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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)

CLARIFICATION ANNOUNCEMENT ON ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2026

Reference is made to the annual results announcement of China Health Group Limited (the "**Company**") for the year ended 31 March 2026 (the "**Annual Results Announcement**"). Capitalised terms used in this announcement have the same meanings as those defined in the Annual Results Announcement unless defined otherwise herein.

The Company noted that there are inadvertent errors in certain figures, wordings and referencing in English and Chinese versions of the Annual Results Announcement. Therefore, the Company wishes to clarify certain information in the Annual Results Announcement as follows (with amendments underlined and in bold):

For both English and Chinese versions of the Annual Results Announcement:

1. Consolidated Statement of Profit or Loss (pages 1-2 of the Annual Results Announcement)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 March 2026

		For the year ended 31 March	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
Revenue	4	**41,092**	38,943
Cost of sales		**(33,964)**	(29,708)
Gross profit		**7,128**	9,235
Other income	5	**791**	16,689
Other loss, net	5	**(4,026)**	(6,575)
Net impairment loss of financial assets		**(11,252)**	(17,642)
Selling and distribution expenses		**(2,930)**	(6,138)
Administrative expenses		**(38,376)**	(62,695)
OPERATING LOSS		**(48,665)**	(67,126)
Finance costs	6	**(187)**	(252)
LOSS BEFORE TAX	7	**(48,852)**	(67,378)
Income tax credit/(expense)	8	**427**	(443)
LOSS FOR THE YEAR		**(48,425)**	(67,821)
Loss for the year attributable to:			
Owners of the Company		**(47,932)**	(67,790)
Non-controlling interests		**(493)**	(31)
		(48,425)	(67,821)
			(Restated)
LOSS PER SHARE			
Basic and diluted (cents)	9	**(4.96)**	(11.25)

2. Consolidated Statement of Financial Position (pages 4-5 of the Annual Results Announcement)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

	Notes	**2026** **HK$'000**	2025 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**16,939**	17,396
Right-of-use assets		**1,539**	1,522
Intangible assets		**–**	249
Goodwill		**9,658**	13,561
Investment in an associate		**–**	–
Prepayment		**9,864**	–
		38,000	32,728
CURRENT ASSETS			
Inventories		**11,445**	13,536
Trade receivables	***10***	**21,062**	21,230
Prepayment, deposits and other receivables		**39,498**	44,388
Loan and interest receivables		**24,642**	34,345
Tax assets		**954**	–
Restricted cash		**513**	73
Cash and cash equivalents		**21,442**	1,048
		119,556	114,620
CURRENT LIABILITIES			
Trade payables	***11***	**30,482**	24,386
Other payables and accrued expenses	***12***	**56,533**	88,471
Amounts due to directors		**4,451**	8,577
Contract liabilities		**656**	3,923
Lease liabilities		**310**	659
Bank borrowings		**4,282**	5,418
Tax payables		**–**	531
		96,714	131,965

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Notes	**2026** *HK$'000*	2025 *HK$'000*
NET CURRENT ASSETS/(LIABILITIES)		**22,842**	(17,345)
TOTAL ASSETS LESS CURRENT LIABILITIES		**60,842**	15,383
NON-CURRENT LIABILITIES			
Lease liabilities		**–**	425
Contingent consideration	~~*14*~~	**–**	14,863
Deferred tax liabilities		**–**	–
		–	15,288
NET ASSETS		**60,842**	95
EQUITY			
Share capital	*13*	**138,714**	49,164
Reserves		**(85,439)**	(56,827)
Equity attributable to owners of the Company		**53,275**	(7,663)
Non-controlling interests		**7,567**	7,758
TOTAL EQUITY		**60,842**	95

3. Note 2 (Basis of Preparation and Preparation – Going Concern Basis) (page 6 of the Annual Results Announcement)

As at 31 March 2026, the Group's current assets exceeded its current liabilities by approximately HK$**22,842,000** while the Group's cash and cash equivalents amounted to approximately HK$**21,442,000**. The Group also incurred net loss of HK$**48,425,000** and net cash used in operating activities of HK$**85,502,000** during the year ended 31 March 2026.

4. Note 2 (Basis of Preparation and Preparation – Basis of Preparation) (page 7 of the Annual Results Announcement)

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 **and 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~~.

5. Note 3 (Operating Segment Information) (pages 10-11 of the Annual Results Announcement)

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 *HK$'000*	Hospital operation and management services *HK$'000*	Business service *HK$'000*	Research and development and sale of functional food *HK$'000*	Total *HK$'000*
Segment revenue	–	–	–	–	–
Revenue from external customers	34,252	6,840	–	–	41,092
Segment results	(588)	(6,246)	(2,737)	–	(9,571)
Reconciliation:					
Unallocated other income	316				316
Unallocated expenses					(39,597)
Loss before tax					(48,852)

For the year ended 31 March 2025

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

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 ***HK$'000***	**Hospital operation and management services** ***HK$'000***	**Business service** ***HK$'000***	**Research and development and sale of functional food** ***HK$'000***	**Total** ***HK$'000***
Segment assets	**84,667**	**24,041**	**–**	**–**	**108,708**
Corporate and other unallocated assets					**48,848**
Total assets					**157,556**
Segment liabilities	**38,971**	**26,869**	**–**	**–**	**65,840**
Corporate and other unallocated liabilities					**30,874**
Total liabilities					**96,714**

As at 31 March 2025

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

6. Note 5 (Other Income/Other Loss, net) (page 15 of the Annual Results Announcement)

5. OTHER INCOME/OTHER LOSS, NET

(i) Other income:

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

(ii) Other loss, net:

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

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.

7. Note 8 (Income tax expense) (page 17 of the Annual Results Announcement)

	2026	2025
	HK$'000	*HK$'000*
Current tax – PRC		
Provision for the year	**(427)**	574
Deferred tax credit ~~*(Note 30)*~~	~~**–**~~	(131)
	(427)	443

For English version of the Annual Results Announcement only:

1. Note 7 (Loss before tax) (page 16 of the Annual Results Announcement)

7. LOSS BEFORE TAX

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

	2026	2025
	HK$'000	*HK$'000*
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	**11,252**	17,642
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

2. Note 12 (Other Payables and Accrued Expenses) (page 22 of the Annual Results Announcement)

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.

For Chinese version of the Annual Results Announcement only:

1. Note 3 (Geographical information) (page 13 of the Annual Results Announcement)

Information about major customers

	2026	2025
	HK$'000	*HK$'000*
Customer A[1]	**16,501**	5,364

1. 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.

2. Note 7 (Loss before tax) (page 16 of the Annual Results Announcement)

7. LOSS BEFORE TAX

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

	2026	2025
	HK$'000	*HK$'000*
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
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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

3. Review of Annual Results and Scope of Work of Beijing Xinghua Caplegend CPA Limited (page 42 of the Annual Results Announcement)

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 202**6**.

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 202**6** 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 annuncement.

The above clarification does not affect other financial information contained in the Annual Results Announcement. Save as disclosed above, all other information in the Annual Results Announcement remains unchanged. This announcement is supplemental to and shall be read in conjunction with the Annual Results Announcement.

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

Hong Kong, 3 July 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.