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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 2025**

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 2025, together with the comparative figures for the year 2024, as follows:

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

For the year ended 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
REVENUE	4	157,200	149,945
Cost of sales		<u>(114,747)</u>	<u>(114,265)</u>
Gross profit		42,453	35,680
Other income and gains/(losses), net	4	15,013	(15,678)
Selling and distribution expenses		(17,930)	(14,331)
Administrative expenses		(77,217)	(80,716)
Impairment losses on financial assets, net		(46,392)	(5,751)
Other expenses and losses		(5)	(7,963)
Finance costs	6	(2,520)	(228)
Share of losses of:			
Joint ventures		(7,141)	(13,446)
Associates		(8,734)	(16,988)
LOSS BEFORE TAX	5	(102,473)	(119,421)
Income tax credit	7	477	3,846
LOSS FOR THE YEAR		<u>(101,996)</u>	<u>(115,575)</u>

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
LOSS FOR THE YEAR	(101,996)	(115,575)
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	(6)	94
Exchange differences:		
Exchange differences on translation of foreign operations	37,046	(24,746)
Share of other comprehensive income of a joint venture	–	3,272
Share of other comprehensive income/(loss) of associates	262	(212)
Reclassification adjustments for foreign operations disposed/deregistered of	(1,996)	–
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	35,306	(21,592)
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	11,601	(21,016)

	<i>Note</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods		<u>11,601</u>	<u>(21,016)</u>
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR, NET OF TAX		<u>46,907</u>	<u>(42,608)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(55,089)</u>	<u>(158,183)</u>
Profit/(loss) attributable to:			
Owners of the parent		(100,908)	(116,218)
Non-controlling interests		<u>(1,088)</u>	<u>643</u>
		<u>(101,996)</u>	<u>(115,575)</u>
Total comprehensive income/(loss) attributable to:			
Owners of the parent		(56,128)	(157,870)
Non-controlling interests		<u>1,039</u>	<u>(313)</u>
		<u>(55,089)</u>	<u>(158,183)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	9	<u>HK(1.67) cents</u>	<u>HK(1.92) cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

		2025	2024
	Note	HK\$'000	HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		51,586	58,759
Investment properties		242,194	120,397
Right-of-use assets		302,363	369,834
Properties under development		759,339	412,578
Goodwill		79,979	79,979
Investments in joint ventures		–	51,666
Investments in associates		68,323	105,944
Equity investments designated at fair value through other comprehensive income		120,778	171,013
Debt investment at fair value through other comprehensive income		–	14,199
Prepayments and other receivables		125,959	11,900
Deferred tax assets		2,158	1,781
Total non-current assets		<u>1,752,679</u>	<u>1,398,050</u>
CURRENT ASSETS			
Inventories		23,316	40,053
Trade and bill receivables	10	44,152	23,398
Prepayments, other receivables and other assets		39,325	277,581
Financial assets at fair value through profit or loss		96,823	133,219
Cash and cash equivalents		140,538	77,865
Total current assets		<u>344,154</u>	<u>552,116</u>

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
CURRENT LIABILITIES			
Trade payables	11	38,005	32,152
Other payables and accruals		108,650	102,742
Interest-bearing bank and other borrowings		109,570	–
Due to related parties	16	12,305	–
Lease liabilities		2,531	2,278
Tax payable		1,363	839
		<hr/>	<hr/>
Total current liabilities		272,424	138,011
		<hr/>	<hr/>
NET CURRENT ASSETS		71,730	414,105
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,824,409	1,812,155
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Other payables		10,581	10,320
Lease liabilities		2,058	3,375
Deferred tax liabilities		58,051	58,034
		<hr/>	<hr/>
Total non-current liabilities		70,690	71,729
		<hr/>	<hr/>
Net assets		1,753,719	1,740,426
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to the owners of the parent			
Share capital		1,211,754	1,211,754
Reserves		448,229	504,357
		<hr/>	<hr/>
		1,659,983	1,716,111
		<hr/>	<hr/>
Non-controlling interests		93,736	24,315
		<hr/>	<hr/>
Total equity		1,753,719	1,740,426
		<hr/> <hr/>	<hr/> <hr/>

NOTES

1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) 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 (collectively referred as the “Group”) for the year ended 31 December 2025. 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 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 the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and 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 amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

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% (2024: 100%) of the Group's revenue was generated from customers in Mainland China, and over 65% and 24% (2024: over 92% and 0%) of the Group's non-current assets, excluding financial instruments and deferred tax assets, were located in Mainland China and Canada respectively.

Revenue of approximately HK\$17,452,000 (2024: HK\$10,462,000) 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/(LOSS), NET

An analysis of revenue is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers	<u>157,200</u>	<u>149,945</u>

Revenue from contracts with customers

(i) *Disaggregated revenue information*

For the year ended 31 December

	2025 Total <i>HK\$'000</i>	2024 Total <i>HK\$'000</i>
Type of goods or services		
Sale of goods	142,398	135,907
Rendering of services	<u>14,802</u>	<u>14,038</u>
Total	<u>157,200</u>	<u>149,945</u>
Geographical market		
Mainland China	<u>157,200</u>	<u>149,945</u>
Total	<u>157,200</u>	<u>149,945</u>

During the year, the Group recognised revenue of HK\$29,490,000 (2024: HK\$40,018,000) 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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Amounts expected to be recognised as revenue:		
Within one year	86,236	127,203
After one year	5,689	5,549
	<u>91,925</u>	<u>132,752</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 2 to 15 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.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other income		
Bank interest income	1,250	1,606
Other interest income	4,899	3,239
Investment income of debt investments at fair value through other comprehensive income	104	601
Investment income of equity investments at fair value through other comprehensive income	2,884	3,066
Investment income of financial assets at fair value through profit or loss	9,912	3,940
Gross rental income from investment property operating leases	5,011	7,022
Other rental income	8,092	2,461
Dividend income	2,572	37
Government subsidies	–	1,195
Others	716	6,928
Total other income	<u>35,440</u>	<u>30,095</u>
Gains/(losses), net		
Fair value losses on investment properties, net	(5,435)	(13,892)
Loss on transfer of properties under development, property, plant and equipment and right-of-use asset to investment properties	(14,532)	–
Fair value gains/(losses) on financial assets at fair value through profit or loss	708	(2,538)
Loss on disposal of subsidiaries	(21,369)	–
Gain on disposal of a joint venture	6,222	–
Gain on deregistration of a subsidiary	245	–
Loss on disposal of items of property, plant and equipment	(80)	(53)
Reversal of impairment on investments in associates, net	10,717	–
Foreign exchange differences, net	3,097	(29,290)
Total losses, net	<u>(20,427)</u>	<u>(45,773)</u>
Total other income and gains/(losses), net	<u>15,013</u>	<u>(15,678)</u>

5 LOSS BEFORE TAX

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost of inventories sold	104,101	105,119
Cost of services provided	10,646	9,049
Depreciation of property, plant and equipment	4,245	3,937
Depreciation of right-of-use assets	17,435	17,784
(Reversal of impairment)/impairment of investments in associates, net	(10,717)*	7,912***
Lease payments not included in the measurement of lease liabilities	764	1,255
Auditor's remuneration	1,410	1,810
Employee benefit expense (excluding directors' and chief executive's remuneration)		
Wages and salaries	29,350	28,993
Pension scheme contributions (defined contribution schemes)**	7,271	6,895
Total	<u>36,621</u>	<u>35,888</u>
Impairment loss on financial assets, net:		
Impairment of trade receivables, net	1,307	425
Impairment of prepayments, other receivables and other assets, net	45,085	5,326
Total	<u>46,392</u>	<u>5,751</u>

* This item is included in "Other income and gains/(losses), net" in the consolidated statement of profit or loss and other comprehensive income.

** At 31 December 2025, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2024: nil).

*** This item is included in "Other expenses and losses" in the consolidated statement of profit or loss and other comprehensive income.

6 FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on bank and other borrowings	2,266	–
Interest on lease liabilities	254	228
Total	<u>2,520</u>	<u>228</u>

7 INCOME TAX

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current – PRC corporate income tax		
Charge for the year	1,279	1,032
Deferred	<u>(1,756)</u>	<u>(4,878)</u>
Total	<u><u>(477)</u></u>	<u><u>(3,846)</u></u>

Hong Kong profits tax

During the year ended 31 December 2025, no Hong Kong profits tax had been provided as there were no assessable profits arising in Hong Kong during the year (2024: 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 (2024: 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\$100,908,000 (2024: HK\$116,218,000), and the weighted average number of ordinary shares of 6,058,772,027 (2024: 6,058,772,027) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2025 and 2024.

10 TRADE AND BILL RECEIVABLES

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 3 months	30,564	14,497
4 to 6 months	4,629	3,684
7 to 12 months	2,045	2,452
Over 1 year	4,971	2,225
	<hr/>	<hr/>
Bill receivables	42,209	22,858
	1,943	540
	<hr/>	<hr/>
Total	44,152	23,398

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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 3 months	16,511	16,803
Over 3 months	21,494	15,349
	<hr/>	<hr/>
Total	38,005	32,152

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

12 DEEMED ACQUISITION OF A SUBSIDIARY

On 24 October 2025, the Company entered into a supplemental agreement to the shareholders' agreement dated 28 August 2020 with the other shareholders of 1121695 B.C. Ltd. (a joint venture company in which the Company held 47.47% equity interest). Pursuant to the supplemental agreement, among other things, the board of directors of 1121695 B.C. Ltd. shall comprise three directors, of which the Company has the right to nominate two directors. Following the nomination of directors to 1121695 B.C. Ltd., the Company will control the composition of the majority of the board of directors of the 1121695 B.C. Ltd..

On the same date, the Company entered into a unanimous acting agreement with Jinfu N.A. Real Estate Investment Ltd. ("Jinfu"), another shareholder holding 30.68% equity interest in 1121695 B.C. Ltd., regarding their unanimous acting arrangement. When voting at the shareholders' meetings of 1121695 B.C. Ltd., Jinfu undertakes to consult and/or negotiate with the Company on any unanimous acting matters and vote (or cause to vote) in accordance with the Company's instructions, thereby the Company will have the right to control approximately 78.15% of the voting rights exercisable at the shareholders' meetings of 1121695 B.C. Ltd.

Subsequently, pursuant to the amendments under the supplemental shareholders' agreement and the arrangements under the unanimous acting agreement, 1121695 B.C. Ltd. is deemed to be acquired by the Company and becomes a non-wholly owned subsidiary of the Company, and the financial results of 1121695 B.C. Ltd. shall be consolidated into the Company's financial statements.

The fair value of the identifiable assets and liabilities of 1121695 B.C. Ltd. as at the date of acquisition were as follows:

	For the year ended 31 December 2025 HK\$'000
Net assets acquired:	
Properties under development	388,525
Other receivables	591
Cash and cash equivalents	13,385
Other payables and accruals	(30,723)
Interest-bearing bank and other borrowings	(263,613)
Amount due to related parties	(12,052)
	<hr/>
Total identifiable net assets at fair value	96,113
Non-controlling interests	(50,488)
	<hr/>
	46,625
	<hr/> <hr/>
Satisfied by:	
Treated as disposal of a joint venture	46,625
	<hr/> <hr/>

An analysis of the net inflow of cash and cash equivalents in respect of the deemed acquisition of a subsidiary is as follows:

	For the year ended 31 December 2025 HK\$'000
Cash and bank balance acquired of and net inflow of cash and cash equivalents in respect of the deemed acquisition of a subsidiary	13,385
	<hr/> <hr/>

1121695 B.C. Ltd. generated revenue of HK\$0 and a loss of HK\$1,132,000 during the period from the acquisition date to the end of the reporting period. If the acquisition had been completed on 1 January 2025, the total annual revenue of the Group would have been HK\$157,200,000 and the loss for the year would have been HK\$118,266,000. The pro forma information is for illustrative purposes only and is not intended to represent the actual revenue and operating results that the Group would have achieved if the acquisition had been completed on 1 January 2025, nor is it intended as a forecast of future results.

13 DISPOSAL OF SUBSIDIARIES

On 17 March 2025, United Win International Corporation (“United Win”), a wholly-owned subsidiary of the Company, and Hong Kong Jue Yue Industrial Development Co., Limited (“Jue Yue Industrial”) entered into a sale and purchase agreement, pursuant to which United Win agreed to sell and Jue Yue Industrial agreed to purchase the entire issued share capital of China Xiangyong Medical Infrastructure Investment Group Limited (“China Xiangyong”) for a total consideration of approximately RMB15,618,000 (approximately HK\$16,924,000). China Xiangyong indirectly holds a 20% equity interest in Shanghai Junbo Textile Products Co., Ltd. (“Shanghai Junbo”), which mainly holds 7 buildings located at No. 328 Wankang Road, Minhang District, Shanghai, with an area of approximately 43,100 square meters for leasing purposes. The disposal was completed on 24 March 2025 and resulted in a loss on disposal of approximately HK\$21,369,000.

	For the year ended 31 December 2025 HK\$'000
Net assets disposed of:	
Investment in an associate	40,032
Cash and cash equivalents	12
	<hr/>
	40,044
Exchange fluctuation reserve	(1,751)
	<hr/>
	38,293
Loss on disposal of subsidiaries	(21,369)
	<hr/>
	16,924
	<hr/> <hr/>
Satisfied by:	
Cash	16,924
	<hr/> <hr/>

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	For the year ended 31 December 2025 HK\$'000
Cash consideration	16,924
Cash and bank balance disposed of	(12)
	<hr/>
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	16,912
	<hr/> <hr/>

14 CONTINGENT LIABILITIES

As of 31 December 2025, the Group has no significant contingent liabilities.

As at 31 December 2024, the Group has contingent liabilities up to RMB28,000,000 (equivalent to approximately HK\$30,238,000) as a guarantor for the bank facility granted to an associate of the Company. The associate has utilized bank loans of approximately RMB24,235,000 (equivalent to approximately HK\$26,172,000) which was guaranteed by the Group.

15 COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Contracted, but not provided for:		
Land and buildings	7,314	53,175
Properties under development	–	22,647
	<u>7,314</u>	<u>22,647</u>
Total	<u><u>7,314</u></u>	<u><u>75,822</u></u>

16 RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with a related party during the year:

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest expense to a director	(i)	<u>47</u>	<u>–</u>

- (i) On 24 October 2025, 1121695 B.C. Ltd. was deemed to have been acquired by the Company and became a non-wholly owned subsidiary of the Company. Details of the deemed acquisition are set out in Note 12 above.

Included in the fair value of the identifiable assets and liabilities of 1121695 B.C. Ltd. was a loan from a director of the Company, Mr. Gu Shan Chao, with a principal amount of CAD500,000 (equivalent to HK\$2,784,000) and accrued interest payable of CAD107,000 (equivalent to HK\$594,000). The loan was advanced to 1121695 B.C. Ltd. on 30 August 2023, bearing interest at 10% per annum. The loan is unsecured and has no fixed terms of repayment.

As at 31 December 2025, the amount due to the director comprised a principal of CAD500,000 (equivalent to HK\$2,831,000) (2024: nil) and accrued interest payable of CAD115,000 (equivalent to HK\$652,000) (2024: nil).

(b) Outstanding balances with related parties:

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Due to a director	(i)	3,483	–
Due to a related party	(ii)	8,822	–
		12,305	–

(i) Detail of the Group's amount due to a director is included in note 16(a)(i) above.

(ii) On 24 October 2025, 1121695 B.C. Ltd. was deemed to have been acquired by the Company and became a non-wholly owned subsidiary of the Company. Details of the deemed acquisition are set out in Note 12 above.

Included in the fair value of the identifiable assets and liabilities of 1121695 B.C. Ltd. was a loan from Jinfu N.A. Real Estate Investment Limited, a minority shareholder of 1121695 B.C. Ltd., with a principal amount of CAD1,558,000 (equivalent to HK\$8,674,000). The loan was advanced to 1121695 B.C. Ltd. on 20 August 2020 and is unsecured, interest-free and has no fixed terms of repayment.

As at 31 December 2025, the amount due to Jinfu comprised a loan principal of CAD1,558,000 (equivalent to HK\$8,822,000) (2024: nil).

17 EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to 31 December 2025 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 and Medical and Healthcare Business

The growth rate of China's aging population continues to rise rapidly, which has already exceeded 300 million in 2025 and is expected to exceed 400 million by 2035. The "silver economy" is considered as one of the key strategic emerging industries focused by the country for development. The 2025 Government Work Report explicitly proposed to "refine policy mechanisms for the development of geriatric care services and industries, and vigorously promote the silver economy". In December of the same year, eight departments, including the Ministry of Civil Affairs, jointly issued the "Several Measures on Cultivating Geriatric Care Service Entities and Promoting the Development of the Silver Economy*" (《關於培育养老服务經營主體促進銀髮經濟發展的若干措施》), which outlined 14 specific initiatives covering brand building, supply-demand platform construction, and business environment optimization to further improve the policy system for the geriatric care service industry. The market scale of the silver economy is expected to surpass RMB30 trillion in the future, indicating promising prospects for industrial development.

The Group remains closely aligned with the national strategies addressing aging population and the "Healthy China" initiative and continues to deepen its presence in the inclusive, institutional geriatric care market with a strategic focus on the Yangtze River Delta region. By adopting the business model of "chain operation with integrated medical and geriatric care", the Group has expanded its portfolio of high-quality geriatric care assets through diverse channels including self-construction, self-operation and partnerships. After years of development, the Group has established "Beikang Geriatric Care"(北康醫養) as a well-recognized geriatric care service brand in China and accumulated extensive experience in investment and operation of medical and geriatric care. Our self-trained team of geriatric care and medical and nursing professionals continues to grow, and the occupancy rates of beds have consistently remained at a high level, representing widespread recognition from local governments and customers.

As of 31 December 2025, the Group operated and managed seven geriatric care institutions with a total capacity of 1,373 beds mainly located in the Yangtze River Delta Region, including a total of 849 beds for medical care services in four medical institutions. During the Reporting Period, the average occupancy rate of the Group's geriatric care institutions reached approximately 75% with overall operating cash flow remained stable, indicating consistently high levels of asset utilization and operational efficiency. During the Year, revenue from beds of geriatric care institutions amounted to RMB55.31 million (2024: RMB45.08 million), representing a year-on-year increase of approximately 23%, and recorded a net profit of RMB3.31 million (2024: RMB2.14 million), representing a year-on-year increase of approximately 55%. The significant growth in both revenue and profit was mainly driven by the expansion of bed capacity, increased occupancy rates, higher revenue from the "integrated medical and geriatric care" model and the value-added services, as well as contributions from some newly commissioned projects.

Performance of Key Geriatric Care Projects

Project Name	Number of beds	Revenue [^]			Occupancy rate as at the end of the period	
		2025 RMB'000	2024 RMB'000	Changes	2025	2024
Wuxi Liangxi District Guangyi Geriatric Care Center and Nursing Home	288	22,767	20,740	10%	92%	92%
Wuxi Liangxi District Wuhe Geriatric Care Center and Nursing Home	160	7,329	5,880	25%	63%	57%
Changzhou Xinbei District Xuejia Aixin Geriatric Care Center and Nursing Home	415	13,915	11,300	23%	79%	78%
Wuxi Liangxi District Huifeng Geriatric Care Center	100	2,396	1,480	62%	67%	44%
Wuhu Jinghu District Golden Sun Geriatric Care Center	120	6,176	4,580	35%	96%	95%
Changzhou Luoxi District Geriatric Care and Nursing Home	160	2,603	1,100	137%	60%	34%
Rizhao City Investment Geriatric Care Center* (日照城投頤養中 心) (newly opened)	130	184	–	–	16%	–
Total	1,373	55,370	45,080	23%	75%	72%
		<i>HK\$'000</i>	<i>HK\$'000</i>			

**Presented in accordance
with Hong Kong Generally
Accepted Accounting
Principles**

14,802 **14,038** **5.4%**

[^] The revenue mentioned above is the operating revenue from the private non-enterprise entities which were founded by the Group's subsidiaries. When presented in accordance with Hong Kong Generally Accepted Accounting Principles, the related revenue represents the fees charged by the Group's subsidiaries to the private non-enterprise entities in accordance with market principles, therefore the classification and presentation in the consolidated financial statements are different, but this does not affect the Group's internal management and assessment of its operating scale and operating efficiency.

Individual Project Highlights

Guangyi Geriatric Care Center and Nursing Home

Guangyi Geriatric Care Center and Nursing Home is a reconstruction project of the local government for the benefits of the people. With a long-standing history, it has been honored with provincial and municipal demonstrative geriatric care institutions for many years. In 2025, it achieved revenue of RMB22.77 million, representing a year-on-year increase of approximately 10%, with an occupancy rate of approximately 92%. The performance growth was further driven by the related value-added services of integrated medical and geriatric care.

Wuhe Geriatric Care Center and Nursing Home

During the year, the Wuhe Geriatric Care Center and Nursing Home generated operating revenue of RMB7.33 million, representing a year-on-year increase of 25%, with an occupancy rate of 63%. The renovation project launched last year has been completed, and the occupancy rate has continued to rise.

Xuejia Aixin Geriatric Care Center and Nursing Home

In 2025, Xuejia Aixin Geriatric Care Center and Nursing Home generated operating revenue of RMB13.92 million, representing a year-on-year increase of 23%, with an occupancy rate of 79%. The facility operated smoothly and demonstrated significant growth in performance. During the year, it received approval for 106 new medical beds, bringing the total number of medical beds to 205 and laying the foundation for future growth in revenue from medical and nursing services.

Huifeng Geriatric Care Center

Huifeng Geriatric Care Center achieved revenue growth of approximately 62% in 2025, with an occupancy rate increased to approximately 67% after the completion of its improvement of integrated medical and geriatric care and the acquisition of a medical license. These demonstrated that the medical resources introduction and the service structure optimization have substantially boosted both occupancy rate and revenue.

Wuhu Golden Sun Geriatric Care Center

Wuhu Golden Sun Geriatric Care Center underwent internal renovation work in response to market demand and launched value-added services such as a new catering center which is open to the public, resulting in a year-on-year increase of revenue of approximately 35% and a further increase in the occupancy rate to approximately 96%.

Luoxi District Geriatric Care Center and Nursing Home

Luoxi District Geriatric Care Center and Nursing Home was officially put into operation in 2024 and achieved a year-on-year increase of revenue of approximately 137% in 2025, with an occupancy rate of 60%. Since its opening, the project has maintained rapid growth in both occupancy rate and revenue, demonstrating the scale-up effect following the commencement of operations for newly contracted projects.

Rizhao City Investment Geriatric Care Center

Rizhao City Investment Geriatric Care Center is a project jointly operated by the Group and a local state-owned enterprise. Located in Donggang District, Rizhao City, Shandong Province, it offers 130 beds and has already admitted over 20 seniors since its opening in October 2025, with an occupancy rate of approximately 16% at the end of the Period, and recorded revenue of RMB180,000. Positioned as a high-quality healthcare community integrating professional geriatric care, medical rehabilitation, and pleasant and comfortable living environment, it is expected that the occupancy rate of the project will steadily increase as brand recognition and the medical and geriatric care service system gradually improve.

Newly-signed Projects

Guangde Elderly Care Service Center Project in Anhui Province

On 30 July 2025, Wuxi Beikang Hongtai Geriatric Services Limited* (無錫北康宏泰養老服務有限公司), a subsidiary of the Group, successfully won the bid for the Guangde Elderly Care Service Center project in Anhui Province through an open tender. The project has a total gross floor area of approximately 10,000 square meters and is planned to provide approximately 290 beds in total with investment for construction to be provided by the Guangde Municipal Government of Anhui Province, the Group will provide professional healthcare furniture and equipment, as well as subsequent operations and management. The project is expected to take approximately 16 months to complete construction. It is expected to meet the healthcare needs of the elderly from surrounding major cities such as Shanghai and Hangzhou in the future.

Health Industrial Park and Industry Investment

In respect of Health Industrial Park, guided by the concept of “industry-city integration”, the Group continues to promote the construction and operational management of the greater health industrial park projects, aiming at attracting enterprises spanning medical services, rehabilitation and nursing, intelligent geriatric care, and healthcare technology to settle in, thereby refining the supporting functions and industrial chain layout of the park. By employing a parallel model of self-operation and partnerships, the Group has introduced professional operating partners and innovative healthcare service institutions, which drives a steady increase in both occupancy rate and operational efficiency across the park.

In terms of industry investment, the Group focuses on the theme of “greater health + geriatric care” and continues to identify high-quality targets with growth potential covering areas such as medical services, intelligent healthcare and elderly-friendly technology. The Group strives to enhance its comprehensive competitiveness in the geriatric care and healthcare services market across the country through equity investment and industrial synergies.

As of 31 December 2025, the Group participated in five health industry park projects with a total land area of over 400,000 square meters. The estimated value of the properties under development was approximately HKD759,845,000, and the rental income was HKD13,103,000. The progress of each project is as follows:

Location	Project Name	Land Area (sq.m.)	Shareholding		Future Planning of the Project	Project Status
			Percentage			
Beijing	Chaoyang Logistics Project	87,607	95%		This project is located in the core urban area of the Fourth Ring Road of Beijing, with a superior geographical location. The Group intends to bring in quality enterprises to operate the industrial logistics park through upgrading and transforming the project, to create a new industrial park project with the theme of smart warehousing, digital technology and new energy.	<ol style="list-style-type: none"> 1. We applied to the Chaoyang District Development and Reform Commission for the extension of key projects. 2. We have already steadily increased the revenue through the new operational management system and the introduction of quality partners.
Shanghai	Sanlu Road Project (sold)	20,480	20%		This project has been completed as a new industrial park and is recruiting tenants.	This project was sold in March 2025.
Shanghai	Hongmei Road Project	39,448	100%		This project is located in the core area of Shanghai, with a superior geographical location. The Group intends to bring in quality partners to jointly develop this project as a landmark for leasing projects in the region.	Due to the downturn in the domestic real estate market, the planned commercial and office complex is temporarily suspended. The project is currently leased out, with an annual rental yield of approximately 4%.

Location	Project Name	Land Area (sq.m.)	Shareholding		Future Planning of the Project	Project Status
			Percentage			
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 the units were delivered to buyers at the beginning of 2024. It is expected that with further sales of the remaining unsold units, the Project Company will continue to make repayment arrangements to the Group.

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

Medical and Geriatric Products and Home Furnishing Business

Overview

The Medical and Geriatric Products and Home Furnishing business is a key growth driver that the Group has been actively expanding in recent years, which is mainly operated by our subsidiary, Beijing Vissam Prosperity Furniture Limited* (北京偉森盛業家具有限公司) (“Vissam Prosperity”) and the related platforms. In 2025, this segment achieved strategic transformation and upgrade to gradually expanding from traditional medical and geriatric furniture into educational furniture market. This has formed a “dual-engine” layout with a “solid base in medical and geriatric furniture + new growth in educational furniture”.

Market Environment and Business Performance

In 2025, the B2B furniture market in China was characterized by “moderate recovery, structural optimization, demand differentiation, and digital+intelligence upgrades”. The Group has actively adapted to these industry trends, and steadily maintained its solid base of medical and geriatric furniture business while aggressively expanded into the educational furniture market to attain rapid growth in such niche segment.

During the Year, Vissam Prosperity successfully secured several key university and medical institution projects, including Guzhenkou Campus of China University of Petroleum (East China) project, the Dingjiaqiao and Jiulonghu Campuses of Southeast University project, the desks and chairs for logistics support at Zhengzhou University project, the Guangzhou Campus of Sun Yat-sen University project, the “Three-Chemical” classroom renovation at Jilin University project, as well as smart classrooms at the University of Health and Rehabilitation Sciences project and other key projects. Sales contracts with a contracted amount reached RMB130 million for the year, and recognized a revenue of RMB130 million with major contributions from the educational furniture segment, marking the maturity of business transformation.

Qualifications Development and Certifications

To support the deep expansion into the educational furniture market, the Group has continuously strengthened its related product qualification development. In 2025, it obtained new China Environmental Certifications (CEC) for metal laboratory furniture, metal teaching furniture, and metal dormitory furniture, further enhancing the professionalism and market recognition of its educational furniture products. Meanwhile, the Group continues to hold the China Forest Certification (PEFC), a Triple-A (AAA) Corporate Credit Rating, and various ISO management system certifications. These credentials provide systematic support for the large-scale development of its educational furniture business.

Marketing and Brand Building

The Group enhanced its brand influence continuously in the educational furniture sector through integrated online and offline promotion. Throughout the year, it participated in 7 industry exhibitions, hosted 423 clients, resulting in a significant progress in securing effective educational projects. The total exposure of its new media matrix exceeded 19.46 million times, effectively reinforcing its brand positioning as a “provider of healthy campus furniture solutions”.

Innovation and Social Responsibility

The design team of the Company participated in the “2025 Beijing Home-Based Elderly-Friendly Renovation Design and Innovation Competition” and won the fourth prize in the “Spatial Design and Concept Solution Category”, demonstrating its forward-looking layout in the field of elderly-friendly product design. In addition, Vissam Prosperity fulfilled its corporate social responsibilities by carrying out the “Respecting Talents and Warming Hearts in Laiyuan” charity donation activity in Laiyuan County, Hebei Province, bringing warmth to the elderly locally and deepening the Group’s social value proposition of “health + care”.

FUTURE PROSPECT

Expansion of Geriatric Care Business

In respect of the geriatric care industry, the Group will continue to increase its investment and expansion efforts in the geriatric care industry, continuously adding new beds. The Group’s newly contracted Wuxi Ancient Canal Nursing Home and Anhui Guangde projects are progressing as planned with preliminary works such as fire safety inspections and renovations. These projects are expected to commence operations in phases starting from 2026, adding a total of approximately 740 beds, which will further expand the Group’s total number of geriatric care beds and broaden its regional footprint. At the same time, the Group has launched online value-added service platform to provide comprehensive value-added services, including elderly nutritious meals, nursing products, home-based on-site nursing services and accompanying services for medical appointment and caring. The goal is to integrate the entire geriatric care service chain of “offline beds + online services” in order to improve the comprehensive service revenue per elderly client and strengthen customer stickiness.

In the future, the Group will focus on building the “Beikang Medical and Geriatric Care” brand and continue to leverage on the advantages of our operation model “chain operation with integrated medical and geriatric care”. The Group will continue to reinforce and strengthen its core competitiveness in “chain management, standardization, specialization” and “integration of medical and geriatric care”, as well as continue its deep penetration into the Yangtze River Delta region, which is characterized by its robust economy and strong consumer demand, and to accelerate the expansion of the number of the geriatric care beds. At the same time, the Group will extend its business to the areas of elderly-friendly products and digitalized home-based geriatric care services, forming a comprehensive “point-and-surface” integrated service layout of urban geriatric care business, centered around beds for geriatric care as the core business, radiating towards product offerings and family services.

The Group's short-to-medium-term goal is to increase the scale of geriatric care to a total capacity of 5,000 beds, with a mid-term target of exceeding 10,000 beds, and a long-term vision of achieving 100,000 beds. Meanwhile, the Group also expanded into the areas of elderly-friendly products and digitalized home care services, forming a comprehensive service layout of "point-and-surface" integrated urban geriatric care with institutional geriatric care beds as the backbone to extend its product offerings and family services, striving to become a leading group in the domestic comprehensive geriatric care service industry.

In respect of health industrial parks, in the face of uncertainties in the macro environment, the Group will not increase its investment in health parks in China for the time being. Instead, the Group will actively identify suitable partners to dispose of certain projects in a timely manner. As for the Group's investment projects in Canada, the Group will speed up the government approval process for the Royal Tower project and prepare the preliminary work for the project's pre-sale. Meanwhile, the Group will actively explore other development opportunities locally or overseas.

In respect of the medical and geriatric care products business, Vissam Prosperity continues to optimize its furniture business structure, consolidate its leading position in the educational furniture market, and continuously improves its medical and geriatric care furniture product lines, so as to promote the synergistic development of these two major segments. Through product upgrades in intelligence and green technology, and the enhancement of its all-scenario solution capabilities, Vissam Prosperity is committed to becoming a professional service provider of healthy learning and healthcare spaces, thereby creating sustainable returns for shareholders.

In respect of the Group's overall strategy, we will exercise stringent cost control and optimize cost effectiveness 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 from banks, equity and bonds. At the same time, we will also seek investment opportunities in the sports industry from time to time to add new growth drivers to our investment target of the "greater healthcare industry".

MATERIAL INVESTMENTS

The Group had no additional material investment for the year ended 31 December 2025.

The Group is actively identifying and exploring suitable investments with potential and synergy effect to its existing businesses. The Group will only consider any potential investments which are in the interests of the Company and the shareholders as a whole. No agreement for material investment has been entered into as of the date of this announcement.

MAJOR ACQUISITIONS AND DISPOSALS

The Group completed one acquisition transaction and one disposal transaction during the year, details of which are set out in Note 12 "Deemed Acquisition of a Subsidiary" and Note 13 "Disposal of a Subsidiary".

FINANCIAL REVIEW

Operating revenue

As of 31 December 2025, the revenue of the Group was approximately HK\$157,200,000 (2024: HK\$149,945,000), representing an increase of 4.8% as compared to 2024, which was mainly due to the moderate growth in revenue from the sales of medical and geriatric products and revenue from geriatric care business. The increase in revenue of the medical and geriatric products segment was mainly attributed to the success of the new educational furniture product line developed by the Group in previous years, with continued year-on-year increase in related sales, offsetting declines in sales of hospital and geriatric furniture. Customers for the educational furniture were mainly domestic colleges and universities, resulting in strong cash flow and lower risk of bad debts. The increase in revenue from geriatric care business was mainly due to an increase in occupancy rate.

Cost of Sales

Cost of sales increased slightly by HK\$482,000 to approximately HK\$114,747,000, representing less than 1% compared to the corresponding period last year. 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 27.0%, compared to 23.8% for the corresponding period last year, representing an increase of 3.2%. The increase in gross profit margin was mainly attributable to an increase in the proportion of orders for educational furniture products, which have higher gross profit margins.

Other Income and Gains/(losses), Net

As of 31 December 2025, other income and gains/(losses), net amounted to approximately HK\$15,013,000 of gains, compared with a loss of HK\$15,678,000 for the same period last year. These include one-off losses incurred as of 31 December 2025, such as a loss on the disposal of a subsidiary of approximately HK\$21,369,000 and a loss on the transfer of properties under development, property, plant and equipment, and right-of-use assets to investment properties of approximately HK\$14,532,000. In addition, one-off gains were incurred, such as a gain from the disposal of a joint venture of approximately HK\$6,222,000 and reversal of impairment loss on investment in an associate of HK\$10,717,000.

Excluding the aforementioned one-off gains/losses, net other income and gains/(losses) amounted to approximately HK\$33,975,000, mainly comprising a foreign exchange gain of HK\$3,097,000 in 2025 resulting from the appreciation of the Canadian dollar against the Hong Kong dollar by approximately 4% in 2025, whereas an exchange loss of HK\$29,290,000, a fair value loss of HK\$5,435,000 on investment properties (2024: HK\$13,892,000), rental income of HK\$13,103,000 (2024: HK\$9,483,000), investment income of approximately HK\$16,180,000 (2024: HK\$5,106,000) and banks and other interest income of HK\$6,149,000 (2024: HK\$4,845,000) were recorded in 2024.

Selling and Distribution Expenses

As of 31 December 2025, the selling and distribution expenses of the Group were approximately HK\$17,930,000 (2024: HK\$14,331,000), representing 11.4% of the total sales amount (2024: 9.6%). The selling and distribution expenses mainly comprise of remuneration of HK\$6,058,000 (2024: HK\$4,720,000), travelling expenses of HK\$910,000 (2024: HK\$726,000), promotion fee of HK\$4,091,000 (2024: HK\$3,739,000), office costs of approximately HK\$2,733,000 (2024: HK\$2,948,000) and license fees of HK\$3,009,000 (2024: HK\$1,218,000).

Administrative Expenses

As of 31 December 2025, the administrative expenses were HK\$77,217,000, representing a decrease of 4.3% in expenses as compared to HK\$80,716,000 in 2024. The administrative expenses mainly included staff costs (including directors' remuneration) of HK\$35,281,000 (2024: HK\$36,216,000), professional advisory fees of HK\$7,042,000 (2024: HK\$7,324,000), office expenses of HK\$2,743,000 (2024: HK\$4,001,000), depreciation and amortization costs of HK\$19,037,000 (2024: HK\$19,545,000), business entertainment expenses of HK\$3,108,000 (2024: HK\$2,709,000), travelling expenses of HK\$3,926,000 (2024: HK\$3,881,000) and audit expenses of HK\$1,410,000 (2024: HK\$1,954,000). Administrative expenses decreased mainly as a result of the Group's implementation of a cost saving policy, under which various administrative expenses were effectively reduced.

Impairment Losses of Financial Assets, Net

Impairment loss on financial assets was mainly attributable to the impairment provision made against the Group's trade and other receivables. During the year, certain trade receivables and other receivables were not repaid when due. Taking into account the repayment ability of the defaulters, the Group has made a provision for impairment of the affected balances.

Other Expenses and Losses

Other expenses and losses were mainly attributable to the one-off expenses without cash outflow. As of 31 December 2025, the other expenses and losses of the Group was HK\$5,000 (2024: HK\$7,963,000). As of 31 December 2024, other expenses and losses mainly represent a provision for impairment of investment in an associate of approximately HK\$7,912,000, whereas a reversal on the impairment of an investment in an associate of HK\$10,717,000 was recorded in net other income and gains/(losses) in 2025.

Finance Cost

As of 31 December 2025, the Group's total financing costs amounted to approximately HK\$2,520,000 (2024: HK\$228,000), representing an increase of more than tenfold compared with the same period last year. The significant increase was mainly attributable to the borrowing interest of approximately HK\$2,266,000 (2024: HK\$Nil) arising from the consolidation of the interest-bearing bank and other borrowings of 1121695 B.C. Ltd. in mid-year, following the Group's deemed acquisition of the Canadian joint venture, 1121695 B.C. Ltd..

Share of Losses of a Joint Venture

Share of losses of a joint venture were mainly the share of 47.47% of loss attributable to shareholders of 1121695 B.C. Ltd. of approximately HK\$7,141,000 (2024: HK\$13,446,000). The decrease in the share of losses of joint ventures was mainly due to the reduction in interest expenses of the joint venture resulting from the decline in borrowing rates in Canada, as well as the cessation of loss sharing of 1121695 B.C. Ltd. since 24 October 2025, when it was deemed to have become a subsidiary of the Company.

Share of Losses of Associates

Share of 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\$6,189,000 (2024: HK\$5,727,000) and the share of 20% of loss attributable to shareholders of Shanghai Junbo Textiles Limited* ("Shanghai Junbo") of approximately HK\$174,000 (2024: HK\$10,277,000). The decrease in the share of losses of associates was mainly attributable to the disposal of the 20% equity interest in Shanghai Junbo in March 2025, after which the Group was no longer required to share the losses of Shanghai Junbo.

Net Assets

As at 31 December 2025, the net assets of the Group was approximately HK\$1,753,719,000, representing an increase of approximately HK\$13,293,000 from approximately HK\$1,740,426,000 as at 31 December 2024. Excluding the generation of loss of approximately HK\$101,996,000 during the year, the net assets increased by HK\$115,289,000 as compared to 31 December 2024, which was mainly due to (i) the appreciation of Renminbi against Hong Kong dollars by approximately 2.5% in 2025, resulting in an exchange gain of HK\$37,046,000 recognised in other comprehensive income and losses of the Group; (ii) a fair value gain of HK\$11,601,000 on equity investments designated at fair value through other comprehensive income; (iii) the Group's deemed acquisition of the Company's Canadian joint venture, 1121695 B.C. Ltd., leading to a corresponding increase in non-controlling interests of HK\$50,488,000; and (iv) a corresponding increase in non-controlling interests of HK\$20,084,000 arising from the capital injection by all shareholders of the Group's non-wholly owned subsidiary, Wuxi Beikang Yiyue Health Industry Co., Ltd.* and Rizhao Beikang Yiyue Health Industry Development Co., Ltd.*, in proportion to their respective shareholdings.

Liquidity and Financial Resources

As at 31 December 2025, cash and cash equivalents held by the Group was approximately HK\$140,538,000 (2024: HK\$77,865,000), and balance of wealth management products from banks was approximately HK\$79,235,000 (2024: HK\$118,441,000). Cash and cash equivalents and total balance of wealth management products from banks increased by approximately HK\$23,467,000, mainly due to the receipt in mid-year of consideration of approximately HK\$16,924,000 for the disposal of a 20% equity interest in Shanghai Junbo.

As at 31 December 2025, the Group's interest-bearing bank and other borrowings was approximately HK\$109,570,000 (2024: HK\$nil). The increase in total debt was mainly attributable to bank and other borrowings of approximately HK\$109,570,000 resulting from the acquisition of 1121695 B.C. Ltd. as a subsidiary of the Company, effective from 24 October 2025. As at 31 December 2025, the net current assets of the Group amounted to HK\$71,730,000 and the current ratio was approximately 1.3 times. The Group maintained sufficient bank credit facilities to meet working capital needs and had 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 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.

As at 31 December 2025, the number of issued share of the Company was 6,058,772,027 shares. Equity attributable to shareholders of the Company amounted to approximately HK\$1,659,983,000 (2024: approximately HK\$1,716,111,000) and net assets per share attributable to shareholders amounted to approximately HK\$0.274 (2024: HK\$0.283).

Capital Expenditure

As of 31 December 2025, the Group's capital expenditure was approximately HK\$12,528,000 (2024: HK\$6,638,000), which was mainly due to the purchase of operties, plants and equipment.

Pledge of assets

As at 31 December 2025, the Group used properties under development in Canada as collateral for bank loans, with a total carrying amount of HK\$397,620,000 (2024: HK\$Nil).

Contingent liabilities

As of 31 December 2025, the Group has no significant contingent liabilities.

As at 31 December 2024, the Group has contingent liabilities up to RMB28,000,000 (equivalent to approximately HK\$30,238,000) as a guarantor for the bank facility granted to an associate of the Company. The associate has utilised bank loans of approximately RMB24,235,000 (equivalent to approximately HK\$26,172,000) which is guaranteed by the Group.

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 borrowings denominated in CAD. As of 31 December 2025, 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 2025, 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 2025, there was no significant and material dispute between the Group and its suppliers and/or customers.

Employees and remuneration policy

As at 31 December 2025, the Group had approximately 207 employees, of which 91 were males and 116 were females (2024: 179 employees, of which 80 were males and 99 were females). Total staff costs (excluding Directors' remuneration) as of 31 December 2025 amounted to approximately HK\$36,621,000 (2024: HK\$35,888,000). 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 calibre 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 two-way 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 2025, the Company has complied with the code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 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 C3 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 2025.

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

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 2025.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: 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 four independent non-executive directors of the Company, namely Mr. Tse Man Kit, Keith, Mr. Zhang Yun Zhou, Mr. Wu Yong Xin and Ms. Yang Xiao Yan.

The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2025.

SCOPE OF WORK OF THE COMPANY'S 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 2025 as set out in the preliminary announcement of annual results have been agreed by the Company's auditor to the amounts set out in the Group's drafted consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by the Company's auditor on the preliminary announcement of annual results.

THE ANNUAL REPORT

The annual report of the Company for the year ended 31 December 2025 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 2026

As at the date of this announcement, the Board comprises four Executive Directors, namely Mr. Zhu Shi Xing, Mr. Liu Xue Heng, Mr. Gu Shan Chao and Mr. Wang Zheng Chun and four Independent Non-Executive Directors, namely Mr. Tse Man Kit, Keith, Mr. Wu Yong Xin, Mr. Zhang Yun Zhou and Ms. Yang Xiao Yan.

* For identification purpose only