21,115	(4,319)	–	–	16,796
Share of profit of joint ventures	276,058	77,146	–	37,954	<u>391,158</u>
Profit before tax					<u>1,627,952</u>

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of other income and gains, finance costs, share of profit (loss) of associates and joint ventures and unallocated corporate expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

(5) Other income and gains

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Dividend income		
– unlisted shares	1,782	1,930
– listed shares	790	1,053
Interest income on bank deposits	110,406	113,931
Interest income from loans receivable	8,740	37,866
Interest income from joint ventures	57,762	49,464
Net exchange gain	–	10,077
Compensation income for late payment from a joint venture	24,939	20,920
Other income	60,307	79,937
	<u>264,726</u>	<u>315,178</u>

(6) Taxation

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The charge comprises:		
Current tax		
– Hong Kong Profits Tax	15,744	15,297
– Overseas Tax	67	82
– PRC Enterprise Income Tax	213,527	145,671
– Land Appreciation Tax	75,218	86,460
	<u>304,556</u>	<u>247,510</u>
(Over) under-provision in prior years		
– Hong Kong Profits Tax	(123)	(34)
– Overseas Tax	(200)	(287)
– PRC Enterprise Income Tax	(17,048)	(44,815)
– Land Appreciation Tax	32,365	(58,088)
	<u>14,994</u>	<u>(103,224)</u>
	319,550	144,286
Deferred tax	(221,931)	173,909
	<u>97,619</u>	<u>318,195</u>

**(7) (Loss) profit for the year**

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
(Loss) profit for the year has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	<b>114,883</b>	52,224
Depreciation of right-of-use assets	<b>11,047</b>	3,249
Amortisation of:		
Other assets – properties interests	<b>478</b>	483
Properties for development	<b>4,689</b>	18,966
	<hr/>	<hr/>
Total depreciation and amortisation	<b>131,097</b>	74,922
Less: amount capitalised in properties under development	<b>(878)</b>	(1,198)
	<hr/>	<hr/>
	<b>130,219</b>	73,724
	<hr/>	<hr/>
Cost of inventories recognised as expenses	<b>996,034</b>	1,134,946
Net write down of inventories of completed properties (included in cost of sales)	<b>610</b>	3,073
	<hr/>	<hr/>

**(8) (Loss) earnings per share**

The calculation of the basic (loss) earnings per share attributable to the owners of the Company is based on the following:

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
<b>(Loss) earnings</b>		
(Loss) earnings for the purpose of basic (loss) earnings per share (loss) profit for the year attributable to owners of the Company	<b>(207,081)</b>	1,217,370
	<hr/>	<hr/>

	<b>2024</b>	2023
	<b>'000</b>	'000

**Number of shares**

Number of ordinary shares in issue during the year for the purpose of basic (loss) earnings per share	<b>1,466,069</b>	1,466,069
	<hr/>	<hr/>

No diluted (loss) earnings per share for both 2024 and 2023 were presented as there were no potential ordinary shares in issue for both 2024 and 2023.

(9) **Dividend**

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Dividend recognised as distributions during the year:		
Interim dividend (in lieu of final dividend) of HK20 cents (2023: HK25 cents) per share paid in respect of 2023 (2023: in respect of 2022)	<b><u>293,214</u></b>	<u>366,517</u>
Interim dividend declared of HK10 cents (2023: HK20 cents) per share	<b><u>146,607</u></b>	<u>293,214</u>

Subsequent to the end of the reporting period, the interim dividend (in lieu of final dividend) of HK10 cents (2023: HK20 cents) per share in respect of the financial year ended 31st December, 2024 has been declared by the Board.

(10) **Trade and other receivables, deposits and prepayments**

Proceeds receivable in respect of sales of properties are settled in accordance with the terms stipulated in the sale and purchase agreements.

The customers of hospital operation are either settled by cash, credit card or local governments' social insurance schemes. For credit card payment, the banks usually pay the Group 7 days after the trade date. Payments under local governments' social insurance schemes are normally settled 90 days from the invoice date.

Except for the proceeds from hospital operation, the proceeds from sales of properties and rental income from lease of properties which are payable in accordance with the terms of the relevant agreements, the Group generally allows a credit period of 30 days to 120 days to its customers.

The following is an aged analysis of trade receivables, including rental receivables, net of provisions, based on the invoice date/contract term at the end of the reporting period:

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Less than 31 days	<b>126,170</b>	61,269
31 to 60 days	<b>26,131</b>	14,344
61 to 90 days	<b>5,522</b>	6,954
91 to 180 days	<b>10,308</b>	10,040
Over 180 days	<b><u>13,631</u></b>	<u>9,226</u>
	<b><u>181,762</u></b>	<u>101,833</u>

As at 31st December, 2024 and 2023, other receivables, deposits and prepayments include deposits, prepaid expenses and interest receivables.

**(11) Trade and other payables**

The following is an aged analysis of trade payables, presented based on the invoice date, which is included in trade and other payables, at the end of the reporting period:

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Less than 31 days	<b>274,719</b>	440,629
31 to 60 days	<b>159,918</b>	112,456
61 to 90 days	<b>12,971</b>	84,593
91 to 180 days	<b>136,378</b>	60,261
Over 180 days	<b>867,981</b>	455,192
	<b><u>1,451,967</u></b>	<u>1,153,131</u>

As at 31st December, 2024 and 2023, other payables mainly include deposits, other tax payables, interest payables and accrued expenses.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Results

The revenue of the Group for the year ended 31st December, 2024 was HK\$3,012.2 million (2023: HK\$2,782.1 million), an increase of 8% compared to the year before. The loss attributable to owners of the Company amounted to HK\$207.1 million, as compared to the profit of HK\$1,217.4 million for last year.

Some material items are as follows:

- an increase in revenue is due to the consolidation of TAMC which became a non wholly-owned subsidiary of the Company on 5th October, 2023;
- a decrease in revenue from sales of completed properties from HK\$1,530.1 million in 2023 to HK\$520.5 million in 2024. This is mainly due to lower revenue recognition as there was no major development projects handed over to customers during the year ended 31st December, 2024, as well as reduced demand in a falling Mainland property market;
- a decrease in the fair value of investment properties held by the Group, its joint ventures and associates;
- a decrease in share of profit of joint ventures from HK\$391.2 million in 2023 to HK\$145.8 million in 2024;
- in 2024, there was an absence of one-off gain on bargain purchase of HK\$495.1 million recorded in 2023 arising from the acquisition of a subsidiary; and
- in 2024, there was also no one-off increase in fair value of investment properties similar to that of 2023 when the Group enjoyed a fair value gain amounting to HK\$207.7 million mainly from the acquisition of a subsidiary.

Loss per share amounted to HK\$0.14 (2023: earnings per share amounted to HK\$0.83), while the net asset value per share attributable to owners of the Company was HK\$18.00 at the end of 2024 (2023 (restated): HK\$18.56).

## Business Review

The Group is engaged principally in: (i) the development and investment of residential, office and commercial properties; (ii) property management; (iii) investment and operation of hospital, eldercare and health related businesses on the mainland in the PRC, as well as property investment and property management in Hong Kong.

An outline of our achievements in 2024 is described below:

- (1) Total attributable property registered sales (including sales from joint ventures and pre-sales of properties under construction) of the Group amounted to 322,200 m<sup>2</sup> in 2024 (2023: 336,200 m<sup>2</sup>), a decrease of 4%. A total attributable gross floor area (“GFA”) of approximately 432,600 m<sup>2</sup> (2023: 655,700 m<sup>2</sup>) was completed, a decrease of 34% from last year. For 2024, a total attributable GFA of approximately 1,321,600 m<sup>2</sup> (2023: 1,515,400 m<sup>2</sup>) was under construction at the year end, representing a 13% decrease over the last year.
- (2) Rental income slightly decreased by 1.4% as compared with 2023.
- (3) Tian An Cyberpark: There are a total of 20 Tian An Cyberparks developed or under development over 13 cities.
- (4) The Phase 3 of Tian An’s urban renewal project, Tian An Cloud Park, in Bantian residential district, Longgang, Shenzhen comprising a GFA of approximately 1,111,900 m<sup>2</sup> has commenced construction and is expected to be completed in stages in 2027 and 2028.
- (5) The development of Phase 2C of The One Tian An Place, a residential project in Shanghai, has been completed by the end of 2024 after the successful pre-sales during the 4th quarter of 2022 and most of the sold units were handed over to customers in early 2025. The pre-sales of Phase 2B in 2024 has also been a success and will provide steady contributions in the course of its phased development.
- (6) For the year ended 31st December, 2024, Asiasec Properties Limited reported a loss of approximately HK\$74.8 million (2023: profit of approximately HK\$265.0 million) attributable to its shareholders.
- (7) For the year ended 31st December, 2024, TAMC reported a revenue of approximately HK\$1,627.2 million (2023: HK\$1,568.8 million) and a profit of approximately HK\$28.8 million (2023: HK\$14.7 million) attributable to its shareholders.

## **Plans for 2025**

Objectives for 2025 are as follows:

- (1) We will continue to adjust the quality of our landbank through acquisitions and disposals and sale of our end products to balance the demands of short term returns and long term capital appreciation.
- (2) We will adjust our products and pricing as well as the speed of construction where necessary to assist the sale of our products in the current environment.
- (3) We hope to responsibly gear up our projects rather than over-utilising equity in order to increase our return on equity.
- (4) We will review our healthcare investment, management and cost structure so as to improve efficiency and reduce expenses where possible.

## **Long term corporate strategies**

- (1) The Group will retain certain development properties for investment where we believe these properties will provide increasing rental streams and corresponding increases in capital value.
- (2) We will concentrate our effort on developing our cyberpark, urban renewal units and other investments where we believe our products are welcomed by the government and the local market.

## **Financial Review**

### *Liquidity and Financing*

The Group always maintains its liquidity at a healthy level with a balanced portfolio of financial resources. As at 31st December, 2024, the total bank balances and cash reserves of the Group were approximately HK\$12,318.5 million (2023: HK\$9,056.9 million), providing sufficient working capital for the daily operations of the Group.

As at 31st December, 2024, the total borrowings of the Group amounted to approximately HK\$8,067.2 million (2023: HK\$9,114.4 million), including current liabilities of HK\$4,197.5 million (2023: HK\$3,815.2 million) and non-current liabilities of HK\$3,869.7 million (2023: HK\$5,299.2 million). The gearing ratio (net debt over total equity) of the Group was negative of 15.1% (2023: positive of 0.2%). The borrowings were mainly used to finance the properties for development and properties under construction. Decrease in finance costs is mainly due to the decrease in the interest rate of the borrowings compared to last year.

Approximately 61% of the Group's outstanding borrowings will mature within two years. Since most of the investments and operation of the Group are carried out in the PRC, most of the bank borrowings are denominated in Renminbi which will be repaid in the same currency. Around 10% of the Group's interest bearing borrowings bear interest at fixed rates while the remainders are at floating rates.

To maintain flexible and sufficient cashflow for acquiring the potential quality landbank and accelerating construction works for our development projects, the Group intends to obtain proper bank borrowings with reasonable pricing terms. The management continuously monitors the gearing ratio and raises new external borrowings when necessary.

#### *Risk of Foreign Exchange Fluctuation*

The Group is required to maintain foreign currency exposure to cater for its recurring operating activities and present and potential investment activities, meaning it will be subject to reasonable exchange rate exposure. However, the Group will closely monitor this risk exposure as required.

#### *Pledge on Assets*

As at 31st December, 2024, aggregate carrying values of property, plant and equipment, development properties, investment properties, equity securities at fair value through profit or loss and interest in a subsidiary of approximately HK\$31.2 million, HK\$538.2 million, HK\$10,259.7 million, HK\$4.1 million and HK\$3.3 million respectively, were pledged for banking facilities and a margin loan facility granted to the Group.

#### *Contingent Liabilities*

Property for development that is held by a joint venture of the Group with total carrying value of approximately HK\$793.1 million is under idle land investigation by the local authority. The development progress cannot fully fulfill building covenants under the land grant contracts. The whole pieces of land of the joint venture were held under several land use right certificates. They are under phased construction stage and certain portions of them are under development, except for the portions which are retained for the remaining development of the whole project. Property for development that is held by another joint venture of the Group with carrying value of approximately HK\$181.6 million had been identified as idle land by the local authority. The development of more than half of the piece of land was completed, except for the portions which are retained for the remaining development of the whole project. In particular, the construction work for Phase 3 Part 2 has started in current year. The Group is currently working diligently with joint venture partners to prevent the possible classification as idle land for those under idle land investigation and taking remedy action to prevent from prosecution for those had been identified as idle land, including negotiating the feasibility of development plans with local authorities. Based on legal advices, the Group has assessed the issue and in the opinion of the directors of the Company (“Directors”), the economic outflows caused by the above cases are not probable.

As at 31st December, 2024, guarantees given to banks in respect of mortgage loans granted to property purchasers, loan facilities granted to or utilised by the joint ventures and investee companies classified as financial assets at fair value through profit or loss amounted to approximately HK\$4,197.8 million. All the guarantees provided by the Group were requested by banks under normal commercial terms.

A legal action was taken against an indirect wholly-owned subsidiary of TAMC resulting in possible contingent liabilities of approximately HK\$155.4 million. The Group, after seeking PRC legal advice, is of the view that the litigation has no merits and hence no material impact on the operations and financial position of the Group. Subsequent to the end of the reporting period, a legal action was taken against a subsidiary of the Company resulting in possible contingent liabilities of approximately HK\$35.1 million. The Group has assessed the claim and obtained PRC legal advice, and considers that it is too early to assess the possible liability at this stage.

### **Material Lending Transaction**

The Group is principally engaged in, among other things, property development and investment, and with the intention to effectively utilise its available financial resources on hand from time to time, the Group granted loans to borrowers as part of its treasury activities which contributed to the income of the Group. Having considered its available cash resources, working capital needs, potential business and investment opportunities, a comparison between the fixed deposit interest rate at the material time and the expected rate of return of alternative use of such cash resources, the Group would allocate its resources accordingly with the intention to enhance the returns of its shareholders, including providing short term loans.

In assessing the reasons for and benefits of providing the loan, the Directors have considered (i) the costs of borrowing in providing the loan; (ii) the interest income to be generated under the loan; and (iii) the underlying securities of the loan, and are of the view that the loan is on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole. During the year, the Group did not grant any loans to borrowers.

The Group will ensure that it has sufficient working capital for its business operations after the allocation of its resources as above mentioned.

### **Material Acquisitions and Disposal**

There were no material acquisitions and disposals of subsidiaries, associates and joint ventures for the year ended 31st December, 2024 and up to the date of this announcement.

### **Segment Information**

Detailed segmental information in respect of the revenue and profit or loss is shown in note 4 to the consolidated financial statements.

### **Event after the Reporting Date**

There are no important events affecting the Group which have occurred after the end of the reporting financial year ended 31st December, 2024 and up to the date of this Announcement.

## **Employees**

As at 31st December, 2024, the Group including its subsidiaries but excluding associates and joint ventures, employed 3,646 (2023: 3,669) persons. The Group maintains a policy of paying competitive remuneration packages and employees are also rewarded on performance related basis including salary and bonus.

## **Business Outlook**

The financial problems of many sizeable China property developers, high dollar interest rates, geopolitical tensions, the war in Ukraine and the conflict in the Middle East have led to uncertainty and poor market sentiment. The policy of derisking by the United States and the European Union towards China and the raising of tariffs on Chinese products by the United States will continue to have a negative impact on the economy of China.

Although the overall market sentiment in the general PRC property market is unfavorable, we are comforted by China's Central Bank cut in one-year loan prime rate ("LPR") by 35 basis points from 3.45% to 3.10% and five-year LPR by 60 basis points from 4.20% to 3.60% during 2024, helping to reduce the financial burdens of the property sector. China's Central Bank also cut the reserve requirement ratio by 1.00% in 2024. This will increase liquidity in the market and stimulate the economy of Mainland China. Furthermore, Central government and local governments have introduced measures to stabilise the property market. These include removing the lower limit on interest rates for first-time personal housing loans, reducing the down payment ratio and removing restrictions related to home purchases in some cities. Despite short term uncertainties, we remain confident of the long term prospects of the property market in Mainland China and Hong Kong.

## **DIVIDEND**

The Board has declared an interim dividend of HK10 cents per share (in lieu of a final dividend) for the year ended 31st December, 2024 (2023 interim dividend (in lieu of a final dividend): HK20 cents per share) payable on or around Friday, 25th April, 2025 to the shareholders of the Company ("Shareholders") whose names appear on the register of members of the Company on Wednesday, 9th April, 2025.

## **CLOSURE OF REGISTER OF MEMBERS**

### **(1) For determining the entitlement to the interim dividend (in lieu of a final dividend)**

For determining the entitlement to the interim dividend (in lieu of a final dividend) for the year ended 31st December, 2024, the register of members of the Company will be closed on Tuesday, 8th April, 2025 and Wednesday, 9th April, 2025, during which period no transfer of shares of the Company will be registered. In order for a Shareholder to qualify for the interim dividend (in lieu of a final dividend), all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited of 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 7th April, 2025.

### **(2) For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company ("2025 AGM")**

The 2025 AGM is scheduled to be held on Wednesday, 21st May, 2025. For determining the entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Friday, 16th May, 2025 to Wednesday, 21st May, 2025 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order for a Shareholder to be eligible to attend and vote at the 2025 AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited of 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 15th May, 2025.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

During the year ended 31st December, 2024, the Company has applied the principles of, and complied with, the applicable code provisions set out in the section headed "Part 2 – Principles of good corporate governance, code provisions and recommended best practices" of the Corporate Governance Code ("CG Code") under Appendix C1 of the Listing Rules, except for certain deviations which are summarised below:

### **Code Provisions E.1.2 and D.3.3**

Code provisions E.1.2 and D.3.3 of the CG Code stipulate that the terms of reference of the remuneration committee and audit committee should include, as a minimum, those specific duties as set out in the respective code provisions.

The terms of reference of the remuneration committee ("Remuneration Committee") adopted by the Company are in compliance with the code provision E.1.2 of the CG Code except that the Remuneration Committee shall make recommendations to the Board on the remuneration packages of the Executive Directors only and not senior management (as opposed to executive directors and senior management under the code provision).

During the year ended 31st December, 2024, the Board has reviewed and updated the terms of reference of the audit committee (“Audit Committee”). The updated terms of reference of the Audit Committee adopted by the Company are in compliance with the code provision D.3.3 of the CG Code except that the Audit Committee (i) shall recommend (as opposed to implement under the code provision) the policy on the engagement of the external auditors to supply non-audit services; (ii) only possesses the effective ability to scrutinise (as opposed to ensure under the code provision) whether management has performed its duty to have effective risk management and internal control systems; and (iii) can promote (as opposed to ensure under the code provision) the co-ordination between the internal and external auditors, and check (as opposed to ensure under the code provision) whether the internal audit function is adequately resourced.

The reasons for the above deviations are set out in the Corporate Governance Report to be contained in the Company’s Annual Report for the financial year ended 31st December, 2024 (“2024 Annual Report”). The Board has reviewed the terms during the year under review and considers that the Remuneration Committee and the Audit Committee should continue to operate according to the relevant updated terms of reference, and will continue to review the terms at least annually and make appropriate changes if considered necessary.

Further information on the Company’s corporate governance practices during the year under review will be set out in the Corporate Governance Report to be contained in the Company’s 2024 Annual Report which will be sent to the Shareholders by the end of April 2025.

#### **AUDIT COMMITTEE REVIEW**

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and the financial statements for the year ended 31st December, 2024.

#### **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31st December, 2024 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

#### **PURCHASE, SALE OR REDEMPTION OF SHARES**

During the year ended 31st December, 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s shares.

## **FORFEITURE OF UNCLAIMED DIVIDEND**

Pursuant to Article 160(A) of the articles of association of the Company, all dividends unclaimed for six years after having been declared may be forfeited by the Board and shall revert to the Company. The Board wishes to inform the Shareholders that any of the following dividend declared remaining unclaimed on Thursday, 17th April, 2025 will be forfeited and revert to the Company.

<b>Financial Year End</b>	<b>Type of Dividend</b>
2017	Interim Dividend (in lieu of Final Dividend)

Shareholders who are entitled to but yet to receive the dividend payments in respect of the aforesaid dividend are advised to contact the Company's share registrar, Tricor Investor Services Limited of 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but no later than 4:30 p.m. on Thursday, 17th April, 2025.

On behalf of the Board  
**Tian An China Investments Company Limited**  
**Edwin Lo King Yau**  
*Executive Director*

Hong Kong, 21st March, 2025

*As at the date of this announcement, the Board comprises Mr. Song Zengbin (Deputy Chairman), Mr. Patrick Lee Seng Wei (Managing Director), Mr. Edwin Lo King Yau and Mr. Tao Tsan Sang being the Executive Directors; Mr. Lee Seng Hui (Chairman) and Dr. Moses Cheng Mo Chi being the Non-Executive Directors; and Mr. Jiang Guofang, Mr. Ngai Wah Sang and Ms. Lisa Yang Lai Sum being the Independent Non-Executive Directors.*