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北京健康(控股)有限公司
Beijing Health (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2389)

**ANNOUNCEMENT OF THE ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

The board of directors (the “Board”) of Beijing Health (Holdings) Limited (the “Company”) announces the consolidated annual results of the Company and its subsidiaries (collectively the “Group”) prepared in accordance with Hong Kong Financial Reporting Standards for the year ended 31 December 2022, together with the comparative figures for the year 2021, as follows:

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

For the year ended 31 December 2022

	<i>Notes</i>	2022 <i>HK\$’000</i>	2021 <i>HK\$’000</i>
REVENUE	4	166,484	203,776
Cost of sales		<u>(119,972)</u>	<u>(156,785)</u>
Gross profit		46,512	46,991
Other income and gains, net	4	36,864	66,447
Selling and distribution expenses		(14,555)	(13,783)
Administrative expenses		(97,402)	(119,095)
Impairment losses on financial assets, net		(10,109)	(7,030)
Other expenses and losses		(19,066)	(198)
Finance costs	6	(1,442)	(2,066)
Share of losses of:			
Joint ventures		(18,828)	(1,495)
Associates		(24,670)	(16,390)
LOSS BEFORE TAX	5	(102,696)	(46,619)
Income tax credit	7	3,891	6,385
LOSS FOR THE YEAR		<u>(98,805)</u>	<u>(40,234)</u>

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
LOSS FOR THE YEAR	(98,805)	(40,234)
OTHER COMPREHENSIVE INCOME/ (LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Debt investment at fair value through other comprehensive income:		
Changes in fair value	891	(2,321)
Reclassification adjustments for gains included in the consolidated statement of profit or loss		
– gain on redemption	(905)	–
– reversal of impairment losses	–	(601)
Exchange differences:		
Exchange differences on translation of foreign operations	(141,525)	48,914
Reclassification adjustment for a foreign operation deconsolidated during the year	(48)	–
Reclassification adjustment for a foreign operation disposed during the year	582	–
Share of other comprehensive income/(loss) of a joint venture	1,412	(38)
Share of other comprehensive loss of associates	(3,834)	(2,000)
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	(143,427)	43,954
Other comprehensive income/(loss) will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of equity investments designated at fair value through other comprehensive income	(35,741)	12,263
Revaluation gain on transfer from property, plant and equipment to investment property	2,446	9,830
Less: income tax effect	(612)	–

	<i>Note</i>	2022 HK\$'000	2021 <i>HK\$'000</i>
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods		<u>(33,907)</u>	<u>22,093</u>
OTHER COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR, NET OF TAX		<u>(177,334)</u>	<u>66,047</u>
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR		<u>(276,139)</u>	<u>25,813</u>
Loss attributable to:			
Owners of the parent		<u>(97,696)</u>	(39,410)
Non-controlling interests		<u>(1,109)</u>	(824)
		<u>(98,805)</u>	<u>(40,234)</u>
Total comprehensive (loss)/income attributable to:			
Owners of the parent		<u>(254,408)</u>	11,885
Non-controlling interests		<u>(21,731)</u>	13,928
		<u>(276,139)</u>	<u>25,813</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	9	<u>HK(1.61) cents</u>	<u>HK(0.65) cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2022

		2022	2021
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		62,766	84,594
Investment properties		150,720	138,317
Right-of-use assets		412,460	470,073
Properties under development		427,681	467,279
Goodwill		79,979	79,979
Investments in joint ventures		73,666	97,533
Investments in associates		144,844	183,623
Equity investments designated at fair value through other comprehensive income		246,737	323,881
Debt investment at fair value through other comprehensive income		–	40,331
Prepayments and other receivables		175,275	201,523
Deferred tax assets		1,481	–
		<hr/>	<hr/>
Total non-current assets		1,775,609	2,087,133
		<hr/>	<hr/>
CURRENT ASSETS			
Inventories		45,363	70,731
Trade receivables	10	18,655	34,799
Prepayments, other receivables and other assets		135,040	148,998
Financial assets at fair value through profit or loss		247,038	253,169
Restricted bank balances		–	3,994
Cash and cash equivalents		193,726	239,136
		<hr/>	<hr/>
Total current assets		639,822	750,827
		<hr/>	<hr/>

	<i>Note</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
CURRENT LIABILITIES			
Trade payables	11	21,745	46,424
Other payables and accruals		129,043	156,323
Interest-bearing bank borrowings		25,747	36,693
Lease liabilities		4,744	6,223
Tax payable		1,062	637
		<hr/>	<hr/>
Total current liabilities		182,341	246,300
		<hr/>	<hr/>
NET CURRENT ASSETS		457,481	504,527
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,233,090	2,591,660
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Other payables		12,992	3,652
Lease liabilities		2,255	5,452
Deferred tax liabilities		74,183	85,937
		<hr/>	<hr/>
Total non-current liabilities		89,430	95,041
		<hr/>	<hr/>
Net assets		2,143,660	2,496,619
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to the owners of the parent			
Share capital		1,211,754	1,215,789
Reserves		825,484	1,077,835
		<hr/>	<hr/>
		2,037,238	2,293,624
		<hr/>	<hr/>
Non-controlling interests		106,422	202,995
		<hr/>	<hr/>
Total equity		2,143,660	2,496,619
		<hr/> <hr/>	<hr/> <hr/>

NOTES

1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through profit or loss, equity investments designated at fair value through other comprehensive income and debt investment at fair value through other comprehensive income which have been measured at fair value. These consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2022. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

General, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive loss is reclassified to profit or loss or accumulated losses, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018–2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The nature and the impact of the revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* (the “Conceptual Framework”) issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no business combinations during the year, the amendments did not have any impact on the financial position and performance of the Group.
- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by HKAS 2 *Inventories*, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

(d) *Annual Improvements to HKFRSs 2018–2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 January 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any impact on the financial position or performance of the Group.

3 OPERATING SEGMENT INFORMATION

For management purposes, the Group has one single operating and reportable segment, which is the provision of medical care, health care and geriatric care related services and products. All of the Group's operating results are generated from this single segment. During the year, 100% (2021: 100%) of the Group's revenue was generated from customers in Mainland China, and over 78% (2021: over 78%) the Group's non-current assets, excluding financial instruments and deferred tax assets, were located in Mainland China.

Revenue of approximately HK\$37,197,000 (2021: HK\$26,916,000) was derived from sales of goods to a single customer, including sales to a group of entities which are known to be under common control with that customer.

4 REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue from contracts with customers	<u>166,484</u>	<u>203,776</u>

Revenue from contracts with customers

(i) *Disaggregated revenue information*

For the year ended 31 December

	2022 Total HK\$'000	2021 Total HK\$'000
Type of goods or services		
Sale of goods	157,854	195,194
Rendering of services	<u>8,630</u>	<u>8,582</u>
Total revenue from contracts with customers	<u><u>166,484</u></u>	<u><u>203,776</u></u>
Geographical markets		
Mainland China	<u>166,484</u>	<u>203,776</u>
Total revenue from contracts with customers	<u><u>166,484</u></u>	<u><u>203,776</u></u>

During the year, the Group recognised revenue of HK\$36,325,000 (2021: HK\$28,394,000) that were included in the contract liabilities in respect of the sale of goods of the beginning of the reporting period and recognised from performance obligations satisfied in previous periods.

(ii) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon the completion of installation of goods and payment is generally due within 30 to 90 days from delivery, except for new customers, where a partial payment in advance is normally required.

Rendering of services

The performance obligation is satisfied over time as services are rendered and payment is generally due upon completion of the service period.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2022 HK\$'000	2021 HK\$'000
Amounts expected to be recognised as revenue:		
Within one year	164,696	137,740
After one year	<u>3,568</u>	<u>42,474</u>
	<u><u>168,264</u></u>	<u><u>180,214</u></u>

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to sales of goods and warranty services included in sale contracts, of which the performance obligations are to be satisfied within two to fifteen years. All the other amount of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Other income		
Bank interest income	1,674	4,195
Other interest income	12,758	16,283
Investment income of debt investment at fair value through other comprehensive income	1,561	4,081
Investment income of equity investments at fair value through other comprehensive income	5,397	8,568
Investment income of financial asset at fair value through profit or loss	4,663	2,141
Gross rental income from investment property operating leases	12,439	9,174
Dividend income	1,450	1,354
Government subsidies	222	95
Others	1,557	426
	<u>41,721</u>	<u>46,317</u>
Gains/(losses), net		
Fair value losses on investment properties, net	(4,879)	(2,409)
Fair value losses on financial assets at fair value through profit or loss	(6,972)	(3,473)
Gain/(Loss) on disposal of associates	585	(4,471)
Gain on deconsolidation of a subsidiary	63	–
Gain on disposal of subsidiaries	50	–
Gain on disposal of property, plant and equipment	548	–
Gain on disposal of equity investment at fair value through other comprehensive income	1,373	–
Gain on redemption of debt investment at fair value through other comprehensive income	4,375	–
Foreign exchange differences, net	–	4,034
Reversal of impairment loss on investment in an associate	–	26,449
	<u>(4,857)</u>	<u>20,130</u>
	<u><u>36,864</u></u>	<u><u>66,447</u></u>

5 LOSS BEFORE TAX

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Cost of inventories sold	115,404	151,977
Cost of services provided	4,568	4,808
Depreciation of property, plant and equipment	5,154	10,348
Depreciation of right-of-use assets	<u>20,853</u>	<u>23,833</u>
Impairment/(reversal of impairment) of an investment in an associate	817*	(26,449)****
Lease payments not included in the measurement of lease liabilities	1,724	2,723
Auditor's remuneration	1,650	1,650
Employee benefit expense (excluding directors' and chief executive's remuneration)		
Wages and salaries	34,847	36,902
Pension scheme contributions (defined contribution schemes)**	<u>8,535</u>	<u>9,342</u>
	<u>43,382</u>	<u>46,244</u>
Foreign exchange differences, net	18,021*	(4,034)****
Impairment/(reversal of impairment) of financial assets:		
Impairment of trade receivables, net***	3,740	(1,344)
Impairment of prepayments, other receivables and other assets, net***	6,369	8,975
Reversal of impairment of debt investment at at fair value through other comprehensive income***	–	(601)
	<u>10,109</u>	<u>7,030</u>

* These items are included in "Other expenses and losses" in profit or loss of the consolidated statement of profit or loss and other comprehensive income.

** At 31 December 2022, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2021: nil).

*** These items are included in "Impairment losses on financial assets, net" in profit or loss of the consolidated statement of profit or loss and other comprehensive income.

**** This items are included in "other income and gains, net" in profit or loss of the consolidated statement of profit or loss and other comprehensive income.

6 FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest on bank borrowings	864	1,405
Interest on lease liabilities	578	661
	<u>1,442</u>	<u>2,066</u>

7 INCOME TAX

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current – PRC corporate income tax		
Charge for the year	6,726	1,789
Overprovision in prior years	(2,594)	(5,321)
Deferred	(8,023)	(2,853)
	<u>(3,891)</u>	<u>(6,385)</u>

Hong Kong profits tax

During the year ended 31 December 2022, no Hong Kong profits tax had been provided as there were no assessable profits arising in Hong Kong during the year (2021: nil).

PRC corporate income tax

PRC corporate income tax provision in respect of operations in Mainland China is calculated at the applicable tax rates on the estimated assessable profits for the year based on prevailing legislation, interpretations and practices in respect thereof.

8 DIVIDEND

The directors do not recommend the payment of any dividend for the year (2021: nil).

9 LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent of approximately HK\$97,696,000 (2021: HK\$39,410,000), and the weighted average number of ordinary shares of 6,069,935,709 (2021: 6,078,944,027) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2022 and 2021.

10 TRADE RECEIVABLES

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 3 months	5,462	11,646
4 to 6 months	2,796	15,589
7 to 12 months	1,800	2,529
Over 1 year	8,597	5,035
	<u>18,655</u>	<u>34,799</u>

11 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:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 3 months	11,904	26,170
Over 3 months	9,841	20,254
	<u>21,745</u>	<u>46,424</u>

The trade payables are non-interest-bearing and are normally settled on terms of 3 to 6 months.

12 DECONSOLIDATION OF A SUBSIDIARY

In June 2022, the Group lost control over Guangzhou Jinfu City Fund (limited partnership)* (廣州金富城發股權投資基金合夥企業(有限合夥)) due to the loss of control over its investment committee and hence they have been accounted for as financial asset at fair value through profit or loss since then.

	2022 HK\$'000
Net assets deconsolidated of:	
Equity investments designated at fair value through other comprehensive income	75,166
Prepayments, other receivables and other assets	7
Cash and cash equivalents	19,335
Other payables and accruals	(25)
Non-controlling interests	<u>(71,156)</u>
	23,327
Exchange fluctuation reserve	<u>(48)</u>
	23,279
Gain on deconsolidation of a subsidiary	<u>63</u>
	<u><u>23,342</u></u>
Satisfied by:	
Fair value of interests retained by the Group	<u><u>23,342</u></u>

An analysis of the net outflow of cash and cash equivalents in respect of the deconsolidation of a subsidiary is as follows:

	2022 HK\$'000
Cash and cash equivalents deconsolidated of and net outflow of cash and cash equivalents in respect of the deconsolidation of a subsidiary	<u><u>(19,335)</u></u>

13 CONTINGENT LIABILITIES

The Group has contingent liabilities up to RMB28,000,000 (equivalent to approximately HK\$31,344,000) as a guarantor for the bank facility granted to an associate of the Company (31 December 2021: RMB28,000,000 (equivalent to approximately HK\$34,247,000)).

As at 31 December 2022, the associate has utilised bank loans of approximately RMB26,422,000 (equivalent to approximately HK\$29,578,000) which is guaranteed by the Group (31 December 2021: approximately RMB26,386,000 (equivalent to approximately HK\$32,273,000)).

Save as disclosed above, the Group has no significant contingent liabilities as at 31 December 2022 (2021: nil).

* For identification purpose only

14 EVENTS AFTER THE REPORTING PERIOD

On 22 February 2023, the Group subscribed structured deposit with an aggregate amount of RMB50,000,000 (equivalent to approximately HK\$57,000,000) issued by Xiamen International Bank Co., Limited. The structured deposit is principal-guaranteed with variable return linked to EUR/USD rate, and will become mature on 21 August 2023.

Save as disclosed above, there are no significant events subsequent to 31 December 2022 which may materially affect the Group's operating and financial performance as of the date of approval of these consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Geriatric Care Business

Riding on the trend of ageing population in the Chinese society and the rigid market demand, the Group strived to develop bed space of geriatric care institutions and continued to explore the extended industry. Currently, the Group has maintained in-depth deployment in Yangtze River Delta region, which has stronger economic power and greater market demand, and gradually expanded to the entire PRC. As for the operating strategy, the Group adheres to the strategy of focusing on integrated medical and geriatric care, utilizing medical measures to assist the development of geriatric care and utilizing geriatric care to facilitate medical development, with an aim to develop geriatric care institutions that are professional, chain managed and with temperature. In order to ensure the sustainability of our business, the Group has also enlarged the professional talent pool to enrich the human resources for future development and ensure the stable development of business.

The bed space occupancy rate of the Group's geriatric care institutions was stable. The operation model of focusing on integrated medical and geriatric care advocated by the Group effectively resisted the impact brought by COVID-19 pandemic and has been widely recognized by the market. The nursing homes operated by the Group have obtained official medical qualifications and are equipped with a series of medical supporting services such as doctors, nurses, pharmacies, oxygen supply, testing and rehabilitation. These medical services provide timely and effective medical treatment services for the elderly. During the year, we enhanced our marketing efforts and launched marketing activities such as free stay experience, oxygen inhalation, rehabilitation therapy. The number of customer inquiries has surged, and the occupancy rate has risen rapidly. Customers are very satisfied with the Group's services of focusing on integrated medical and geriatric care.

During the year, the Group operated 5 geriatric care institutions with a total of 1,055 beds (mainly in the Yangtze River Delta region), including a total of 734 beds for medical care services in 3 medical institutions. During the year, the average occupancy rate of beds for geriatric care services reached 70% and the operating revenue reached RMB38.00 million[^] (2021: RMB32.35 million[^]), representing a year-on-year increase of 17.5%.

[^] This revenue included the revenue from the private non-enterprise entities which were founded by the Group's subsidiaries

Brief Description of Geriatric Care Project

1. Wuxi Liangxi District Guangyi Geriatric Care Center and Fuma Nursing Home

First established in July 1983, included in Projects Benefiting the People in 2009 and the total investment made by the local government for reconstruction amounted to over RMB40 million. The residential institution has a built-up area of about 20 acres and total gross floor area of about 10,000 sq.m.. The residential institution has double qualification of geriatric care center and nursing home. It was honored with provincial and municipal demonstrative geriatric care institutions and advanced unit consecutively for many years.

- Opening Date: 2015
- Number of beds: 285, of which 214 beds are for medical care service
- Occupancy rate: 97%

2. Wuxi Liangxi District Wuhe Geriatric Care Center and Yikang Nursing Home

Established in 2012, the project is situated at Block C, 20 Antou Qiao, Wuxi. It has a gross floor area of approximately 3,500 sq.m. and has double qualification of geriatric care center and nursing home. The center has set up function rooms such as chess room, reading room, studio, rehabilitation room.

- Opening Date: December 2018
- Number of beds: 160, of which 120 beds are for medical care service
- Occupancy rate: 92%

3. Changzhou Xinbei District Xuejia Aixin Nursing Home

The institution is situated at the centre of Xuejiazhen, Xinbei District, Changzhou with a gross floor area of approximately 12,500 sq.m.. It has a green area of approximately 6,200 sq.m.. There are two buildings, the southern block has 3 floors and the northern block has 4 floors. The residential institution has double qualification of geriatric care center and nursing home.

- Opening Date: June 2020
- Number of beds: 400, of which 400 beds are for medical care service
- Occupancy rate: 30%

4. *Wuxi Liangxi District Huifeng Yikangyuan*

The institution was built in April 2005. The Group took over in 2017 and carried out renovation and alteration. The gross floor area was 2,400 sq.m.. Green coverage reached 60%. The residential institution has set up function rooms such as chess room, reading room, studio and gym room. The outdoor garden provides sufficient space for the elders.

- Opening Date: December 2017
- Number of beds: 100
- Occupancy rate: 92%

5. *Wuhu Jinghu District Elderly Care Centre*

The institution is situated at 3-1 land parcel, Century City, Jinghu District, Wuhu city. It was converted from Jinghu District Old-age University with a gross area of 3,300 sq.m.. The residential institution provides services such as long term and short term foster care, day care and respite care. Meanwhile, it provides home health care social services to the nearby areas.

- Opening Date: August 2018
- Number of beds: 110
- Occupancy rate: 92%

Health Industrial Park Business

The Group acquired land parcels of high-quality mainly in first-tier cities such as Beijing and Shanghai based on the policies and directions on land planning adjustments of central and local governments. Leveraging on the transformation and upgrading, the Group introduced advanced industrial construction philosophy to fully satisfy the needs of the government and market users with the focus being placed on new modes of business operations such as setting up corporate headquarters and healthcare industrial parks.

As of 31 December 2022, the Group participated in six projects in total in Beijing, Shanghai, Dali and Canada with a total site area of over 400,000 sq.m. The implementation plans of each of the projects have gained support from the local governments where the projects are located. As the projects are positioned in line with the market demand, it is expected that the projects will have considerable potential for appreciation in commercial value.

As of 31 December 2022, the progress of the Group’s projects under development as follows:

Location	Project Name	Land Area (<i>m</i> ²)	Shareholding Percentage	Future Planning of the Project	Project Status
Beijing	Chaoyang Port Project	87,607	82.24%	The Group facilitated the inclusion of Chaoyang Port Project, which is positioned as the intelligent cold chain distribution center in Chaoyang Port of Beijing, into the key projects of Beijing with an aim to develop a benchmark demonstration project for intelligent cold chain in Beijing	<p>The preparation of relevant documents such as “Report on Project Planning and Operation Proposal” and the inclusion of relevant documents such as “Combination of Multiple Rules into One” was completed. The report has been accepted by the Chaoyang District Commission of Planning and Natural Resources for approval. The Group is actively seeking local demolition targets and will apply to the government for construction targets and proceed with the development of the project once the demolition targets are obtained.</p> <p>Quality partners have been reserved for this project, which include investors, operators and tenants.</p>
Shanghai	Sanlu Road Project	20,480	20%	This project has been completed as a new industrial park and is recruiting tenants	Properties are recruiting tenants.

Location	Project Name	Land Area (m ²)	Shareholding Percentage	Future Planning of the Project	Project Status
Shanghai	Hongmei Road Project	39,448	100%	This project is strategically located in the core area of Shanghai. The Group intends to bring in quality partners to jointly develop this project as a landmark for leasing projects in the region	The Group initiated the adjustment of project positioning and design plan during the year in accordance with the changes in market and policies. Quality partners have been reserved.
Dali	Haidong New District Project	275,181	60%	Greater health industrial park complex including lands for residential, commercial and medical purposes	As the Yunnan provincial government suspended its approval process for the development and construction in Haidong New District, this project is temporarily withheld. The Group is discussing with the local government on the follow-up arrangements.
Canada	Royal Tower	10,588	47.47%	Urban health apartments	We are preparing the application of replanning the nature of project land development, and seeking appropriate partners.
Canada	Ovation	2,425	N/A ⁽¹⁾	Artistic health apartments	The pre-sale of this project began in April 2019, and approximately 70% of the saleable area were sold currently. The units are expected to be delivered to buyers within 2023.

Note⁽¹⁾: This project is engaged in the form of debt investment.

Sale of Medical and Geriatric Products

During the year, Beijing Vissam Prosperity Furniture Limited* (北京偉森盛業傢俱有限公司) (“Vissam Prosperity”), a company under the Group engaging in medical and geriatric product business, continued to penetrate into the specialized furniture industry in areas such as education, geriatric care and medical. In the face of the unfavorable conditions of different degrees of COVID-19 pandemic occurring in different parts of the country in 2022, which seriously affected the overall sales of the industry, Vissam Prosperity timely adjusted its sales strategy, adapted to the pandemic period and geographical characteristics, took advantage of the stable pandemic situation in various places for market development, understood national policies, quickly followed up the changes and impacts of policies on the market, and deeply understood and investigated the implementation of subsidized loan policies for universities in various regions. By strengthening multi-departmental collaboration and cooperation based on the projects in hand, Vissam Prosperity has been able to maintain stable overall sales, won the tenders and obtained high quality customers such as South China University of Technology, Peking University, Shanxi Medical University, University of International Business and Economics, Shanghai Jiao Tong University, Wanjiang College and Beijing Information Science and Technology University. During the year, the number of project completion was stable, with high effectiveness in customer maintenance and development.

Focusing on independent research and development, Vissam Prosperity has successfully obtained four patents, namely “Classroom Chair Appearance Design Patent”, “Classroom Desk Appearance Design Patent”, “Folding Row Chair Appearance Design Patent” and “Utility Model Patent for Gravity-sensitive Functional Casters For Geriatric Care Related Seats”.

Meanwhile, Vissam Prosperity actively participated in compilation of the group standard of “General Technical Requirements for Geriatric Care Related Furniture” in the industry as well as the compilation and revision of the national standard GB24820-2009 “General Technical Requirements for Laboratory Furniture”, and successfully completed the annual inspection of China Environmental Protection Certification System, Three Standards Management System Certification, China Environmental Labeling Product Certification, Ergonomic Product Certification, and After-sales Management System Certification. In addition, processing of quality product safety certification, corporate credit rating certificate (AAA grade credit enterprise) certificate was added during the year.

Adhering to the purpose of repaying the society and enhancing people’s welfare, the company strived to create and protect a healthy and intelligent life, and actively participated in social public welfare activities. In November 2022, it helped the revitalization of the countryside by donating office equipment to the Beijing Yanqing Dayushu Beihongmen Village Committee, in December 2022, it made a cash donation to the Dongrun Charity Foundation.

* For identification purpose only

As of 31 December 2022, Vissam Prosperity signed sales contracts of approximately HK\$168,264,000. Sales revenue for 2022 amounted to HK\$157,854,000, representing a year-on-year decrease of 19% from 2021.

FUTURE PROSPECT

Economic activity is expected to resume gradually as the COVID-19 pandemic was gradually brought under control with community lock-down measures lifted, but the short-term business environment is still characterized by many uncertainties. Under the complex and changing environment, we will continue to focus on the development of our industry, promote innovation and expand market share.

In respect of geriatric care services, we will continue to adhere to the operation model of focusing on integrated medical and geriatric care, improve occupancy rates and project profitability, and increase bed expansion, aiming to add 1,000 beds in 2023.

In respect of health industrial park, since the strengthening of the regulation of the real estate industry in China in 2021, the domestic real estate industry has been under tremendous pressure of highly indebted. Fortunately, the Group has always maintained a stable development policy with a low debt ratio and has not been greatly impacted by this industry wave. However, as this is an asset-heavy business, the Group will not increase its deployment on health industrial park for the time being as the macro-environment was unclear and the control on Chinese real estate enterprises was tightened. Through actively pushing forward government approval procedure and completing the preparation work before construction, the Group is expected to facilitate the positioning of Chaoyang Port of Beijing as the intelligent cold chain distribution center in 2023, with an aim to develop a benchmark demonstration project for intelligent cold chain in Beijing and to obtain approval in the coming year to enhance project value.

In respect of medical and geriatric product business, 2023 is the first year of returning to normal. The impact of pandemic on the furniture market has been greatly reduced, the market is fully open, and it is expected that the furniture industry will experience a round of retaliatory purchases. We will increase participation in offline exhibitions, brand promotion and market development to prepare for the sustainable development of the company in all aspects of the market and strive to stand out from the peers.

In respect of the Group's overall strategy, we will exercise stringent cost control and optimize cost efficiency by putting resources to good use. We will manage our own capital prudently and enhance our financial position by increasing free cash income through appropriate investments in wealth management products, equity and bonds.

MATERIAL INVESTMENTS

Other than the net amount of wealth management products in rolling purchases from banks of approximately HK\$16,440,000 as idle cash management, the Group had no additional material investment for the year ended 31 December 2022.

MAJOR ACQUISITIONS AND DISPOSALS

The Group did not have any major acquisitions and disposals for the year ended 31 December 2022.

FINANCIAL REVIEW

Operating revenue

As of 31 December 2022, the revenue of the Group was approximately HK\$166,484,000 (2021: HK\$203,776,000), representing a decrease of 18% as compared to 2021, mainly due to a slight decrease in orders for the Group's medical and geriatric products as the COVID-19 pandemic in China became more serious in the first half of the year and strict closures were imposed in many cities, as well as the Group's initiative to reduce orders from real estate customers to mitigate the risk of bad debts.

Cost of sales

Cost of sales was approximately HK\$119,972,000, representing a year-on-year decrease of 23%. Cost of sales mainly includes cost of purchases, freight, installation fees and wage expenses.

Gross profit margin

During the year, the overall gross profit margin of the Group was 27.9%, representing a slight increase of 4.8% as compared to 23.1% for the corresponding period last year, mainly due to the Group's initiative to adjust its product and customer mix to reduce orders from real estate customers with lower gross profit margin and increase orders from customers in the education industry with higher profit margin, such as the new orders from a number of universities this year. As a result, the Group still recorded a gross profit of approximately HK\$46,512,000 despite the decrease in sales for the year.

Other income and gains, net

As of 31 December 2022, other income and gains was approximately HK\$36,864,000, representing a decrease of 44.5% as compared to HK\$66,447,000 in 2021. The decrease was mainly due to the reversal of impairment loss on investment in an associate of approximately HK\$26,449,000 incurred in 2021, while no gain on reversal of impairment incurred in 2022.

Excluding the above reversal of impairment gains, other income and gains mainly included bank interest, other interest, dividend and investment income of HK\$27,503,000 (2021: HK\$36,622,000), rental income of HK\$12,439,000 (2021: HK\$9,174,000), gain on exchange differences of HK\$nil (2021: HK\$4,034,000), gain on redemption of debt investment at fair value through other comprehensive income of HK\$4,375,000 (2021: nil), fair value loss on investment properties of HK\$4,879,000 (2021: HK\$2,409,000) and impairment on fair value of financial assets at fair value through profit or loss of HK\$6,972,000 (2021: HK\$3,473,000).

Selling and distribution expenses

As of 31 December 2022, the selling and distribution expenses of the Group were approximately HK\$14,555,000 (2021: HK\$13,783,000), representing 8.7% of the total sales amount (2021: 6.8%).

The selling and distribution expenses mainly comprise of remuneration of HK\$5,592,000 (2021: HK\$6,558,000), travelling expenses of HK\$628,000 (2021: HK\$1,383,000), promotion fee of HK\$2,237,000 (2021: HK\$1,721,000) and license fees of HK\$2,740,000 (2021: HK\$820,000). The increase of HK\$772,000 in selling and distribution expenses was mainly due to the adjustment of product and customer structure of the Group during the year, the increase in proportion of sales of licensed products, resulting in an increase in license fees.

Administrative expenses

As of 31 December 2022, the administrative expenses were HK\$97,402,000, representing a decrease of 18.2% in expenses as compared to HK\$119,095,000 in 2021.

The administrative expenses mainly include staff costs (excluding Directors' remuneration) of HK\$36,182,000 (2021: HK\$38,027,000), professional advisory fees of HK\$8,211,000 (2021: HK\$12,626,000), office expenses of HK\$3,864,000 (2021: HK\$5,940,000), depreciation and amortization costs of HK\$25,073,000 (2021: HK\$33,389,000), business entertainment expenses of HK\$3,132,000 (2021: HK\$3,794,000), travelling expenses of HK\$2,702,000 (2021: HK\$3,282,000), lease expenses of HK\$982,000 (2021: HK\$998,000) and maintenance fee of HK\$526,000 (2021: HK\$8,425,000).

The decrease in administrative expenses was mainly attributable to a one-off maintenance fee of HK\$8,425,000 incurred in 2021 and a decrease in depreciation expense as the Group's offices in Beijing were leased out and reclassified as investment properties in the second half of 2021.

Impairment losses of financial assets

Impairment losses of financial assets were mainly attributable to the provision for impairment of the Group's receivables, other receivables and bond investments. Part of the other receivables failed to be repaid on schedule during the year as a result of the COVID-19 outbreak during the year. The Group had made a provision for impairment on the affected balance, taking into consideration the repayment ability of defaulters.

Other expenses and losses

Other expenses and losses were mainly attributable to the one-off expenses without cash outflow. As of 31 December 2022, the other expenses and losses of the Group was HK\$19,066,000, representing an increase of approximately HK\$18,868,000 from HK\$198,000 for 2021.

The increase in other expenses and losses was mainly due to the depreciation of CAD by approximately 6% in 2022, leading to the loss on exchange differences of the Group of approximately HK\$18,021,000 (2021: gain on exchange differences recorded in other income and gains, net of HK\$4,034,000).

Finance cost

As of 31 December 2022, the total finance cost of the Group was approximately HK\$1,442,000 (2021: HK\$2,066,000), representing a decrease of 30.2% as compared to the corresponding period last year, which was mainly due to a decrease in the weighted average borrowing balance of the Group for the year.

Share of profits and losses of joint ventures

Share of profits and losses of joint ventures were mainly the share of 50% of loss attributable to shareholders of Beijing Enterprises Fuyu Information Technology (Shanghai) Co., Ltd. of approximately HK\$520,000, as well as the share of 47.47% of loss attributable to shareholders of 1121695 B.C. Ltd. of approximately HK\$18,308,000.

Share of profits and losses of associates

Share of profits and losses of associates mainly included the share of 25.07% of loss attributable to shareholders of Beijing Sports and Entertainment Industry Group Limited of approximately HK\$16,652,000, and the share of 20% of loss attributable to shareholders of Shanghai Junbo Textiles Limited of approximately HK\$6,347,000.

Net assets

As at 31 December 2022, the net assets of the Group was approximately HK\$2,143,660,000, representing a decrease of approximately HK\$352,959,000 from approximately HK\$2,496,619,000 for 2021. Excluding the generation of loss of approximately HK\$98,805,000 during the year, the net assets decreased by HK\$254,154,000 as compared to 2021, which was mainly due to the depreciated exchange rate of RMB against Hong Kong dollar of approximately 8.5% during 2022, the Group recognised exchange losses of HK\$141,525,000 in other comprehensive income and losses, fair value loss of equity investments designated at fair value through other comprehensive income of approximately HK\$35,741,000 and deconsolidation of a subsidiary leading to a decrease in non-controlling interests of HK\$71,156,000.

Liquidity and financial resources

As at 31 December 2022, cash and cash equivalents held by the Group was approximately HK\$193,726,000 (2021: HK\$239,136,000), restricted bank balances was HK\$nil (2021:HK\$3,994,000) and balance of wealth management products from banks was approximately HK\$220,093,000 (2021: HK\$222,479,000). Cash and cash equivalents decreased by approximately HK\$45,410,000, mainly due to the Group's newly purchased investment properties of HK\$15,734,000 and the net outflow of cash and cash equivalents of HK\$19,355,000 resulting from deconsolidation of subsidiaries in 2022.

As at 31 December 2022, the Group's interest-bearing bank and other borrowings was approximately HK\$25,747,000 (2021: HK\$36,693,000). As at 31 December 2022, the net current assets of the Group reached HK\$457,481,000 and the current ratio was 3.51 times. The Group maintains sufficient bank credit facilities to meet working capital needs and has sufficient cash resources to finance its capital expenditure in the foreseeable future.

The Group agreed that meticulous management on cash flow is the key to success. To ensure that there is sufficient capital to satisfy the need of the Group's rapid growth, the Group remains good relationships with each of the banks from time to time, so that the Group gains easy access to application for loans.

Capital expenditure

As of 31 December 2022, the Group's capital expenditure was approximately HK\$16,880,000 (2021: HK\$1,579,000), mainly represented by the purchase of investment properties and properties, plants and equipment.

Capital structure

The Group took full advantage of the financing platform as a listed company by striving for a constant optimisation of the capital and financing structure, so as to obtain sufficient funds to finance the future projects of health and geriatric care. During the year, the Group's operations were mainly financed by internal resources and bank loans.

Pledge of assets

The Group's bank loans as at 31 December 2022 are secured by properties included in property, plant and equipment and investment properties with carrying amounts at the end of the reporting period of HK\$14,176,000 (2021: HK\$26,363,000) and HK\$21,269,000 (2021: HK\$32,642,000), respectively.

As at 31 December 2021, the Group's bank facility of RMB180,000,000 was secured by a land use right included in right-of-use assets with an aggregate carrying amount as at 31 December 2021 of HK\$383,084,000. The bank facility expired within 2022 and the pledge was cancelled.

Contingent liabilities

As at 31 December 2022, the Group acted as a guarantor for the bank facility granted to an associate of the Company, details of which please refer to note 13 of this announcement.

Save as disclosed above, as at 31 December 2022, the Group did not have any significant contingent liabilities.

Foreign exchange risk

Majority of the subsidiaries of the Group operate in the PRC with most of the transactions denominated and settled in RMB. Fluctuations of RMB exchange rates would impact the Group's net asset value in the preparation of the Group's consolidated accounts. If RMB appreciates/depreciates against HK\$, the Group would record a(n) increase/decrease in the Group's net asset value. Also, the Group has exposure to foreign exchange risks in relation to other receivables and investments in a joint venture denominated in CAD. During the year ended 31 December 2022, in respect of the Group's exposure to potential foreign exchange risks arising from the currency exchange rate fluctuations, it did not make any arrangement or use any financial instruments to hedge against potential foreign exchange risks. However, the management will continue to monitor foreign exchange risks and adopt hedging measures where necessary.

Relationships with employees, suppliers and customers

The Group endeavours to maintain sustainable development in the long term, continuously create value for its employees and customers, and foster good relationships with its suppliers. The Group understands that employees are its valuable assets, and the realisation and enhancement of employees' values will facilitate the achievement of the Group's overall goals. For the year ended 31 December 2022, the Group provided generous social security benefits to its employees to motivate their proactivity at work while heightening their sense of belonging. The Group also understands the importance of maintaining good relationships with its suppliers and customers to the overall development of the Group. The Group places emphasis on supplier selection and encourages fair and open competition to foster long-

term relationships with quality suppliers on the basis of mutual trust. To maintain the competitiveness of its brand and products, the Group abides by the principles of honesty and trustworthiness and commits itself to consistently providing quality products to establish a reliable service environment for its customers. For the year ended 31 December 2022, there was no significant and material dispute between the Group and its suppliers and/or customers.

Employee benefits and training

As at 31 December 2022, the Group had approximately 166 (2021: 183) employees (77 males and 89 females (2021: 82 males and 101 females)) and total staff cost (excluding Directors' remuneration) as of 31 December 2022 amounted to approximately HK\$43,382,000 (2021: HK\$46,244,000). The Group made great efforts to enhance the quality of staff. During the year under review, the Group organised internal training courses for staff at all levels. Topics of the training courses included accounting and finance, risk management and PRC's tax laws.

The Group's overall remuneration system is adhered to the principle of market orientation, offering competitive salary to retain and attract high caliber persons. The salaries of the Group's senior management are determined with reference to market level as well as the Group's overall operating results.

INVESTOR RELATIONS

The Group strives to offer investors access to updated and accurate information on the Group's latest major development. The Group believes that effective communication is built on a twoway basis, and therefore welcomes feedbacks from investors to the Group. To facilitate an easy access to information on the Company's latest major development, a number of measures have been taken to ensure all necessary information and appropriate updates are made available to investors in a timely manner through the Company's website at www.bjhl.com.hk, under the column of the "Investor Relations".

COMPLIANCE WITH CORPORATE GOVERNANCE CODE PRACTICES

The Company is committed to maintaining high standards of corporate governance. Corporate governance requirements keep changing, therefore the Board periodically reviews the corporate governance practices of the Company to meet the rising expectations of the shareholders of the Company and comply with the increasingly stringent regulatory requirements. During the year ended 31 December 2022, the Company has complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as the code of conduct regarding Directors’ securities transactions. Having made specific enquiry, the Company confirmed that all the Directors have fully complied with the Model Code throughout the year ended 31 December 2022.

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

The Company had bought back its Shares on the Stock Exchange during the year ended 31 December 2022 with details as follow:

Trading Day	Number of Shares Purchased	Price per Share		Total Paid HK\$
		Highest Price Paid HK\$	Lowest Price Paid HK\$	
1 June 2022	5,190,000	0.093	0.089	474,108
2 June 2022	6,522,000	0.095	0.092	612,786
6 June 2022	4,200,000	0.097	0.093	403,200
7 June 2022	1,728,000	0.100	0.097	172,656
8 June 2022	1,476,000	0.104	0.100	149,094
14 June 2022	1,056,000	0.105	0.096	107,766
	<u>20,172,000</u>			<u>1,919,610</u>

All of the shares bought back during the year ended 31 December 2022 were cancelled on 22 July 2022.

Save as disclosed, there was no purchase, sale or redemption by the Company or any of its subsidiaries, of the Company’s listed securities during the year ended 31 December 2022.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2022 (2021: nil). The Board believes in balancing returns to shareholders with investment to support future growth and decides that it would be in the Group's best interests to reserve sufficient financial resources for future business developments.

AUDIT COMMITTEE

The Board has established an audit committee with written terms of reference in compliance with the CG Code. As at the date of this announcement, the audit committee of the Company (the "Audit Committee") comprises three independent non-executive directors of the Company, namely Mr. Tse Man Kit, Keith, Mr. Gary Zhao and Mr. Wu Yong Xin.

The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2022.

THE EXTERNAL AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in this preliminary announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on this preliminary announcement.

THE ANNUAL REPORT

The annual report of the Company for the year ended 31 December 2022 will be despatched to the shareholders of the Company and published on the websites of Hong Kong Exchange and Clearing Limited and the Company in due course.

APPRECIATION

The Board would like to express its sincere appreciation to the shareholders, customers, suppliers and staff for their continued support to the Group.

FORWARD-LOOKING STATEMENTS

This announcement contains certain statements that are forward-looking or which use similar forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board of the Company regarding the industry and markets in which it operates. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company's control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements.

By Order of the Board
Beijing Health (Holdings) Limited
Zhu Shi Xing
Chairman

Hong Kong, 30 March 2023

As at the date of this announcement, the Board comprises six Executive Directors, namely Mr. Zhu Shi Xing, Mr. Liu Xue Heng, Mr. Gu Shan Chao, Mr. Siu Kin Wai, Mr. Hu Shiang Chi and Mr. Wang Zheng Chun and five Independent Non-Executive Directors, namely Mr. Robert Winslow Koepf, Mr. Gary Zhao, Mr. Tse Man Kit, Keith, Mr. Wu Yong Xin and Mr. Zhang Yun Zhou.