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**China Health Group Limited**  
**中國衛生集團有限公司**

*(Carrying on business in Hong Kong as CHG HS Limited)*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 673)

**FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2026**

The board (the “**Board**”) of directors (the “**Directors**”) of China Health Group Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 March 2026 together with the comparative figures for the corresponding year ended 31 March 2025 as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*For the year ended 31 March 2026*

	<i>Notes</i>	<b>For the year ended 31 March</b>	
		<b>2026</b>	<b>2025</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue	5	<b>41,092</b>	38,943
Cost of sales		<b>(33,964)</b>	(29,708)
Gross profit		<b>7,128</b>	9,235
Other income	6	<b>791</b>	16,689
Other loss, net	6	<b>(4,026)</b>	(6,575)
Net impairment loss of financial assets		<b>(11,252)</b>	(17,642)
Selling and distribution expenses		<b>(2,930)</b>	(6,138)
Administrative expenses		<b>(38,376)</b>	(62,695)
<b>OPERATING LOSS</b>		<b>(48,665)</b>	(67,126)
Finance costs	7	<b>(187)</b>	(252)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)**

		<b>For the year ended 31 March</b>	
		<b>2026</b>	<b>2025</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>LOSS BEFORE TAX</b>	8	<b>(48,852)</b>	(67,378)
Income tax credit/(expense)	9	<u>427</u>	<u>(443)</u>
<b>LOSS FOR THE YEAR</b>		<b><u>(48,425)</u></b>	<b><u>(67,821)</u></b>
Loss for the year attributable to:			
Owners of the Company		<b>(47,932)</b>	(67,790)
Non-controlling interests		<u>(493)</u>	<u>(31)</u>
		<b><u>(48,425)</u></b>	<b><u>(67,821)</u></b>
			(Restated)
<b>LOSS PER SHARE</b>			
Basic and diluted (cents)	10	<b><u>(4.96)</u></b>	<b><u>(11.25)</u></b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

	For the year ended 31 March	
	2026	2025
	HK\$'000	HK\$'000
<b>LOSS FOR THE YEAR</b>	<b>(48,425)</b>	<b>(67,821)</b>
Other comprehensive income/(expense)		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translation of foreign operations	2,098	(1,743)
Release of exchange reserve upon disposal of subsidiaries	<u>410</u>	<u>–</u>
Other comprehensive income/(expense) for the year	<u><b>2,508</b></u>	<u><b>(1,743)</b></u>
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR</b>	<u><b>(45,917)</b></u>	<u><b>(69,564)</b></u>
Total comprehensive (expense)/income for the year attributable to:		
Owners of the Company	(45,726)	(69,606)
Non-controlling interests	<u>(191)</u>	<u>42</u>
	<u><b>(45,917)</b></u>	<u><b>(69,564)</b></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

	<i>Notes</i>	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>16,939</b>	17,396
Right-of-use assets		<b>1,539</b>	1,522
Intangible assets		–	249
Goodwill		<b>9,658</b>	13,561
Investment in an associate		–	–
Prepayment		<b>9,864</b>	–
		<hr/> <b>38,000</b>	<hr/> 32,728
<b>CURRENT ASSETS</b>			
Inventories		<b>11,445</b>	13,536
Trade receivables	<i>11</i>	<b>21,062</b>	21,230
Prepayment, deposits and other receivables		<b>39,498</b>	44,388
Loan and interest receivables		<b>24,642</b>	34,345
Tax assets		<b>954</b>	–
Restricted cash		<b>513</b>	73
Cash and cash equivalents		<b>21,442</b>	1,048
		<hr/> <b>119,556</b>	<hr/> 114,620
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>12</i>	<b>30,482</b>	24,386
Other payables and accrued expenses	<i>13</i>	<b>56,533</b>	88,471
Amounts due to directors		<b>4,451</b>	8,577
Contract liabilities		<b>656</b>	3,923
Lease liabilities-ST		<b>310</b>	659
Bank borrowings		<b>4,282</b>	5,418
Tax payables		–	531
		<hr/> <b>96,714</b>	<hr/> 131,965

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

	<i>Notes</i>	<b>2026</b> <b>HK\$'000</b>	2025 HK\$'000
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>22,842</u>	<u>(17,345)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>60,842</u>	<u>15,383</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		–	425
Contingent consideration	<i>14</i>	–	14,863
Deferred tax liabilities		<u>–</u>	<u>–</u>
		<u>–</u>	<u>15,288</u>
<b>NET ASSETS</b>		<u><b>60,842</b></u>	<u><b>95</b></u>
<b>EQUITY</b>			
Share capital	<i>15</i>	<b>138,714</b>	49,164
Reserves		<u>(85,439)</u>	<u>(56,827)</u>
Equity attributable to owners of the Company		<b>53,275</b>	(7,663)
Non-controlling interests		<u>7,567</u>	<u>7,758</u>
<b>TOTAL EQUITY</b>		<u><b>60,842</b></u>	<u><b>95</b></u>

Notes:

## 1. GENERAL INFORMATION

The Company is a limited liability company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, and principal place of business is located at Unit 801, 8/F., China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong.

The directors of the Company regard Ample Colour Limited, a private limited liability company incorporated in the British Virgin Islands. Its ultimate controlling party is Mr. Ying Wei (“Mr. Ying”), who is non-executive Director of the Company.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are engaged in distribution and service in medical equipment and consumables, provision of hospital operation and management services, business service and research and development and sale of functional foods.

## 2. BASIS OF PREPARATION AND PRESENTATION

### GOING CONCERN BASIS

As at 31 March 2026, the Group’s current assets exceeded its current liabilities by approximately HK\$22,842 million while the Group’s cash and cash equivalents amounted to approximately HK\$21,442 million. The Group also incurred net loss of HK\$48,425 million and net cash used in operating activities of HK\$85,502 million during the year ended 31 March 2026.

In view of such circumstances, the directors of the Company (“Directors”) have given careful consideration of the future liquidity and operating performance of the Group and its available source of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The Directors have reviewed a cash flow projection of the Group prepared by management covering a period of not less than twelve months from 31 March 2026 taking into account the following plans and measures into consideration:

- (i) The Group is actively pursuing recovery of outstanding receivables, including a receivable due from a public hospital in the PRC arising from its hospital operation and management services business. Subsequent to the reporting date, in May 2026, the Group obtained a favorable court judgment in relation to this receivable. The Group is following up on the judgment and pursuing recovery of the outstanding balance in accordance with the judgment.
- (ii) The Group has implemented and will continue to implement cost control measures, including streamlining headcount and reducing administrative expenditures.

- (iii) The Group continues to negotiate with existing lenders to ease the pressure on working capital through extension of settlement arrangements of borrowings, and has made progress with certain lenders in this regard.
- (iv) The Group has obtained financial support from an entity directly controlled by the ultimate controlling party of the Company, Mr. Ying Wei, which has irrevocably undertaken, as a binding obligation, to provide such financial support as may be required to enable the Group to meet its liabilities as they fall due and continue its operations for at least twelve months from the date of approval of the consolidated financial statements.

The Directors are of the opinion that the Group's available sources of funds, including the Group's expected recovery of major outstanding receivables, the effectiveness of measures to realise the cash flow projection, and the financial support from the ultimate controlling party, are sufficient to fulfil its financial obligations as and when they fall due in the coming twelve months from 31 March 2026. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

## **BASIS OF PREPARATION**

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities; and
- contingent consideration – measured at fair value.

The preparation of these consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4 of the notes to the consolidated financial statements on the Annual Report 2026.

### **(i) Amendments to existing standards adopted by the Group**

The following amendments to existing standards are mandatory for the first time for the financial year beginning 1 April 2025 and have been adopted in the preparation of the consolidated financial statements:

- Amendments to HKAS 21 Lack of Exchangeability;

The adoption of these amendments to existing standards does not have significant impacts on the Group's consolidated financial statements.

**(ii) Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2026**

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 March 2026 and which have not been adopted in these consolidated financial statements. These developments include the following which may be relevant to the Group.

	<b>Effective for accounting periods beginning on or after</b>
– Amendments to HKFRS 9, Financial Instruments and HKFRS 7. Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
– Amendments to HKFRS 9 and HKFRS 7 – Contract Referencing Nature-Dependent Electricity.	1 January 2026
– Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
– HKFRS 18, Presentation and Disclosure in Financial Statements	1 January 2027
– HKFRS 19, Subsidiaries without Public Accountability: Disclosures	1 January 2027
– Amendments to HKAS 21 – Translation to a Hyper Inflation Presentation Currency	1 January 2027
– Amendments to HK-Int 5, Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
– Amendments to HKFRS 10 and HKAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

### ***HKFRS 18, Presentation and disclosure in financial statements***

HKFRS 18 will replace HKAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations, and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

### **3. OPERATING SEGMENT INFORMATION**

The Group's operating segments, based on information reported to the executive directors being the chief operating decision maker (the "CODM"), for the purpose of resource allocation and assessment of segment performance focus on types of goods or services delivered or rendered.

For management purposes the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

- Distribution and service in medical equipment and consumables;
- Hospital operation and management services;
- Business service; and
- Research and development and sale of functional food.

The following is an analysis of the Group's revenue and results by operating segments for the year ended 31 March 2026 and 2025:

**For the year ended 31 March 2026**

	Distribution and service in medical equipment and consumables <i>HK\$'000</i>	Hospital operation and management services <i>HK\$'000</i>	Business service <i>HK\$'000</i>	Research and development and sale of functional food <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	-	-	-	-	-
Revenue from external customers	<u>34,252</u>	<u>6,840</u>	<u>-</u>	<u>-</u>	<u>41,092</u>
Segment results	(588)	(6,246)	(2,738)	-	(9,571)
Reconciliation:					
Unallocated other income	316				316
Unallocated expenses					<u>58,107</u>
Loss before tax					<u><u>48,852</u></u>

**For the year ended 31 March 2025**

	Distribution and service in medical equipment and consumables <i>HK\$'000</i>	Hospital operation and management services <i>HK\$'000</i>	Business service <i>HK\$'000</i>	Research and development and sale of functional food <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue					
Revenue from external customers	<u>27,711</u>	<u>11,232</u>	<u>-</u>	<u>-</u>	<u>38,943</u>
Segment results	(421)	(14,222)	(14,675)	1,017	(28,301)
Reconciliation:					
Unallocated other income					16,386
Unallocated expenses					<u>(55,463)</u>
Loss before tax					<u><u>(67,378)</u></u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the profit earned by/(loss suffered) from each segment without allocation of central administration costs, unallocated other income, directors' emoluments and unallocated finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The following table is an analysis of the Group's assets and liabilities and other segment information as at 31 March 2026 and 2025:

**As at 31 March 2026**

	Distribution and service in medical equipment and consumables <i>HK\$'000</i>	Hospital operation and management services <i>HK\$'000</i>	Business service <i>HK\$'000</i>	Research and development and sale of functional food <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	84,667	24,041	-	-	108,708
Corporate and other unallocated assets					48,848
<b>Total assets</b>					<b>157,556</b>
Segment liabilities	(38,971)	-	-	-	(38,971)
Corporate and other unallocated liabilities					(57,743)
<b>Total liabilities</b>					<b>(96,714)</b>

**As at 31 March 2025**

	Distribution and service in medical equipment and consumables <i>HK\$'000</i>	Hospital operation and management services <i>HK\$'000</i>	Business service <i>HK\$'000</i>	Research and development and sale of functional food <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	58,974	24,475	31,584	3,058	118,091
Corporate and other unallocated assets					29,257
<b>Total assets</b>					<b>147,348</b>
Segment liabilities	29,219	24,911	15,856	15,058	85,044
Corporate and other unallocated liabilities					62,209
<b>Total liabilities</b>					<b>147,253</b>

Segment assets excluded other corporate assets as these assets are managed on a Group basis.

Segment liabilities excluded corporate liabilities as these liabilities are managed on a Group basis.

### Other segment information

#### For the year ended 31 March 2026

	Distribution and service in medical equipment and consumables <i>HK\$'000</i>	Hospital operation and management services <i>HK\$'000</i>	Business service <i>HK\$'000</i>	Research and development and sale of functional food <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Amounts included in the measure of segment profit or loss or segment assets:</b>						
Additions to non-current assets (other than prepayment)	245-	653	-	-	-	898
Amortisation of intangible assets	-	-	-	-	33	33
Net impairment loss of financial assets	661	27	10,564	-	-	11,252
Depreciation of property, plant and equipment	40	1,719	9	-	-	1,768
Depreciation of right-of-use assets	235	54	-	-	-	289

#### For the year ended 31 March 2025

	Distribution and service in medical equipment and consumables <i>HK\$'000</i>	Hospital operation and management services <i>HK\$'000</i>	Business service <i>HK\$'000</i>	Research and development and sale of functional food <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Amounts included in the measure of segment profit or loss or segment assets:</b>						
Additions to non-current assets (other than prepayment)	396	2,515	386	-	-	3,297
Amortisation of intangible assets	-	-	-	260	-	260
Net impairment loss of financial assets	880	(147)	10,472	536	5,901	17,642
Depreciation of property, plant and equipment	36	2,091	9	-	-	2,136
Depreciation of right-of-use assets	241	656	119	-	-	1,016

## Geographical information

The Company is an investment holding company and the principal place of the Group's operations are in PRC. For the years ended 31 March 2026 and 2025, the Group's revenue was derived from the activities in PRC (place by domicile).

An analysis of the Group's specified non-current assets, excluding deferred tax assets, and deposits, by geographical locations, determined based on physical location of the assets is as follows:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
PRC	41,092	35,049
Hong Kong	–	3,894
	<u>41,092</u>	<u>38,943</u>

## Information about major customers

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Customer A <sup>1</sup>	<u>16,501</u>	<u>5,364</u>

<sup>1</sup> Revenue from distribution and service in medical equipment and consumables.

Except for disclosed above, no other customer contributed over 10% of the Group's total revenue both years.

## 4. REVENUE

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
<b>Revenue from contracts with customers</b>		
Income from distribution and service in medical equipment and consumables	31,672	27,216
Income from provision of hospital operation and management services	6,840	11,232
Service fee income	2,580	495
	<u>41,092</u>	<u>38,943</u>
	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
<b>Revenue from contracts with customers</b>		
– recognised at a point in time	31,672	27,216
– recognised over time	9,420	11,727
	<u>41,092</u>	<u>38,943</u>

## **Accounting policies of revenue recognition**

### ***(i) Income from distribution and service in medical equipment and consumables***

Distribution and service in medical equipment and consumables are recognised when control of the products has transferred, being when the products are delivered to a customer, as there is no further unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities at that point in time.

Revenue from the sales is recognised based on the prices specified in the contracts, without netting off the estimated sales return due to extremely low return rate from past records.

Sales to customers are normally made with credit terms up to 90 days from date of billing. Deposits received are recognised as contract liabilities.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

### ***(ii) Income from provision of hospital operation and management services***

Services income from provision of hospital operation and management services and business service are recognised over time when services are rendered. Services income from provision of hospital operation and management services and business service were calculated on services provided multiplied to a fixed fee. The normal credit term is up to 180 days upon services billed for hospital operation and management services while the normal credit terms is up to 30 days for business services.

### ***(iii) Service fee income***

Service fee income are recognised over time, when the vaccine promotion services are performed, based on the completion of the agreed-upon services and the fulfillment of contractual obligations.

## **Transaction allocated to the remaining performance obligation for contracts with customers**

The Group has applied the practical expedient in HKFRS 15 to its customer contracts relating distribution and service in medical equipment and consumables, income from provision of hospital operation and management services and service fee such that the Group had not disclose information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts that had an original expected duration of one year or less.

## 5. OTHER INCOME/OTHER LOSS, NET

### (i) Other income:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Loan interest income	–	–
Other interest income	1	9
Government grants ( <i>Note (a)</i> )	327	137
Commission income	–	–
Sales service income	–	–
Reversal of other payables ( <i>Note 25</i> )	316	16,306
Sundry income	147	237
	<u>791</u>	<u>16,689</u>

### (ii) Other loss, net:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Change in fair value of contingent consideration ( <i>Note 28</i> )	2,863	5,171
Loss on disposal of subsidiaries ( <i>Note 35</i> )	(2,419)	–
Loss on acquisition of subsidiaries	–	–
Impairment loss recognised in respect of goodwill ( <i>Note 16</i> )	(4,397)	(11,746)
Others	(73)	–
	<u>(4,026)</u>	<u>(6,575)</u>

*Note:*

- (a) During the year ended 31 March 2026, the Group recognised government grants of approximately HK\$327,000 (2025: HK\$137,000) from PRC government for employment support. There were no unfulfilled conditions or contingencies relating to these government grants.

## 6. FINANCE COSTS

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Interest on lease liabilities	49	93
Interest on bank borrowings	138	159
	<u>187</u>	<u>252</u>

## 7. LOSS BEFORE TAX

Loss before tax is arrived at after charging/(crediting) the following:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Auditor's remuneration for audit services	650	950
Amortisation of intangible assets	33	260
Impairment loss recognized on intangible assets	–	566
Depreciation of right-of-use assets	289	1,016
Impairment loss recognized on right-of-use assets	1,021	
Depreciation of property, plant and equipment	1,768	2,136
Expenses related to short-term leases	645	966
Written-off of property, plant and equipment	80	13
Provision for litigation expenses	12,873	35,616
Fair value change	(2,863)	(5,171)
Impairment loss recognized on loan and interest receivables	10,627	11,688
Impairment loss recognized on trade receivables	219	9
Impairment loss/(reversal of impairment loss) on deposits and other receivables	406	5,945
Net impairment loss of financial assets	<u>11,252</u>	<u>17,642</u>
Staff costs (including directors' emoluments)		
– Salaries, wages, and other benefits	13,038	15,072
– Discretionary bonus	3,238	3,000
– Contributions to defined contribution retirement plans	1,450	1,527

## 8. INCOME TAX EXPENSE

Under the two-tiered profits tax rates regime of Hong Kong Profit tax, the first HK\$2 million of assessable profits of qualifying Group entities are taxed at 8.25%, and assessable profits above HK\$2 million are taxed at 16.5%. The profits of Group entities not qualifying for the two-tiered profits tax rates regime are continued to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong profits tax of the qualifying Group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profit and at 16.5% on the estimated assessable profit above HK\$2 million.

The directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements for both years. Hong Kong Profits Tax is calculated at the rate 16.5% (2025: 16.5%) on the estimated assessable profits for the year. No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising from Hong Kong for both years.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Current tax – PRC		
Provision for the year	(427)	574
Deferred tax credit ( <i>Note 30</i> )	(131)	(131)
	<u>(427)</u>	<u>443</u>

The income tax expense for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Loss before tax	<u>(48,852)</u>	<u>(67,378)</u>
Tax at domestic income tax rate	(9,150)	(9,119)
Tax effect of non-taxable income	(15)	(1,651)
Tax effect of non-deductible expenses	2,055	6,179
Tax reduction	(259)	(582)
Estimated tax losses not recognized	<u>6,942</u>	<u>5,616</u>
Tax charge for the year	<u>(427)</u>	<u>443</u>

## 9. LOSS PER SHARE

	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Loss for the purposes of basic and diluted loss per share (loss for the year attributable to owners of the Company)	<u>(47,932)</u>	<u>(67,790)</u>
	<b>2026</b>	2025 (Restated)
Weighted average number of ordinary shares for the purposes of calculating basic and diluted loss per share	<u>967,003,211</u>	<u>602,746,332</u>
	<b>2026</b>	2025 (Restated)
Loss Per Share Basic and diluted (HK cents)	<u>(4.96)</u>	<u>(11.25)</u>

In accordance with HKAS 33 Earnings per Share, the weighted average number of ordinary shares for the comparative year has been restated to reflect the implicit bonus element arising from rights issue completed during the year. The theoretical ex-rights adjustment factor was applied retrospectively to prior period share volumes for consistent period comparison.

The computation of diluted loss per share does not assume the exercise of the Company's share options for both years because their assumed exercise would result in an decrease in loss per share. Accordingly, diluted loss per share is same as basic loss per share.

## 10. TRADE RECEIVABLES

	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Trade receivables arising from contracts with customers	<b>21,839</b>	21,779
Less: Allowance for credit losses	<u>(777)</u>	<u>(549)</u>
	<b><u>21,062</u></b>	<b><u>21,230</u></b>

The Group's normally provided credit period to its customers maximum up to 180 days.

An aging analysis of the trade receivables (net of allowance for credit losses) as at the end of the reporting period, based on revenue recognition date, is as follows:

	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Within 90 days	<b>8,963</b>	6,206
91-180 days	<b>3,618</b>	1,230
Over 180 days	<u><b>8,481</b></u>	<u>13,794</u>
	<b><u>21,062</u></b>	<b><u>21,230</u></b>

All of trade receivables were denominated in RMB for both years.

Movement in the allowance for credit loss:

	<b>Lifetime ECL</b> <b>(non credit-impaired)</b>	
	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Balance at the beginning of the reporting period	<b>549</b>	1,516
Write off	–	(968)
Impairment loss recognised	<b>219</b>	9
Exchange realignment	<u><b>9</b></u>	<u>(8)</u>
Balance at the end of the reporting period	<b><u>777</u></b>	<b><u>549</u></b>

## 11. TRADE PAYABLES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Within 1 month	7,586	409
1-3 months	533	1,757
Over 3 months	<u>22,363</u>	<u>22,220</u>
	<u><u>30,482</u></u>	<u><u>24,386</u></u>

All of trade payables were denominated in RMB for both years.

## 12. OTHER PAYABLES AND ACCRUED EXPENSES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Dividend payable on redeemable convertible cumulative preference shares ( <i>Note</i> )	–	31,120
Accrued interest of convertible bonds	9,865	9,865
Accrued legal and professional fee	6,232	7,115
Accrued salaries	5,288	4,048
Others	<u>35,148</u>	<u>36,323</u>
	<u><u>56,533</u></u>	<u><u>88,471</u></u>

Other payables and accrued expenses with the amounts of approximately HK\$32,862,000 (2025: HK\$12,765,000) were denominated in RMB as at 31 March 2026.

*Note:* As at 31 March 2025, US\$4,000,000 (equivalent to approximately HK\$31,120,000) were a dividend payable on redeemable convertible cumulative preference shares which is in dispute as detailed below.

On 12 September 2016, the Company received a statutory demand (the “Statutory Demand”) from Li Hong Holdings Limited (“Li Hong”) in respect of repayment of dividend payable on redeemable convertible cumulative preference shares in the sum of US\$4.0 million (equivalent to approximately HK\$31.1 million) (the “Alleged Outstanding Sum”). Such amount has been included in other payables and accrued expenses in the Company’s consolidated statement of financial position. An originating summons (the “Originating Summons”) under action number HCMP2593/2016 has been issued by the Company (as plaintiff) against Li Hong (defendant) on 27 September 2016. Pursuant to the Originating Summons, the Company sought, amongst others, the following reliefs against Li Hong: (1) an order that Li Hong be restrained from presenting any petition for the winding-up of the Company based on the Alleged Outstanding Sum; and (2) costs.

A hearing took place on 30 September 2016 at the High Court of Hong Kong (the “Court”), during which Li Hong has undertaken not to file a winding-up petition against the Company based on the Alleged Outstanding Sum and the Company has undertaken (i) to pay the sum of US\$4 million or its equivalent into the Court within 21 days from the date of the hearing, which was so paid on 19 October 2016; and (ii) to comply with any order the Court may make if the Court later finds that Li Hong’s undertaking has caused loss to Li Hong or any other party and decides that Li Hong or that other party should be compensated for that loss.

On 8 February 2017, another Court hearing took place and it was ordered, among other things, that (i) Li Hong be restrained from presenting any petition for the winding up of the Company based on the Alleged Outstanding Sum; and (ii) the sum of US\$4 million or its equivalent paid into the Court be released to the Company.

Pursuant to the reasons for judgment handed down by the Court dated 29 March 2017, it was concluded that the Company has shown that there is bona fide dispute of the Alleged Outstanding Sum on substantial grounds and the presentation of a winding-up petition by Li Hong would be an abuse of process. The Court further commented that new information filed for the Company lend credence to the Company’s case that the loan note dated 1 August 2015 to Li Hong (the “Loan Note”) was in fact issued by the Company pursuant to a backdoor arrangement made or participated in by Mr. Li Zhong Yuan (“Mr. Li”, a former executive Director and chairman of the Company) for his benefit, though not necessarily for his sole or exclusive benefit, and that Li Hong was a nominee for the purpose of receiving the Loan Note. As stated in the judgment, it follows that it must at least be open to serious argument that the Loan Note is not enforceable by Li Hong against the Company, because the issue of the Loan Note by the Company to Mr. Li’s nominee (i.e. Li Hong) would involve a breach of fiduciary duty on Mr. Li’s part of which Li Hong had knowledge. It was also mentioned in the judgment that Li Hong clearly does not have a valid cause of action against the Company based on a letter dated 31 July 2015 issued by Capital Foresight Limited (“Capital Foresight”) and/or an agreement dated 23 November 2012 between the Company and Capital Foresight (the “Capital Foresight Agreement”) being alleged evidence for the Statutory Demand as Li Hong is not a party to either of those documents and neither of those documents give rise to any contract or claim enforceable by Li Hong against the Company. Details of the above have been set out in the announcements of the Company dated 28 September 2016, 3 October 2016 and 30 March 2017 (the “Litigation Announcements”).

Further to the Statutory Demand and upon internal investigation, the Company believes that the US\$4 million as set out in the Litigation Announcements belongs to the Company on the grounds including: (1) that the Capital Foresight Agreement executed by Mr. Li was purportedly entered into in breach of Mr. Li's fiduciary duties and without authority, and Capital Foresight was knowingly complicit in this arrangement; (2) the Loan Note issued by the Company (under its former name China Healthcare Holdings Limited), executed by Mr. Li purportedly on behalf of the Company in favour of Li Hong was purportedly entered into in breach of Mr. Li's fiduciary duties, without authority and inconsistent with the Company's articles of association; and (3) the Capital Foresight Agreement and the Loan Note were and are void or voidable and unenforceable. On this basis, on 7 November 2017, a writ of summons under action number HCA2549/2017 has been issued in the Court by the Company against Mr. Li as 1st defendant, Capital Foresight as 2nd defendant and Li Hong as 3rd defendant (together, the "Defendants"). Following that announcement, acknowledgments of service and a statement of claim were filed in December 2017.

On 24 November 2017 and in connection with the Statutory Demand, the Company received a writ of summons issued by Capital Foresight Limited under action number HCA2569/2017 dated 9 November 2017 claiming for an order directing the Company to forthwith issue in favour of Capital Foresight or its nominee a promissory note of US\$4 million pursuant to the Capital Foresight Agreement, or alternatively US\$4 million, with interest and costs. Pursuant to a Court order dated 19 January 2018, this action HCA2569/2017 has been consolidated with the action HCA2549/2017 (the "2549 & 2569 Action").

In connection with the 2549 & 2569 Action and up to the date of this announcement, the parties have filed their respective pleadings with the Court. On 25 January 2022, leave was granted to the Company to set the case down for a Trial. The Trial commenced on 5 June 2023 before the Honourable Mr. Justice Harris and was completed on 29 June 2023. The judgment for the 2549 & 2569 Action will be handed down by the Judge by 27 December 2023.

Based on the judgment for the 2549 & 2569 Action recently handed down by the Court on 20 December 2023, Capital Foresight's claim against the Company for the US\$4 million Loan Note is dismissed by the Court. In dismissing Capital Foresight's claim in HCA 2569/2017 for the US\$4 million Loan Note, the Court accepted that a maturity date was not agreed and the absence of any agreement as to the maturity date of the Loan Note to be issued is a flaw. In relation to the Company's claim in HCA 2549/2017, the Court considered that the Company failed to prove facts and matters which justify the Court drawing inferences that the Capital Foresight Agreement, the Loan Note and the subsequent negotiation of agreements between the Company and Capital Foresight and Capital Foresight and the sole shareholder of Li Hong evidence the backdoor arrangement and the Court rejected the claims against all three Defendants.

Capital Foresight has lodged an appeal in the Court of Appeal against the judgment and the appeal was heard by the Court of Appeal on 27 August 2024.

As a result of the judgment issued by the Court and with reference to the legal opinion obtained by the Company, the Company has no obligation to repay US\$4 million Loan Note to Capital Foresight and the US\$4 million (equivalent to HK\$31,120,000) Loan Note was recognised to profit or loss during the year 31 March 2024.

On 18 October 2024, the Court of Appeal delivered its judgment (the “Appeal Judgment”), ruling against the Company and ordering the payment of US\$4 million without interest. Following consultations with legal counsel, the Board decided not to appeal against the Appeal Judgment. As a result, a provision for other payables amounting to US\$4 million (equivalent to HK\$31,120,000) was recognized as profit or loss for the year ended 31 March 2025.

As at 31 March 2026, the payment of US\$4 million had been repaid by the Company.

During the year ended 31 March 2026, the divided payable of US\$4 million had been repaid.

### 13. SHARE CAPITAL

	Number of shares		Amount	
	2026 '000	2025 '000	2026 HK\$'000	2025 HK\$'000
<b>Ordinary shares of HK\$0.1 (2025: HK\$1.0) each</b>				
<b>Authorised:</b>				
As at 1 April	<u>100,000,000</u>	<u>100,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
As at 31 March	<u><u>100,000,000</u></u>	<u><u>100,000,000</u></u>	<u><u>10,000,000</u></u>	<u><u>10,000,000</u></u>
<b>Preference shares of US\$0.01</b>				
<b>Authorised:</b>				
As at 1 April/as at 31 March	<u>15</u>	<u>15</u>	<u>1</u>	<u>1</u>
<b>Issued and fully paid ordinary shares:</b>				
As at 1 April	491,645	478,995	49,164	47,899
Issue of consideration shares	–	12,650	–	1,265
Issue of new shares ( <i>note a</i> )	748,000	–	74,800	–
Issue on the basis of three (3) Rights Shares for every ten (10) Shares ( <i>note b</i> )	<u>147,493</u>	<u>–</u>	<u>14,750</u>	<u>–</u>
As at 31 March	<u><u>1,387,138</u></u>	<u><u>491,645</u></u>	<u><u>138,714</u></u>	<u><u>49,164</u></u>

No preference shares were issued for both years.

*Notes:*

- (a) On 6 October 2025, the Company issued 700,000,000 new shares to the three new subscribers. On 26 February 2026, the Company issued 48,000,000 new shares to a new subscriber.
- (b) On 6 October 2025, the Company issued 147,493,427 new shares to the qualified shareholders according to the Prospectus of rights issue on the basis of three (3) rights shares for every ten (10) shares held on the record date set out on 3 September 2025.

#### **14. DISPOSAL OF SUBSIDIARIES**

On 3 July 2025, the Company, its wholly-owned subsidiary Long Heng Investments Limited (“Long Heng”), Ever True Ventures Limited (the “Vendor”) and Ms. Ma Xiaoming (the Guarantor) entered into a settlement deed (the “Settlement Deed”) to fully resolve all disputes arising from the acquisition of Jinmei Developments Limited. Pursuant to the Settlement Deed, the disposal transaction was fully completed in July 2025.

Consideration transferred:

	<b>2026</b>
	<i>HK\$'000</i>
Cash consideration received	—

Analysis of assets and liabilities over which control was lost:

	<b>2026</b> <i>HK\$'000</i>
Intangible asset	216
Inventories	38
Prepayment, deposits and other receivables	2,780
Cash and bank balances	18
Other payables and accrued expenses	<u>(223)</u>
Net liabilities disposed of	<u><u>2,829</u></u>

Loss on disposal of subsidiaries:

	<b>2026</b> <i>HK\$'000</i>
Cash consideration received	–
Less: Net assets disposed of	(2,829)
Add: Release of foreign currency translation reserve	<u>410</u>
Loss on disposal	<u><u>(2,419)</u></u>

Net cash outflow arising on disposal:

	<b>2026</b> <i>HK\$'000</i>
Consideration received	–
Less: cash and bank balances disposed of	<u>(18)</u>
Net cash outflow	<u><u>(18)</u></u>

## **FINAL DIVIDEND**

The Directors do not recommend the payment of any final dividend to the shareholders (2025: Nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **RESULTS REVIEW**

For the year ended 31 March 2026, the Group reported revenue of approximately HK\$41.1 million, representing an increase of 6% as compared to HK\$38.9 million for the previous financial year. The revenue comprises (a) income from distribution and service in medical equipment and consumables of approximately HK\$34.3 million (2025: HK\$27.7 million); and (b) income from hospital operation and management of approximately HK\$6.8 million (2025: HK\$11.2 million). The Group reported gross profit of approximately HK\$7.1 million, representing a decrease of 23% as compared to HK\$9.2 million for the previous year.

The directors estimate the estimated loss rates of loan and interest receivables based on historical credit loss experience of the debtors. For the year ended 31 March 2026, there was impairment loss recognised on expected credit loss (“ECL”) on loan and interest receivables of approximately HK\$10.6 million (2025: HK\$11.7 million). An impairment analysis is performed at each reporting date using the probability of default approach to measure ECL pursuant to HKFRS 9 Financial Instruments. The probabilities of default are estimated based on comparable companies with published credit ratings. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forward-looking credit risk information. There was no change of valuation methodology for the year ended 31 March 2026. At 31 March 2026, the probability of default applied was 100% (2025: 100%) and the loss given default rate was estimated to be 61.20% (2025: 52.05%).

The group tests goodwill for impairment on an annual basis. There was no change of valuation methodology for the year ended 31 March 2026. For the year ended 31 March 2026, the recoverable amount of cash generating units (CGUs) was determined based on value in use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period with pre-tax discount rates of ranging from 11.94% to 15.63% (2025: from 12.60% to 26.9%) per annum. Cash flows beyond the 5-year period are extrapolated with 2% (2025: 2%) growth rate. Such estimation is based on the CGU’s past performance and management’s expectations of the market development. Based on the above assessment, impairment loss of goodwill in respect of Beijing Youkang of approximately HK\$4.40 million (2025: Nil) was recognised during the year.

The Group's loss attributable to shareholders for the year was approximately HK\$47.9 million as compared to a net loss of approximately HK\$67.8 million for the previous year. Basic loss per share for the year was HK\$4.96 cents (2025 Restated: HK\$11.25 cents).

## **REVIEW OF BUSINESS OPERATIONS**

Over the past decade, the Group's long-term objective has been to develop into a holistic medical and healthcare group in the People's Republic of China (the "PRC") by integrating its capabilities across (i) hospital management and operations supported by information technology; (ii) procurement, marketing and distribution of high-quality medical devices and consumables to hospitals and clinics; (iii) research, development and manufacturing of healthcare and wellness products; and (iv) provision of a broad range of medical-related services.

Throughout the years, the Group's business strategy has been formulated with careful regard to various factors relevant to the PRC medical and healthcare market including but not limited to, (i) the ongoing opening up and reform of the medical and health systems; (ii) the rising public awareness of importance of healthcare and wellness; (iii) the development trend of the medical insurance system; (iv) the aging demographic profile of population; (v) rapid advancement of medical and healthcare related technology; (vi) the growth in GDP and the wealth of the population on average; and (vii) rapid urbanisation across the PRC.

For the year ended 31 March 2026, the business operations of the Group comprise (a) medical equipment and consumables distribution and service business; and (b) hospital operation and management services business.

### **(a) Medical equipment and consumables distribution and service business**

The Group operated the medical equipment and consumables distribution and service business mainly through its subsidiary, namely 北京佑康健業醫療器械有限公司 (Beijing Youkang Jianye Medical Equipment Co., Ltd., "Beijing Youkang") based in Beijing, the PRC. Beijing Youkang focuses on the cardiovascular and coronary medical fields, reflecting both (i) China's ageing population prone to cardiovascular and coronary diseases; and (ii) the growing prevalence of heart disease among China's younger population. Beijing Youkang serves hospitals and clinical customers primarily in Beijing and surrounding regions. It sources products from multinational medical-device manufacturers as well as reputable domestic importers and producers. Its core product portfolio covers a wide range of surgical, cardiac and vascular, electrophysiology consumables and equipment.

In 2022, the second wave of national medical and healthcare reforms in the PRC has significantly reshaped the operating environment for the medical industry. The reforms aimed to improve the cost-efficiency and transparency in the national healthcare insurance system by (i) implementing centralised procurement of medicines and medical consumables; (ii) standardising treatment and reimbursement ceilings; and (iii) discouraging excessive medical procedures and profit-driven practices.

Under the continued impact of the nationwide centralised procurement policy (集採) and tightened hospital budget, the Group has decided strategically to scale down sales of emergency surgery equipment which experienced reduced unit selling prices and lower margins. While this policy enhanced transparency and reduced procurement costs for hospitals, it also intensified competition among distributors and restricted pricing flexibility, particularly for imported and high-end medical products, and therefore decreased the revenue and profitability of the business.

Nevertheless, the Group considers that imported premium medical consumables continue to possess a competitive advantage over domestic alternatives in terms of quality, reliability and safety, and are expected to maintain steady demand among major hospitals, albeit at lower margins, as they are essential consumable items used in surgeries, as compared to medical devices which have a longer replacement life-cycle. Moreover, under the second wave of national medical healthcare reforms in the PRC, as mentioned above, (i) centralised procurement has significantly lowered the prices of many medical consumables; and (ii) hospitals are subject to standardised treatment plans which, among other things, limits the range of their pricing, the overall cost of surgical procedures have become more affordable to patients. The Group expects this affordability may increase procedure volumes, leading to increased overall consumption of medical consumables, particularly in affluent markets such as Beijing and among top-tier hospitals, which will attract more patients given their more advanced facilities and overall affordability, as discussed above, creating new opportunities for sales growth in the medium to long term.

In light of the foregoing, the Group strategically realigned its product portfolio, focusing on (i) diversification into new surgical fields; (ii) reinforcing the sales of existing products with more favourable margins; and (iii) leveraging its established strength in cardiovascular product distribution. In March 2025, the Group commenced the distribution of cryoablation needles used in tumour surgery, representing its first entry into the oncology-related surgical segment. The Group also plans to launch cardiac pacemaker and other new cardiovascular products. The product mix has shifted toward wider surgical applications and high-turnover consumables required by the hospitals.

The planned new cardiovascular products, including the cardiac pacemaker, are products which are listed for centralised procurement under the national centralized procurement policies. However, these new products have higher margins in comparison to other centrally procured products. Together with the cryoablation needles used in tumour surgery, which are not products listed for centralised procurement under the current policies, the introduction of these new products are expected to improve the overall profitability of the Group's product mix.

To further broaden its product portfolio, the Group has been in discussions with two leading cardiovascular hospitals in Beijing regarding the introduction of new cardiovascular products. The proposed cooperation with one hospital involves the distribution of foreign-branded cardiac pacemaker products, while the potential cooperation with the other hospital focuses on domestic-branded cardiovascular products.

While the Beijing market remains highly regulated and competitive, characterised by stringent hospital-access requirements and a landscape dominated by large state-owned authorised hospital procurement platforms with strong financial institution backing, Beijing Youkang's long-standing presence, extensive hospital network, and established reputation for service quality provide it with a competitive edge over other distributors.

The Group recorded revenue of approximately HK\$34.3 million (2025: HK\$27.7 million), representing an increase of 24% as compared with the previous year. The loss was approximately HK\$0.6 million (2025: HK\$0.4 million) during the year.

**(b) Hospital operation and management services business**

安平康融醫院 (“Anping Hospital”) is private profit-making Class II general hospital located in Anping County, Hebei Province, the PRC. The total gross floor area of the hospital is approximately 6,123 square metres, of which approximately 3,000 square metres are for treatment and diagnosis use, offering up to 130 beds. The hospital provides services covering clinical medicine, pediatrics, surgery, gynecology, traditional Chinese medicine and otolaryngology through outpatient services, hospitalization and general medical services including health examinations and diagnosis.

Since 2022, the second wave of national medical and healthcare reforms in the PRC has also significantly reshaped the operating environment for private hospitals. While these policies have strengthened system integrity, they have also compressed operating margins and intensified competition.

With the introduction of standardised treatment under the 2022 medical and healthcare reforms, which, among other things, limits the pricing of services, larger Class II and Class III hospitals with advanced diagnostic and surgical facilities have become more affordable and attractive to patients who previously could only afford to seek care at smaller Class II hospitals, such as Anping Hospital, or Class I hospitals. The 2022 medical and healthcare reforms also reduced demand for non-essential inpatient and outpatient treatments and operations. Consequently, inpatient admissions and surgical volumes of Anping Hospital declined. Outpatient services also weakened, reflecting reductions in both patient visits and average fees per case.

In light of these structural changes, the Group has refined its operational strategy to ensure continuous development of the hospital operation. The strategy is twofold:

1. Strategic repositioning – transforming Anping Hospital from a conventional treatment-oriented general hospital into an integrated rehabilitation, nursing-care and health-management platform, focusing on service areas supported by recurring demand and national policy priorities; and

2. Business revitalisation – restoring revenue growth and achieving operating breakeven through the development of post-treatment rehabilitation, elderly care and preventive health programmes, which leverage existing facilities and human resources without significant capital expenditure.

This refined direction represents a pragmatic response to the evolving dynamics of the PRC healthcare industry. Given the increasing competition from larger Class II and Class III hospitals and the hospital's limitations in advanced medical equipment, Anping Hospital is shifting its focus away from capital-intensive surgical operations toward service areas that better utilise its existing resources. By repurposing inpatient beds for rehabilitation and nursing-care services, the hospital aims to enhance asset efficiency while aligning its operations with national healthcare policies promoting “medical-nursing integration”(醫養結合) and community-based eldercare development.

To align with its refined strategic direction, the Group plans to broaden Anping Hospital's service scope from a treatment-based model to an integrated rehabilitation, nursing-care and health-management platform. The hospital will strengthen and expand service lines such as health examination, traditional Chinese medicine, pain treatment, physiotherapy and rehabilitation, with the goal of providing continuous, community-based health-management services. These initiatives aim to capture growing demand for preventive and rehabilitative care driven by China's ageing population and evolving healthcare policies.

Building upon its existing core departments including internal medicine, gynaecology, paediatrics and laboratory diagnostics, Anping Hospital is launching a health-management programme initially focused on four key areas:

1. Patient self-paid physical check-up packages and the establishment of personal health records;
2. Chronic-disease medication management and improvement of metabolic indicators for patients with hypertension and diabetes;
3. Weight-control and healthy-diet programmes; and
4. Sleep-quality improvement and lifestyle-coaching services.

These programmes are designed to generate recurring service income, expand outpatient traffic, and align with national public-health and preventive-care policies.

The hospital's repositioning began in October 2025, with foundational work underway, including business planning, departmental restructuring, staff redeployment and professional training. In respect of the repositioning, the Group (i) will repurpose underutilised inpatient beds for rehabilitation and nursing-care services; and (ii) has arranged/will arrange training for existing staff and will hire additional qualified staff to provide the new services.

Anping Hospital has also entered into nine cooperation agreements with elderly nursing homes in Anping County and is in negotiation with three additional institutions. Such cooperation forms part of Anping Hospital's community outreach and marketing activities for its medical and healthcare services, through forming referral and service networks with nursing homes, it aims to broaden the patient base, strengthen community presence and enhance the reputation of the hospital. Under these agreements, Anping Hospital will provide free services to the residents of the elderly nursing homes including:

1. streamlined registration, consultation, examination and admission procedures for elderly patients, supported by designated guidance nurses;
2. regular clinics providing consultations and promoting Anping Hospital's healthcare services;
3. regular lectures, consultations and medical guidance on health and chronic disease management;
4. seasonal rehabilitation, nursing and health-education programmes, along with training for nursing-home staff; and
5. assistance to partner nursing homes to establish standard protocols for rehabilitation, geriatric nursing and home-care services.

To ensure effective implementation of the repositioning, a new hospital president was appointed in early October 2025. He brings extensive experience in hospital management and in developing integrated rehabilitation and elderly-care services, and is overseeing the hospital's transition toward a health-management centred model. The Group is also seeking to hire additional qualified medical personnel to bolster its existing departments and services.

Anping Hospital has also introduced a comprehensive cost-based and performance-based review system that links staff remuneration to measurable outcomes such as departmental efficiency, service quality and revenue contribution. This system enhances motivation, accountability and proactive patient acquisition, fostering a more efficient and results-oriented management culture.

Going forward, the integration of these initiatives is expected to improve operating efficiency, diversify revenue sources, and position Anping Hospital to achieve operational turnaround and growth within the reformed healthcare environment.

The Group recorded revenue from hospital operation of approximately HK\$6.8 million (2025: HK\$11.2 million) and loss of approximately HK\$6.2 million (2025: HK\$14.2 million) during the year.

## ACTIONS TAKEN TO RECOVER THE LOAN AND INTEREST RECEIVABLES

During the year, the Group has taken actions to recover certain loan and interest receivables of the Group as disclosed in the announcement of the Company dated 28 November 2025 and as detailed below:

### (a) Shuangluan Hospital

On 30 April 2021, the Group, 承德市雙灤區人民醫院暨承德市精神病醫院 (Shuangluan District, Chengde City Hospital (Chengde City Psychiatric Hospital)) (“Shuangluan Hospital”) and the People’s Government of Shuangluan District, Chengde City (“the Shuangluan Government”) entered into a settlement agreement (the “Settlement Agreement”), inter alia, in relation to (i) the cessation of the Group’s management right over Shuangluan Hospital; and (ii) the settlement plan of the outstanding principal and unpaid management fees in aggregate of approximately RMB85.4 million (equivalent to approximately HK\$102.5 million).

On 12 September 2024, a writ (the “Writ”) dated 1 August 2024 filed by the Company (as the plaintiff) against the Shuangluan Government and Shuangluan Hospital (as the defendants) in respect of claims for outstanding balance and interest thereon under the Settlement Agreement was accepted by the Intermediate People’s Court of Chengde City, Hebei Province (the “Chengde Intermediate Court”). According to the Writ, the Company’s claims including the outstanding principal amount and interest is approximately RMB59.1 million (equivalent to approximately HK\$64.8 million). Such litigation has been accepted and registered at the Chengde Intermediate Court on 21 May 2025.

As at 31 March 2026, the outstanding balance (before allowance for credit losses) from Shuangluan Hospital is RMB46.5 million (equivalent to approximately HK\$52.7 million) (2025: RMB46.5 million, equivalent to approximately HK\$50.3 million).

The Company was notified by its litigation counsel that it has received the civil judgment dated 12 May 2026 from the Chengde Intermediate Court (the “Civil Judgment”). The Civil Judgment was served on 21 May 2026. The judgment of the Chengde Intermediate Court is as follows:

1. The Shuangluan Hospital shall, within ten days after the judgment under the Civil Judgment takes effect, repay to the Company the outstanding principal amount of the loan of RMB46,457,962.16 together with interest thereon (calculated on the basis of RMB46,657,962.16 from 31 October 2023 to 5 July 2024 at an annual interest rate of 7%; and calculated on the basis of RMB46,457,962.16 from 6 July 2024 until the date of full repayment of the loan at an annual interest rate of 7%);
2. The other litigation claims of the Company are dismissed.

In June 2026, the Company has filed an appeal to the Higher People’s Court of Hebei Province against the Civil Judgment from the Chengde Intermediate Court.

Further details of the above have been disclosed in the announcements of the Company dated 30 April 2021, 13 September 2024 and 26 May 2026. Further announcement(s) will be made by the Company for the material developments in relation to the above.

**(b) Wuhan Mingcheng Wangda Pharmaceutical Co., Ltd.**

On 16 June 2023, the Group completed the acquisition of 51% equity interest in Golden Alliance Limited (“Golden Alliance”) which is principally engaged in distribution and marketing of pharmaceutical products in the PRC through its indirectly wholly owned subsidiary 武漢明誠旺達醫藥有限公司 (Wuhan Mingcheng Wangda Pharmaceutical Co., Ltd., “Mingcheng Wangda”) (the “Golden Alliance Acquisition”). Golden Alliance and its subsidiaries including Mingcheng Wangda were disposed by the Group subsequently on 23 April 2024.

On 5 December 2022, the Group provided the initial loan (the “Initial Loan”) of RMB4.0 million (equivalent to approximately HK\$4.4 million) to Mingcheng Wangda. On 5 March, 9 May, 23 May and 1 June 2023, the Group provided the additional loans (the “Additional Loans”) to Mingcheng Wangda in the aggregate amount of RMB4.7 million (equivalent to approximately HK\$5.2 million). Between 16 June 2023 and 1 August 2023, the Group made further shareholder’s loans (the “Shareholder’s Loans”) to Mingcheng Wangda in the aggregate amount of RMB3.6 million (equivalent to approximately HK\$3.9 million).

Further details of the above has been disclosed in the announcements of the Company dated 6 February 2023, 26 April 2023, 31 May 2023, 16 June 2023, 23 April 2024 and 4 March 2025.

On 5 September 2025, the Group initiated legal proceedings against Mingcheng Wangda at the People’s Court of Nanshan District, Shenzhen City, the PRC (the “Nanshan Court”) for the recovery of the Loans. The litigation was accepted and registered at the Nanshan Court on 9 September 2025. The Nanshan Court has not yet scheduled or fixed a date for the first hearing of the case as at date of this announcement.

As at 31 March 2026, all the loans (the “Loans”) (before allowance for credit losses), including the Initial Loan, the Additional Loans and the Shareholder’s Loans, are due and payable in an aggregate amount of RMB12.8 million (equivalent to approximately HK\$14.5 million) (2025: RMB12.3 million, equivalent to approximately HK\$13.3 million).

**(c) Beijing Jimuyun Health Technology Company Limited**

北京極目雲健康科技有限公司(Beijing Jimuyun Health Technology Company Limited, “Jimuyun”) is a developer of hospital management system which was supplied to Shuanglun Hospital and Anping Hospital. The Group granted loans of RMB4 million to Jimuyun in 2017. Jimuyun has made several repayments and the loan has been extended to 31 March 2026. The Group is discussing the extension of the loan with Jimuyun as at date of this announcement.

The Group has been maintaining close communications with the relevant parties in monitoring the recovery process. In August 2025, the management of the Company met with one of representative of one of Jimuyun’s shareholders to discuss the repayment plan for the loan. The Group was informed that Jimuyun was in the process of engaging a qualified independent valuer to conduct a valuation of its hospital management system which may be acquired by a leading enterprise in the development of medical information system for hospitals in the PRC. As at date of this announcement, based on the latest information available from Jimuyun, the mentioned possible acquisition would not proceed. Nevertheless, Jimuyun is actively seeking potential fund raising through various channels. The Group will continue to liaise with the relevant parties on the repayment plan for the loan.

As at 31 March 2026, the loan with principal amount (before allowance for credit losses) of approximately RMB3.5 million (equivalent to approximately HK\$4.0 million) (2025: RMB3.9 million, equivalent to approximately HK\$4.2 million) and accrued interest (before allowance for credit losses) of approximately RMB1.3 million (equivalent to approximately HK\$1.4 million) (2025: RMB1.3 million, equivalent to approximately HK\$1.4 million) remained outstanding.

**UPDATE ON INTERNAL CONTROL REVIEW**

As also disclosed in the announcement of the Company dated 4 March 2025, there were mistaken classifications of the Golden Alliance Acquisition and provision of the Initial Loan and the Additional Loans caused by an inadvertent oversight of the application of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) by the Group. In order to avoid the recurrence of similar events in the future, the remedial measures, including engagement of professional consultants (the “IC Consultant”) to review its internal controls in respect of compliance with the Listing Rules, have been taken by the Group to ensure that the Listing Rules are strictly complied with.

The internal control review (“IC Review”) has been completed by the IC Consultant on 26 May 2025. The findings of the IC Review have been disclosed in the announcement of the Company dated 26 May 2025 and the annual report of the Company for the year ended 31 March 2025 (the “2025 Annual Report”). The Group has implemented all of the remedial actions, which it considers to be sufficient to address the key findings in the Group’s internal control system in respect of compliance with Listing Rules identified in the IC Review. On 21 July 2025, the IC Consultant completed its follow-up review to assess the implementation of the remedial actions. The key findings of the follow-up review have been disclosed in the announcement of the Company dated 21 July 2025 and the section headed “Risk Management and Internal Control” in the Corporate Governance Report. The IC Consultant has confirmed that, based on their follow-up review, nothing has come to their attention that causes them to believe the Company do not have in place adequate internal control systems, policies and procedures to ensure compliance with the Listing Rules.

The Board is of the view that the enhanced internal control measures implemented based on the IC Consultant’s recommendations are adequate and sufficient to address the key findings of the IC Review. The Group will continue to implement these enhanced internal control measures on an ongoing basis to further strengthen its internal control system and ensure continued compliance with the Listing Rules.

#### **UPDATE IN RELATION TO THE DISCLAIMER OF OPINION ON GOING CONCERN SET OUT IN THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025**

As disclosed in the 2025 Annual Report, the auditor of the Company issued a disclaimer of opinion on multiple uncertainties related to going concern on the consolidated financial statements of the Group for the year ended 31 March 2025 (the “Disclaimer of Opinion”).

To address the liquidity pressure of the Group and the Disclaimer of Opinion for the year ended 31 March 2026, the Board has been actively implementing several plans and measures, including (i) entering into the subscription agreements to raise estimated gross proceeds of approximately HK\$70.0 million; (ii) proposing a rights issue to raise estimated gross proceeds of approximately HK\$15.0 million; (iii) negotiating with the bank for renewal of the Group’s bank borrowing of approximately HK\$5.4 million as at 31 March 2025; and (iv) seeking potential new funding through various channels as and when needed.

With reference to (i) and (ii) above, the subscriptions and rights issue, as mentioned in section headed “Fund Raising Activities”, were completed on 6 October 2025 and raised aggregate net proceeds of approximately HK\$80.9 million.

With reference to (iii) above, the bank borrowing of approximately HK\$5.4 million as at 31 March 2025 was fully repaid in February 2026. Subsequently, the Group obtained a new banking facility with a credit limit of approximately HK\$4.6 million for a term of two years.

With reference to (iv) above, as mentioned in section headed “Fund Raising Activities”, the subscription for new shares was completed on 26 February 2026, raising further net proceeds of approximately HK\$25.3 million.

Following the implementation of the above measures during the year, the auditor of the Company issued an unqualified audit opinion on the consolidated financial statements of the Group for the year ended 31 March 2026.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

### **(1) Disposal of Jinmei Developments Limited**

On 16 November 2023, the Group completed acquisition of 100% equity interest in Jinmei Developments Limited (“Jinmei”) at the consideration of HK\$146 million which were satisfied by the issue of the promissory note of HK\$146 million (the “Promissory Note”). Jinmei and its subsidiaries (the “Jinmei Group”) are principally engaged in the research and development and sale of functional foods for the prevention of cardiovascular and cerebrovascular diseases through its wholly owned subsidiary, 深圳市偉航奕寧生物科技有限公司 (Shenzhen Weihang Yining Biotechnology Co., Ltd).

On 19 November 2024, Long Heng Investments Limited (a direct and wholly owned subsidiary of the Company as the purchaser of Jinmei Developments, “Long Heng”) and the Company received a letter from the legal representatives of the vendor of Jinmei Developments, Ever True Ventures Limited (“Ever True”), claiming its rights under the agreement in respect of acquisition of 100% equity interest in Jinmei Developments (the “Jinmei Agreement”) and the Promissory Note (i.e. the consideration) on the basis that the cross-default clause (the “Cross-Default Clause”) has been triggered as a result of a statutory demand of US\$4 million from Capital Foresight Limited received by the Company following the Appeal Judgment (as detailed in note 12 of these financial statements).

Pursuant to the Cross-Default Clause, in the event that a cross-default event occurs, Ever True and Long Heng shall jointly appoint an independent valuer for valuation of Jinmei Group, and the consideration shall be revised to the amount of such valuation or HK\$146 million, whichever is lower. The revised consideration shall be payable at a time to be agreed between the parties but in any event no later than the maturity date under the Jinmei Agreement. The Company and Ever True engaged in negotiations regarding the appointment of an independent valuer to determine the revised consideration under the Jinmei Agreement. However, no consensus was reached. Ever True indicated that the revised consideration should be no less than the unaudited fair value of the promissory note of approximately HK\$20.3 million as disclosed in the interim report for the six months ended 30 September 2024. Ever True also expressed concern that, the Company shall make reasonable efforts to promote the Jinmei Group’s business, and that the ongoing disputes had delayed execution of the Jinmei Group’s business plan.

To resolve the disputes and as part of the Group's restructuring efforts to restore long-term financial stability, on 3 July 2025, a settlement deed (the "Settlement Deed") is entered into among the Company, Long Heng, Ever True and Ms. Ma Xiaoming (as the guarantor who owns entire equity interest in Ever True). Pursuant to the Settlement Deed, subject to fulfilment of condition precedent,

- (i) Ever True shall return the original copy of the Promissory Note to the Company, and the Company shall cancel the Promissory Note immediately upon receipt;
- (ii) Long Heng shall effect the transfer of the entire equity interest in Jinmei to Ever True for a nominal consideration of HK\$1 (the "Transfer"); and
- (iii) Long Heng shall pay Ever True in the sum of HK\$12 million which shall be settled by way of the settlement note (the "Settlement Note") issued by the Company which shall not carry any interest and mature on 30 June 2026 in full and final settlement of the disputes.

The above transactions under the Settlement Deed, i.e. cancellation of the Promissory Note, the Transfer and issue of the Settlement Note took place on 18 July 2025. Jinmei has been disposed and Jinmei Group ceased to be subsidiaries of the Company upon the completion of the Transfer. Further details of the above have been disclosed in the announcements of the Company dated 20 November 2024, 3 July 2025 and 18 July 2025.

## **(2) Termination of 100% equity interest in ProteinT (Tianjin) Diagnostic, Co., Ltd**

On 5 July 2024, Zhongwei Health, the Company, 譜天(天津)生物科技有限公司 (ProteinT (Tianjin) Biotechnology Co., Ltd.) as the vendor, Friendly Act Limited (as the "Vendor Nominee") and Mr. Li Jie (as the guarantor) entered into the agreement in respect of acquisition of 100% equity interest in 譜天福信(天津)分子診斷技術有限公司 (ProteinT (Tianjin) Diagnostic, Co., Ltd, "ProteinT Diagnostic"), at the initial consideration of HK\$46,666,667, which shall be satisfied by the allotment and issue of the 58,333,333 shares at the issue price of HK\$0.80 per share by the Company to the Vendor Nominee. In the event that the condition for the additional consideration subject to earnout condition and mechanism is fulfilled, the vendor will be entitled to an additional consideration of HK\$9,333,333 which shall be satisfied by the allotment and issue of 11,666,667 shares at the issue price of HK\$0.80 per share by the Company to the Vendor Nominee. The total consideration for the acquisition of ProteinT Diagnostic would be HK\$56,000,000 accordingly.

ProteinT Diagnostic is principally engaged in sale and distribution of molecular diagnostics technology related equipments and reagents, and provision of ancillary services such as technical support and maintenance services in the PRC.

On 31 October 2024, all parties to the agreement entered into a supplemental agreement to extend the long stop date (the “Long Stop Date”) of the transaction from 31 October 2024 to 28 February 2025. On 28 February 2025, the Long Stop Date has been further extended to 30 June 2025. As no agreement was reached by the parties to further extend the Long Stop Date, the agreement shall terminate.

Further details of the above has been disclosed in the announcements of the Company dated 7 July 2024, 21 August 2024, 30 September 2024, 31 October 2024, 28 February 2025 and 30 June 2025.

Save as the above, there were no other material acquisitions and disposals during the year.

## **SIGNIFICANT INVESTMENT**

In March 2026, the Company entered into a limited partnership agreement to subscribe for an interest in Tyrian Purple, L.P. (the “Fund”) as a Limited Partner. The Fund is an exempted limited partnership registered in the Cayman Islands, with a core focus on private equity investments in the healthcare and life sciences sector. The General Partner and Investment Manager of the Fund are CDH China HF Holdings Company Limited and CDH Wealth Management Company Limited respectively. The Company’s total committed and paid-up capital contribution to the Fund shall not exceed the Japanese Yen equivalent of HKD10,000,000 (the “Contribution Amount”). The contribution Amount was financed by the net proceeds raised under the issue of new shares under general mandate as detailed in section headed “Fund Raising Activities”. The subscription of the Fund was not yet completed as at date of this announcement. As at 31 March 2026, the Fund with carrying value of approximately HK\$9.9 million (2025: nil) was classified as “Prepayment, deposits and other receivables” in the balance sheet of the Group.

Save as disclosed above, the Group had no other significant investment of carrying value of 5% or more of the total assets as at 31 March 2026 (2025: nil).

## **FUND RAISING ACTIVITIES**

### **(1) Subscriptions of new shares and rights issue**

On 13 November 2024, the Company and Ample Colour Limited (“Ample Colour”), which is wholly owned by Mr. Ying Wei, who is a former non-executive Director during the period from June 2016 to May 2018 and is re-appointed as non-executive Director on 31 October 2025, entered into a non-legally binding letter of intent for subscription of shares in an aggregate amount of not less than HK\$50 million.

On 30 April 2025, the Company entered into the subscription agreements (the “Subscription Agreements”) with Ample Colour, Perfect Link Group Limited which is wholly owned by Ms. Ying Rensi (who is the daughter of Mr. Ying Wei and is appointed as executive Director on 31 October 2025) and Ms. Wu Linling in relation to the issue and subscription of a total of 700,000,000 new shares at the subscription price of HK\$0.1 per subscription share. Pursuant to the Subscription Agreements, the subscription shares shall be allotted and issued simultaneously with that of the new share(s) to be allotted and issued under the Rights Issue (as defined below). For the avoidance of doubt, the subscription shares will not be entitled to the Rights Issue.

The Company also proposed to implement the rights issue (the “Rights Issue”) on the basis of three (3) rights shares for every ten (10) shares at the issue price of HK\$0.1 per rights share to raise a gross amount of in the range of between approximately HK\$14.7 million and approximately HK\$15.0 million. The minimum and maximum number of rights shares to be issued pursuant to the Rights Issue are 147,493,428 and 149,848,428 rights shares respectively.

Each of Mr. Zhang Fan (the former Chairman of the Company resigned on 31 October 2025) and Treasure Wagon Limited (the “Underwriter”, a company wholly owned by Mr. Zhang and being the underwriter of the Rights Issue as detailed below) has unconditionally and irrevocably undertaken to the Company that each of them will take up the 392,220 rights shares and the 40,797,600 rights shares, respectively pursuant to the deed of covenants and undertaking dated 30 April 2025 executed among the Company, Mr. Zhang and the Underwriter (the “Deed of Covenants and Undertaking”).

On 30 April 2025, the Company and the Great Bay Securities Limited as the placing agent (the “Placing Agent”) entered into the placing agent agreement (the “Placing Agent Agreement”) for subscription for the unsubscribed rights shares on a best effort basis. The placing price of the unsubscribed rights shares shall be not less than the subscription price of HK\$0.1 per subscription share. The final price determination will be determined based on the demand for and market conditions of the unsubscribed rights shares during the placing.

On 30 April 2025, the Company also entered into the underwriting agreement (the “Underwriting Agreement”) with Treasure Wagon Limited in respect of the Rights Issue for subscription of untaken rights shares, being all the unsubscribed rights shares that are not successfully placed by the Placing Agent (up to 108,658,608 rights shares).

At the special general meeting of the Company held on 20 August 2025, the relevant resolutions approving the Subscription Agreements, the special deals (the “Special Deals”, i.e. the Underwriting Agreement and the Placing Agent Agreement) and the transactions contemplated thereunder as well as the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code were duly passed. Besides, the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong (SFC) had granted the Whitewash Waiver to Ample Colour and consent for the Special Deals on 19 August 2025.

The total number of rights shares offered under the Rights Issue is 147,493,428. A total of 10 valid acceptances for a total of 119,689,791 rights shares had been received, representing approximately 81.1% of all the rights shares. Accordingly, the Rights Issue was undersubscribed by 27,803,637 rights shares, representing approximately 18.9% of all the rights shares. Pursuant to the Deed of Covenants and Undertaking, Mr. Zhang and the Underwriter subscribed for 392,220 and 40,797,600 rights shares respectively.

On 25 September 2025, all the unsubscribed rights shares had been successfully placed out by the Placing Agent at the price of HK\$0.10 per share to four independent places.

700,000,000 subscription shares and 147,493,428 rights shares were issued upon completion of the subscriptions of shares and the Rights Issue on 6 October 2025. The gross proceeds and net proceeds from the subscriptions and the Rights Issue were approximately HK\$84.7 million and HK\$80.9 million, respectively. The net subscription price and issue price are both at approximately HK\$0.095 per subscription share and rights share.

The Company intends to apply the net proceeds: (a) as to approximately HK\$65.3 million for settlement of payables of the Group; (b) as to approximately HK\$12 million for repayment of principal of the Settlement Note issued under the Settlement Deed; and (c) as to approximately HK\$3.6 million as working capital of the Group. As at date of this announcement, all the net proceeds were utilised as intended.

Further details of the above have been disclosed in the announcements of the Company dated 22 May 2025, 12 June 2025, 11 July 2025, 20 August 2025, 22 September 2025, 24 September 2025, 3 October 2025 and 6 October 2025, the circular of the Company dated 31 July 2025 and the prospectus of the Company dated 3 September 2025.

## **(2) Subscription of new shares under general mandate**

On 2 February 2026, the Company and Riheng HK Limited, which is wholly owned by Zhang Xiaoling (an independent third party of the Company), entered into the subscription agreement in relation to subscription of 48,000,000 subscription shares at a subscription price of HK\$0.53 per subscription share. The gross proceeds and the net proceeds (after deduction of related expenses) from the subscription will be approximately HK\$25.4 million and HK\$25.3 million respectively. On such basis, the net issue price will be approximately HK\$0.526 per subscription share.

The Company intends to apply the net proceeds as follows: (i) approximately HK\$10 million, representing about 40% of the net proceeds, will be reserved for future investments; and (ii) approximately HK\$15.3 million, representing about 60% of the net proceeds, will be used for replenishing the general working capital of the Group, including payment of daily operating expenses (including staff costs and rental expenses) and settlement of the amount due to suppliers.

The subscription of shares was completed on 26 February 2026. Further details of the above have been disclosed in the announcements of the Company dated 2 February 2026 and 26 February 2026.

As at date of this announcement, the net proceeds were utilised (i) as to approximately HK\$10 million for subscription of the Fund as intended; and (ii) as to approximately HK\$5.9 million as the general working capital of the Group as intended. It is planned that the remaining proceeds of approximately HK\$9.4 million will be used as intended by end of 2026.

Save as disclosed above, there was no unutilised proceed brought forward from any issue of equity securities made in previous years.

## **LIQUIDITY AND CAPITAL RESOURCES**

The Group mainly financed its day to day operations by internally generated cash flow and the above fund raising activities during the year.

As at 31 March 2026, the Group's cash and cash equivalents amounted to approximately HK\$21.4 million (2025: HK\$1.0 million). As at 31 March 2026, the current assets and net current assets of the Group are approximately HK\$119.6 million (2025: HK\$114.6 million) and HK\$22.8 million (2025: net current liabilities of HK\$17.3 million) respectively, representing a current ratio of 1.24 (2025: 0.88).

As at 31 March 2026, the Group has certain bank loans, which were denominated in Renminbi, amounting to approximately RMB3.8 million (equivalent to HK\$4.3 million) (2025: RMB5 million, equivalent to HK\$5.4 million). The loans carried interest ranging from loan prime rate (LPR) minus 50 basis points (0.01% per basis point) and repayable on demand.

As at 31 March 2025, other payable of US\$4 million (equivalent to approximately HK\$31.1 million) (2025, US\$4 million, equivalent to approximately HK\$31.2 million) in respect of the Appeal Judgment as disclosed in note 12 of this announcement was included in other payables and accrued expenses. Such other payable was fully repaid during the year.

As at 31 March 2026, the gearing ratio was 0.03 (2025: 0.25), calculated by the mentioned other payable of nil (2025: HK\$31.2 million) and bank borrowings of approximately HK\$4.3 million (2025: HK\$5.4 million) (representing debts owed by the Company) by total assets of the Company of approximately HK\$157.6 million (2025: HK\$147.3 million).

The Group conducted its continuing operational business transactions mainly in Renminbi and Hong Kong dollars. The Group did not arrange any forward currency contracts for hedging purposes.

## **CONTINGENT LIABILITIES**

As at 31 March 2026, there were no material contingent liabilities of the Group (2025: nil).

## **CHARGE ON GROUP'S ASSETS**

As at 31 March 2026, there were no charge on the Group's assets (2025: nil).

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 March 2026, the Group employed 111 employees (2025: 148). The total staff cost including Directors' emoluments was approximately HK\$17.7 million as compared to approximately HK\$19.6 million for the previous year. The Group continues to review remuneration packages of employees with reference to the level and composition of pay, the general market condition and individual performance. Staff benefits include contributions to the defined contribution retirement plans and a discretionary bonus payment which is linked to the profit performance of the Group and individual performance. Share option schemes have also been established for employees of the Group. 40,638,000 share options were granted on 2 February 2026 and were cancelled on 13 February 2026. There were 20,836,466 outstanding share options as at 31 March 2026.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

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

## **CORPORATE GOVERNANCE CODE**

In the opinion of the Board, the Company has complied with the applicable code provisions set out in the Corporate Governance Code (the "Code") as stated in Appendix C1 to the Listing Rules throughout the year ended 31 March 2026 except for certain deviation disclosed herein.

Under paragraph C.1.8 of the Code, the Company should arrange appropriate insurance cover in respect of legal action against its Directors. The Company was unable to find any insurance company to provide insurance cover during the year. In June 2025, the Company has bought the Directors' and officers' liability insurance and therefore has complied with C1.8 of the Code accordingly.

## **MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS (THE "MODEL CODE")**

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by directors. Having made specific enquiry of all Directors, all Directors declared that they have complied with the Model Code during the year.

## **REVIEW OF ANNUAL RESULTS**

The Group's Audit Committee, which comprises of three independent non-executive Directors, namely Mr. Wu Hui, Mr. Li Hongyi and Ms. Yang Huimin, has reviewed with management the accounting principles and practices adopted by the Group and discussed the auditing, internal controls and financial reporting matters including the review of the Group's audited results for the year ended 31 March 2026.

## **SCOPE OF WORK OF BEIJING XINGHUA CAPLEGEND CPA LIMITED**

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 March 2026 as set out in the preliminary announcement have been agreed by the Group's auditor, Beijing Xinghua Caplegend CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Beijing Xinghua Caplegend CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Beijing Xinghua Caplegend CPA Limited on the preliminary announcement.

By order of the Board  
**China Health Group Limited**  
**Cao Xu**  
*Chairman of the Board and Executive Director*

Hong Kong, 30 June 2026

*As of the date of this announcement, the Board comprises three executive Directors, namely, Mr. Cao Xu (Chairman), Mr. Chung Ho and Ms. Ying Rensi; two non-executive Directors, namely, Mr. Ying Wei and Mr. Huang Lianhai; and three independent non-executive Directors, namely, Mr. Li Hongyi, Mr. Wu Hui and Ms. Yang Huimin.*