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

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

PROFIT WARNING

This announcement is made by Beijing Health (Holdings) Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Listing Rules of The Stock Exchange of Hong Kong Limited and the provisions of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) regarding inside information (as defined under the Listing Rules).

The board of directors of the Company (the "**Board**") hereby informs the shareholders of the Company and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2026 and the information currently available to the Company, the operating performance of the medical and elderly care products sales segment of the Group has deteriorated amid intensified industry competition. During the Review Period, revenue of this segment amounted to approximately RMB19.5 million, representing a year-on-year decrease of approximately 70%. The operating result of the segment is expected to turn from a profit of RMB2.0 million for the corresponding period last year to a loss of RMB15.6 million.

The weakening revenue and profitability of the medical and elderly care products sales segment are jointly caused by multiple factors including changes in the industry operating environment, rising proportion of low gross profit margin projects and delays in customer project acceptance progress, which are elaborated as follows:

1. INTENSIFIED INDUSTRY COMPETITION AND CONTINUOUS COMPRESSION OF PROJECT GROSS PROFIT MARGINS

Competition in the B-end commercial furniture market covering education, medical and elderly care scenarios has intensified continuously with widespread price competition across the industry. Price control policies have been implemented for government procurement projects in multiple regions, leading to continuous decline in successful bidding prices and squeezing gross profit margins of products. Meanwhile, the overall scale of industry-wide project launches has contracted, resulting in a reduction in the total order volume secured by the Group.

2. **PROFIT PRESSURE BROUGHT BY LOW GROSS PROFIT MARGIN PROJECTS**

   A number of projects were awarded through low-price bidding, which together exerted a negative impact of approximately RMB2.4 million on the segment's profitability.

3. **DELAYED DELIVERY AND ACCEPTANCE OF LARGE UNIVERSITY PROJECTS, RESULTING IN FAILURE TO RECOGNISE RELEVANT EXPECTED REVENUE IN THE CURRENT PERIOD**

   Delivery and acceptance procedures for certain large contractual projects have been postponed due to customers' reasons. The corresponding expected profit of approximately RMB12.0 million cannot be recognised in the current reporting period, and the relevant revenue will be recorded in subsequent accounting periods once the recognition criteria are met.

In response to the operational challenges faced by the medical and elderly care products sales segment, the Group has formulated and implemented an overall operation strategy to optimise operations, stabilise cash flow and improve profitability. The Group plans to roll out the following operational improvement measures in the second half of 2026:

1. **OPTIMISE OPERATING EXPENSES AND STRICTLY CONTROL FIXED COSTS**

   – Implement a tiered salary adjustment mechanism with senior management taking the lead in salary optimisation to reasonably control manpower costs.

   – Fully review the leasing arrangements of office premises nationwide, and reduce annual fixed operating expenses by downsizing office areas and negotiating rent reductions with lessors.

   – Optimise organisational structure and staffing, adjust team size through natural attrition, and plan to cut the overall headcount by 15% by 2027 to continuously improve per capita operational efficiency.

2. **EXPAND MARKET CHANNELS AND FOCUS ON HIGH GROSS PROFIT MARGIN HIGH-QUALITY PROJECTS**

   – Deepen core businesses of supporting furniture for universities, medical institutions and elderly care facilities, participate in national professional exhibitions for education equipment and elderly care industries, strengthen customer relationship maintenance, and prioritise securing orders for customised integrated space solutions with high gross profit margins.

– Deepen R&D cooperation with international brand KI to promote localised production of high-end classroom desks and chairs and office seating. Manufacturing costs will be reduced via production process optimisation to develop high value-added products with differentiated market competitiveness.

3. STRENGTHEN ASSET AND PROJECT RISK MANAGEMENT

– Formulate classified repayment plans based on the risk rating of trade receivables, link repayment achievement to team and individual performance indicators to accelerate the recovery of operating capital.

– Implement dynamic tiered project management, allocate resources to prioritise projects with high implementation probability and high gross profit margins. Exercise caution when participating in tenders for projects with low gross profit margins and high collection risks.

– Roll out refined comprehensive budget management to strictly control non-production expenses, establish an early warning mechanism for trade receivables risks, and safeguard a stable overall cash flow of the Group.

The Group operates other business segments concurrently, while complete operating data of such segments have not been fully consolidated and verified. At this stage, the Board cannot confirm whether the revenue generated by other businesses can fully offset the expected loss of the medical and elderly care products sales segment. Therefore, the final consolidated profit or loss of the Group for the current period remains subject to further verification.

As at the date of this announcement, the Company is in the process of preparing its interim results for the six months ended 30 June 2026. The information contained in this announcement is only a preliminary assessment made by the Board based on the unaudited consolidated management accounts of the Group and the relevant figures may be adjusted.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 24 July 2026

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