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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2389)

ANNOUNCEMENT OF THE INTERIM RESULTS FOR THE PERIOD ENDED 30 JUNE 2026

The board of directors (the "Board") of Beijing Health (Holdings) Limited (the "Company") presents the unaudited interim condensed consolidated financial information of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2026, together with the comparative figures for the corresponding period in 2025. The interim condensed consolidated financial information has not been audited, but have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		For the six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	4	**30,279**	76,587
Cost of sales		**(26,485)**	(56,192)
Gross profit		**3,794**	20,395
Other income and gains, net	5	**15,246**	26,133
Selling and distribution expenses		**(10,220)**	(8,450)
Administrative expenses		**(37,412)**	(40,745)
Impairment losses on financial assets, net		**(3,012)**	(1,250)
Other expenses and losses		**(7,785)**	(18,265)
Finance costs	6	**(4,403)**	(139)
Share of profits and losses of:			
Joint ventures		**–**	(4,055)
Associates		**(507)**	(3,936)
LOSS BEFORE TAX	7	**(44,299)**	(30,312)
Income tax credit	8	**2,857**	1,000
LOSS FOR THE PERIOD		**(41,442)**	(29,312)

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
LOSS FOR THE PERIOD	**(41,442)**	(29,312)
OTHER COMPREHENSIVE INCOME/ (LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Debt investments at fair value through other comprehensive income:		
Changes in fair value	**–**	(6)
Exchange differences:		
Exchange differences on translation of foreign operations	**33,723**	15,781
Reclassification adjustments for foreign operations disposed of/deregistered during the period	**(91)**	(1,751)
Share of other comprehensive loss of a joint venture	**–**	(2,435)
Share of other comprehensive income of an associate	**657**	205
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**34,289**	11,794
Other comprehensive income/(loss) that will not to be reclassified to profit or loss in subsequent periods:		
Change in fair value of equity instruments designated at fair value through other comprehensive income	**3,078**	(5,498)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	**37,367**	6,296
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(4,075)**	(23,016)

	Note	For the six months ended 30 June **2026** *HK$'000* **(Unaudited)**	2025 *HK$'000* (Unaudited)
Loss attributable to:			
Owners of the parent		**(31,797)**	(29,236)
Non-controlling interests		**(9,645)**	(76)
		(41,442)	(29,312)
Total comprehensive income/(loss) attributable to:			
Owners of the parent		**5,245**	(23,740)
Non-controlling interests		**(9,320)**	724
		(4,075)	(23,016)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic and diluted		**HK(0.52) cent**	HK(0.48) cent

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Note	**30 June 2026 *HK$'000* (Unaudited)**	31 December 2025 *HK$'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**53,427**	51,586
Investment properties		**227,355**	242,194
Right-of-use assets		**309,881**	302,363
Property under development		**762,943**	759,339
Goodwill		**79,979**	79,979
Investments in associates		**85,981**	68,323
Equity investments designated at fair value through other comprehensive income		**66,858**	120,778
Debt investments at fair value through other comprehensive income		**92**	–
Prepayments and other receivables		**122,172**	125,959
Deferred tax assets		**3,008**	2,158
Total non-current assets		**1,711,696**	1,752,679
CURRENT ASSETS			
Inventories		**33,996**	23,316
Trade and bills receivables	11	**35,587**	44,152
Prepayments, other receivables and other assets		**45,585**	39,325
Financial assets at fair value through profit or loss		**173,118**	96,823
Cash and cash equivalents		**47,312**	140,538
Total current assets		**335,598**	344,154

	Notes	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
CURRENT LIABILITIES			
Trade payables	12	**30,597**	38,005
Other payables and accruals		**150,549**	108,650
Due to related parties		**12,109**	12,305
Lease liabilities		**2,507**	2,531
Tax payable		**301**	1,363
Interest-bearing bank and other borrowings		**24,765**	109,570
Total current liabilities		**220,828**	272,424
NET CURRENT ASSETS		**114,770**	71,730
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,826,466**	1,824,409
NON-CURRENT LIABILITIES			
Other payables		**11,002**	10,581
Lease liabilities		**4,430**	2,058
Deferred tax liabilities		**58,146**	58,051
Total non-current liabilities		**73,578**	70,690
NET ASSETS		**1,752,888**	1,753,719
EQUITY			
Equity attributable to the owners of the parent			
Share capital	13	**1,211,754**	1,211,754
Reserves		**457,475**	448,229
		1,669,229	1,659,983
Non-controlling interests		**83,659**	93,736
TOTAL EQUITY		**1,752,888**	1,753,719

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of Appendix D2 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

The adoption of the above amended HKFRS Accounting Standards had no significant effect on the results and financial position for the current or prior accounting periods which have been prepared and presented.

The Group has not early adopted any standard or amendment that has been issued but is not yet effective.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group has one single operating and reportable segment, which is the provision of medical care, health care and geriatric care related services and products. All of the Group's operating results are generated from this single segment. During the period, 100% (six months ended 30 June 2025: 100%) of the Group's revenue was generated from customers in Chinese Mainland, and approximately 67% and 24% (as at 31 December 2025: 65% and 24%) of the Group's non-current assets, excluding financial instruments and deferred tax assets, were located in Chinese Mainland and Canada respectively.

Revenue of approximately HK$6,111,000 (six months ended 30 June 2025: HK$19,606,000) was derived from sales of goods to a single customer, including sales to a group of entities which are known to be under common control with that customer.

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**30,279**	76,587

Disaggregated revenue information for revenue from contracts with customers:

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Type of goods or services		
Sales of goods	**21,997**	69,608
Rendering of services	**8,282**	6,979
Total revenue from contracts with customers	**30,279**	76,587

The Group's revenue arising from sales of goods is recognised when transferred at a point in time, while revenue arising from rendering of services is recognised when transferred over time.

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Geographical markets		
Chinese Mainland	**30,279**	76,587
Total	**30,279**	76,587

5. OTHER INCOME AND GAINS, NET

An analysis of the Group's other income and gains/(losses), net are as follows:

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Other income		
Bank interest income	**257**	720
Other interest income	**–**	2,863
Investment income of debt investments at fair value through other comprehensive income	**–**	104
Investment income of equity investments designated at fair value through other comprehensive income	**1,588**	1,475
Investment income of financial assets at fair value through profit or loss	**1,801**	5,102
Gross rental income from investment property under operating leases	**12,559**	4,912
Dividend income	**–**	2,573
Gain on bargain purchase	**7,912**	–
Sundry income	**123**	724
Total other income	**24,240**	18,473
Gains/(losses), net		
Gain on deemed partial disposal of an associate	**580**	–
Loss on disposal of property, plant and equipment, net	**(134)**	(4)
Fair value losses on investment properties, net	**(10,650)**	(4,863)
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	**1,135**	(6,613)
Reversal of impairment of prepayment, other receivables, and other assets, net	**3,350**	–
Foreign exchange differences, net	**(3,275)**	19,140
Total gains/(losses), net	**(8,994)**	7,660
Total other income and gains/(losses), net	**15,246**	26,133

6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	**3,663**	–
Interest on lease liabilities	**740**	139
Total	**4,403**	139

7. LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**20,073**	52,455
Cost of services provided	**6,412**	3,737
Depreciation of property, plant and equipment	**2,597**	1,872
Depreciation of right-of-use assets	**9,316**	8,682
Foreign exchange differences, net	**3,275**	(19,140)
Impairment losses on financial assets, net:		
Impairment of trade receivables, net	**3,012**	1,250
Reversal of impairment of prepayments, other receivables and other assets, net*	**(3,350)**	–
Impairment/(reversal of impairment) of investment in an associate**	**7,785**	(3,104)
Loss on disposal of subsidiaries**	**–**	21,369

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

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

8. INCOME TAX CREDIT

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current – PRC corporate income tax		
Charge for the period	**80**	218
Deferred	**(2,937)**	(1,218)
Total	**(2,857)**	(1,000)

Hong Kong profits tax

During the period ended 30 June 2026, no Hong Kong profits tax had been provided as there were no assessable profits arising in Hong Kong during the period (six months ended 30 June 2025: Nil).

PRC corporate income tax

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

9. DIVIDEND

The directors do not recommend the payment of any dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the unaudited loss for the period attributable to ordinary equity holders of the parent of approximately HK$31,797,000 (six months ended 30 June 2025: HK$29,236,000), and the weighted average number of ordinary shares of 6,058,772,027 (six months ended 30 June 2025: 6,058,772,027) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2026 and 30 June 2025.

11. TRADE AND BILLS RECEIVABLES

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

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables:		
Within 3 months	**4,207**	30,564
4 to 6 months	**5,982**	4,629
7 to 12 months	**13,379**	2,045
Over 1 year	**3,976**	4,971
	27,544	42,209
Bills receivables	**8,043**	1,943
Total	**35,587**	44,152

12. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 3 months	**4,470**	16,511
Over 3 months	**26,127**	21,494
Total	**30,597**	38,005

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

13. SHARE CAPITAL

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Authorised:		
10,000,000,000 (31 December 2025: 10,000,000,000) ordinary shares of HK$0.2 each	**2,000,000**	2,000,000
Issued and fully paid:		
6,058,772,027 (31 December 2025: 6,058,772,027) ordinary shares of HK$0.2 each	**1,211,754**	1,211,754

14. SHARE-BASED COMPENSATION SCHEMES

The Company first adopted a share option scheme effective from 26 April 2002 (the "2002 Scheme") and which has been expired in April 2012. On 24 May 2013, the Company adopted a new share option scheme (the "2013 Scheme") to replace the 2002 Scheme. The eligible participants and the terms of the 2013 Scheme is same as the 2002 Scheme. 89,500,000 share options under the 2013 Scheme was lapsed and HK$23,953,000 was transferred from share option reserve to accumulated losses during the period. The 2013 Scheme has been expired in May 2023 and no new share option scheme was adopted.

The exercise prices and exercise periods of the share options outstanding at 30 June 2026 and 31 December 2025 are as follows:

30 June 2026 Number of options	31 December 2025 Number of options	**Exercise price per share**	**Exercise period per share**
'000	*'000*	*note (b)* *HK$*	
–	89,500	0.53	*note (a)*
–	89,500		

Notes:

(a) First 30% of the options granted were vested from 28 January 2017, second 30% of the options granted were vested from 28 January 2018 and remaining 40% of the options granted were vested from 28 January 2019. Upon the lapse of the vesting period, the share options are exercisable until 27 January 2026.

(b) The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

During the period, the Group did not recognise any share option expense in respect of the share option granted (six months ended 30 June 2025: Nil).

At the end of the reporting period, the Company had no share options outstanding.

15. COMMITMENTS

The Group had the following contractual commitments at 30 June 2026 and 31 December 2025:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Contracted, but not provided for:		
Land and buildings	**9,873**	7,314
Total	**9,873**	7,314

16. RELATED PARTY TRANSACTIONS

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

		For the six months ended 30 June	
		2026	2025
	Note	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Interest expense to a director	(i)	**142**	–

(i) As at 30 June 2026, included in the amount due to a director was a loan from Mr. Gu Shan Chao, a director of the Company, to 1121695 B.C. Ltd., a non-wholly owned subsidiary of the Company, with a principal amount of CAD500,000 (equivalent to HK$2,754,000) (31 December 2025: HK$2,831,000) and accrued interest payable of CAD140,000 (equivalent to HK$772,000) (31 December 2025: HK$652,000). The loan was advanced to 1121695 B.C. Ltd. on 30 August 2023, bearing interest at 10% per annum. The loan is unsecured and has no fixed terms of repayment.

During the six months ended 30 June 2026, interest of CAD25,000 (equivalent to HK$142,000) (six months ended 30 June 2025: Nil) was accrued on the loan.

(b) In addition to the outstanding balances detailed elsewhere in these financial statements, the Group had the following balances with related parties:

		30 June 2026	31 December 2025
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Audited)
Due to a director	(i)	**3,526**	3,483
Due to a related party	(ii)	**8,583**	8,822
Total		**12,109**	12,305

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

(ii) As at 30 June 2026, included in the amount due to Jinfu N.A. Real Estate Investment Limited, a minority shareholder of 1121695 B.C. Ltd., was a loan with a principal amount of CAD1,558,000 (equivalent to HK$8,583,000) (31 December 2025: HK$8,822,000). The loan was advanced to 1121695 B.C. Ltd. on 20 August 2020 and is unsecured, interest-free and has no fixed terms of repayment.

(c) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Salaries, allowances and benefits in kind	**2,278**	2,330
Performance related bonuses	**–**	2,100
Pension scheme contributions	**86**	83
Total	**2,364**	4,513

17. ACQUISITION OF SUBSIDIARIES

(i) Acquisition of BE Fortune

On 29 May 2026, the Group entered into a share purchase agreement with the vendor to acquire 100% of the issued share capital of BE Fortune Sports Investment Limited ("BE Fortune" and its subsidiaries, collectively the "BE Fortune Group") and the shareholder's loan due from the BE Fortune Group to the vendor of RMB11,000,000. The acquisition was completed on 3 June 2026.

BE Fortune, through its wholly-owned subsidiary Jinfu Yuedong (Shanghai) Sports Technology Co., Limited, holds a 40% equity interest in Beijing Zhongtian Sports Development Co., Ltd. and a 30% equity interest in Beikang Medical Investment Management Wuxi Co., Ltd.. The acquisition is part of the Group's strategic expansion into the sports sector.

The fair value of the identifiable assets and liabilities of BE Fortune Group as at the date of acquisition were as follows:

	For the period ended 30 June 2026 *HK$'000* (Unaudited)
Net assets acquired:	
Property, plant and equipment	**3**
Investment in associates	**18,417**
Equity investments designated at fair value through other comprehensive income	**11,864**
Financial assets at fair value through profit or loss	**2,792**
Other receivables	**8,157**
Cash and cash equivalents	**7,429**
Other payables and accruals	**(30,409)**
Total identifiable net assets at fair value	**18,253**
Gain on bargain purchase (provisional*)	**(7,912)**
	10,341
Satisfied by:	
Cash	**1,149**
Cash payable within one year	**9,192**
	10,341

* **Provisional Accounting Note**

The initial accounting for the business combination of BE Fortune has been determined provisionally as at the end of the reporting period. The Group is in the process of finalizing the independent professional valuation of the identifiable assets acquired and liabilities assumed (including intangible assets, if any). The purchase price allocation ("PPA") exercise has not yet been completed, and the provisional gain on bargain purchase recognised above may be subject to adjustment within the measurement period (not exceeding 12 months from the acquisition date) upon finalisation of the PPA.

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

	For the period ended 30 June 2026 *HK$'000* **(Unaudited)**
Cash consideration	**(1,149)**
Cash and cash equivalents acquired	**7,429**
Net inflow of cash and cash equivalents in respect of the acquisition of subsidiaries include in cash flows from investing activities	**6,280**

BE Fortune Group generated revenue of HK$0 and a loss of HK$0 during the period from the acquisition date to the end of the reporting period. If the acquisition had been completed on 1 January 2026, the total annual revenue of the Group would have been HK$30,279,000 and the loss for the period would have been HK$39,871,000. The pro forma information is for illustrative purposes only and is not intended to represent the actual revenue and operating results that the Group would have achieved if the acquisition had been completed on 1 January 2026, nor is it intended as a forecast of future results.

(ii) Acquisition of the SPC and SP1

On 30 June 2026, the Company completed the acquisition of all 100 management shares of BE Fortune Diversified Income Fund SPC (the "SPC"), a segregated portfolio company incorporated in the Cayman Islands, from an independent third party. Following the acquisition, the SPC became a wholly-owned subsidiary of the Company.

The SPC established one unincorporated segregated sub-fund, BE Fortune Diversified Income Fund SP1 (the "SP1"). Prior to the acquisition, the Company was the sole investor in SP1, as the Company had no control over the SPC and SP1, the investment in SP1 was irrevocably designated as equity investments measured at fair value through other comprehensive income.

Upon obtaining control of the SPC, the SPC and its segregated sub-fund SP1 were brought into the Group's consolidation scope. The existing equity investment designated at fair value through other comprehensive income was derecognised, and the underlying assets and liabilities of SP1 and the SPC are consolidated in full from the acquisition date.

The fair value of the identifiable assets and liabilities of the SPC and SP1 as at the date of acquisition were as follows:

	For the period ended 30 June 2026 *HK$'000* (Unaudited)
Net assets acquired:	
Financial assets at fair value through profit or loss	**2,386**
Debt investments at fair value through other comprehensive income	**92**
Prepayment and other receivables	**45,763**
Cash and cash equivalents	**2,203**
Other payables and accruals	**(678)**
Total identifiable net assets at fair value	**49,766**
Satisfied by:	
Treated as disposal of an equity investment designated at fair value through other comprehensive income	**49,766**

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

	For the period ended 30 June 2026 *HK$'000* (Unaudited)
Cash and bank balance acquired of and net inflow of cash and cash equivalents in respect of the acquisition of subsidiaries included in cash flows from investing activities	**2,203**

The SPC and SP1 generated revenue of HK$0 and a profit or loss of HK$0 during the period from the acquisition date to the end of the reporting period. If the acquisition had been completed on 1 January 2026, the total annual revenue of the Group would have been HK$30,279,000 and the loss for the period would have been HK$37,348,000. The pro forma information is for illustrative purposes only and is not intended to represent the actual revenue and operating results that the Group would have achieved if the acquisition had been completed on 1 January 2026, nor is it intended as a forecast of future results.

18. CONTINGENT LIABILITIES

As at 30 June 2026, the Group has contingent liabilities up to RMB14,400,000 (equivalent to approximately HK$16,579,000) as a guarantor for the bank facility granted to an associate of the Company (31 December 2025: RMB14,400,000 (equivalent to approximately HK$15,944,000)). The associate has utilized bank loans of approximately RMB5,696,000 (equivalent to approximately HK$6,558,000) which is guaranteed by the Group (31 December 2025: RMB5,696,000 (equivalent to approximately HK$6,307,000)).

19. EVENTS AFTER THE REPORTING PERIOD

There was no significant events occurring after the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Geriatric Care Business

China's population ageing process continues to accelerate. As of the end of 2025, the national elderly population aged 60 and above had reached 323 million. It is projected that by 2035, the total elderly population will increase to 420 million. The silver economy market demand is therefore underpinned by a long term and structurally certain growth foundation.

For the policy, the State has continued to issue top-level design documents to guide the high-quality development of the elderly care industry. In 2024, the General Office of the State Council released the Opinions on Developing the Silver Economy to Enhance the Well-being of the Elderly, which was the nation's first comprehensive support policy specifically targeting the silver economy. In December of the same year, the CPC Central Committee and the State Council jointly issued the Opinions on Deepening the Reform and Development of Elderly Care Services, which clearly defined the development path of inclusive elderly care and integrated medical and geriatric care. In July 2026, the Ministry of Civil Affairs promulgated the Guidelines for the Construction and Management of Urban and Rural Three-tier Elderly Care Service Networks, encouraging market participants to revitalise idle assets and expand the supply of inclusive elderly care institutions. Furthermore, the national "15th Five-Year Plan" Outline proposed the renovation and upgrading of 2,000 public elderly care institutions, vigorously promoting the "public-built, privately-operated" model, and set a mandatory development target of increasing the proportion of nursing beds in elderly care institutions to 73%.

At the same time, provinces, municipalities and relevant ministries across the country have successively introduced the implementation supporting rules. Among them, the Jiangsu Provincial Government promulgated the Implementation Plan for Promoting High Quality Development of the Silver Economy, which clearly advanced the elderly care industry towards scaled, standardised, clustered and branded development, fostered high tech elderly friendly products and quality medical and geriatric care service systems, and built a national demonstration hub for the silver economy. The plan also sets out comprehensive support measures in areas such as the implementation of key projects, fiscal and financial support, land and property guarantees, medical insurance payment mechanisms and data empowerment, thereby providing a favourable policy environment for chain scale elderly care operations in the Yangtze River Delta region.

The Group focuses on the inclusive geriatric care sector, adhering to the core operating model of "chain operation with integrated medical and geriatric care" in carrying out investment, renovation and full cycle operation management of elderly care institutions. Priority has been given to the Yangtze River Delta region, which has a solid economic foundation and strong rigid demand for elderly care services, while orderly expansion has been extended to other cities nationwide, delivering standardised and high quality one stop elderly care services. The Group has established the "Beikang Medical and Geriatric Care" professional elderly care service brand with strong market competitiveness, and has accumulated comprehensive experience in project investment evaluation, facility renovation and chain scale management operations. At present, the Group operates multiple self run elderly care institutions through its own full time professional nursing and medical teams. Overall bed occupancy rates have remained consistently high, and service quality continues to be recognised by elderly residents, their families, and civil affairs and health authorities at various levels.

As of 30 June 2026, the Group operated and managed a total of seven elderly care service institutions, with an aggregate bed capacity of 1,373, primarily concentrated in the Yangtze River Delta Economic Zone. Among them, six nursing homes holding medical practice qualifications provided a total of 1,005 medical care beds, including 50 newly added medical care beds during the period. The average occupancy rate across the Group's institutions reached 74% during the reporting period, with operating cash flows of each project remaining stable and controllable.

During the reporting period, revenue from beds of geriatric care institutions amounted to RMB30.63 million (first half of 2025: RMB26.42 million), representing a year-on-year increase of 16%. All seven geriatric care institutions under the Group recorded varying degrees of growth in operating revenue and operating profit, with the benefits of chain scale synergies and the operational efficiency of integrated medical and geriatric care value added services continuing to be realised.

Overview of Elderly Care Projects

Project Name	Number of beds	Revenue^ First half of 2026 *RMB'000*	Revenue^ First half of 2025 *RMB'000*	Changes	Rental portfolio occupancy rate as at the end of the Period First half of 2026	Rental portfolio occupancy rate as at the end of the Period First half of 2025
Wuxi Liangxi District Guangyi Geriatric Care Center and Nursing Home	288	11,679	11,430	2%	91%	93%
Wuxi Liangxi District Wuhe Geriatric Care Center and Nursing Home	160	3,861	3,470	11%	64%	65%
Changzhou Xinbei District Xuejia Aixin Geriatric Care Center and Nursing Home	415	7,236	6,640	9%	81%	67%
Wuxi Liangxi District Huifeng Geriatric Care Center and Nursing Home	100	1,562	1,010	55%	74%	60%
Wuhu Jinghu District Golden Sun Geriatric Care Center	120	2,791	2,910	-4%	91%	93%
Changzhou Luoxi District Geriatric Care and Nursing Home	160	2,825	960	194%	64%	54%
Rizhao City Investment Geriatric Care Center and Nursing Home (newly opened)	130	677	–	–	26%	–
Total	**1,373**	**30,631**	**26,420**	**16%**	**74%**	**73%**
		HK$'000	*HK$'000*	**Changes**		
Presented in accordance with Hong Kong Generally Accepted Accounting Principles		8,282	6,979	19%		

^ This revenue includes the revenue from the private non-enterprise entities (the "Private Non-enterprise Entities") which were founded by the Group's subsidiaries. As the Group's geriatric care business is mainly operated by the Private Non-enterprise Entities founded by the Group's subsidiaries, the revenue presented in accordance with Hong Kong Generally Accepted Accounting Principles represents the fees charged by the Group's subsidiaries to the Private Non-enterprise Entities in accordance with market principles.

Wuxi Liangxi District Guangyi Geriatric Care Center and Nursing Home

The institution was originally established in July 1983 and was included in the local "Projects Benefiting the People" initiative in 2009, with reconstruction funded by the local government at an investment of over RMB40 million. The center occupies a site area of approximately 20 mu, with a total gross floor area exceeding 10,000 square meters. It holds dual qualifications as a geriatric care center and nursing home, and has for many consecutive years been recognised as a provincial and municipal demonstrative elderly care institution and advanced service unit.

In the first half of 2026, Guangyi Geriatric Care Center and Nursing Home recorded operating revenue of RMB11.679 million, representing a year-on-year increase of 2%, with an overall occupancy rate of 91% at the end of the period. During the period, the Group completed upgrades to restroom ceilings, lighting and ventilation systems, continuously optimising elderly friendly facility hardware. Leveraging its mature integrated medical and geriatric care value-added services, the center has steadily served its client base and achieved stable revenue growth. In terms of safety, the institution was awarded a high safety rating among 38 elderly care institutions in Liangxi District, with its internal control and operational compliance fully recognised by local authorities.

Wuxi Liangxi District Wuhe Geriatric Care Center and Nursing Home

The project was established in 2012 and is located at Block C, No. 20 Antouqiao, Wuxi City, with a total gross floor area of approximately 3,500 square meters. It holds dual operating qualifications as a geriatric care center and nursing home, and is equipped with diversified functional spaces including a chess and card room, reading and calligraphy room, and professional rehabilitation training room.

In the first half of 2026, Wuhe Geriatric Care Center and Nursing Home recorded operating revenue of RMB3.861 million, representing a year-on-year increase of 11%, with an occupancy rate of 64% at the end of the period. The institution has continued to optimise standard operating procedures for elderly daily care, and has regularly conducted specialised training in nursing skills and fire safety. It has also undergone multiple rounds of municipal and district level safety inspections. Service standards and facility management levels have been continuously enhanced, while the scale of operations has steadily expanded.

Changzhou Xinbei District Xuejia Aixin Geriatric Care Center and Nursing Home

The project is located in the core area of Xuejia Town, Xinbei District, Changzhou City, with a total gross floor area of approximately 12,500 square meters and a landscaped area of 6,200 square meters. It comprises two buildings (the southern block with three floors and the northern block with four floors), and holds dual qualifications as a geriatric care center and nursing home.

In the first half of 2026, the Xuejia Aixin Geriatric Care Center and Nursing Home generated operating revenue of RMB7.236 million, representing a year-on-year increase of 9% . The occupancy rate at the end of the period was 81%, representing an increase of 14 percentage points compared with the corresponding period in 2025. In May 2026, the institution successfully passed the graded evaluation by the Changzhou Civil Affairs Bureau and was accredited as a "Three Star Elderly Care Institution", further enhancing its brand influence and industry demonstration value. At the team management level, a total of 60 professional training sessions were conducted during the period, cultivating practitioners including attending physicians, rehabilitation therapists, senior level five nurses and fire safety managers. At the community level, the center organised 20 public welfare elderly care activities, received 23 social donations, and hosted thematic research visits by leaders from the National Committee of the Chinese People's Political Consultative Conference, the Elderly Care Services Department of the Ministry of Civil Affairs, and the Jiangsu Provincial Department of Civil Affairs, thereby establishing itself as a benchmark project for integrated medical and geriatric care in the region.

Wuxi Liangxi District Huifeng Geriatric Care Center

The institution was originally established in April 2005. In 2017, the Group obtained the operating rights and completed comprehensive renovation and upgrading works. The center has a total gross floor area of 2,400 square meters, with a green coverage rate of 60%. Facilities include a chess and card room, reading and calligraphy room, and fitness and rehabilitation room, together with an outdoor leisure garden, providing ample space to meet the daily recreational and activity needs of elderly residents.

In the first half of 2026, Huifeng Geriatric Care Center recorded operating revenue of RMB1.562 million, representing a significant year-on-year increase of 55%, with an occupancy rate of 74% at the end of the period. The previous upgrade project for integrated medical and geriatric care services has been fully completed, significantly enhancing the provision capacity of value added services such as chronic disease management, home based rehabilitation and scheduled medical rounds. This directly drove substantial improvements in both bed occupancy and operating revenue. The center has also established a regular training mechanism, organising periodic sessions on nursing practice standards and fire safety drills, thereby continuously strengthening its internal control system for safe operations.

Wuhu Jinghu District Golden Sun Geriatric Care Center

The project was transformed and redeveloped from the former Jinghu District University for the Elderly, located at Plot 3–1, Century City, Jinghu District, Wuhu City, with a total gross floor area of 3,300 square meters. Its services cover full time long term and short term care, day care and temporary respite care, while also extending to surrounding communities by providing home based elderly care support services.

In the first half of 2026, Wuhu Golden Sun Geriatric Care Center recorded operating revenue of RMB2.791 million, representing a slight year-on-year decrease of 4%, with an occupancy rate maintained at a high level of 91% at the end of the period. To align with local market consumption demand, the center completed optimisation and upgrading of internal functional areas, and introduced an elderly meal service segment for external operations, thereby continuously broadening sources of value added service income. During the reporting period, the center received visits from the Mayor of Wuhu City and the Head of Jinghu District for special inspections on safety production and operations, and successfully completed multiple rounds of provincial and municipal safety supervision and industry inspections.

Changzhou Luoxi District Geriatric Care and Nursing Home

This project is located at No. 997 Zhengtai Road, Luoxi Town, Xinbei District, Changzhou City, Jiangsu Province, with a total site area of 15,000 square meters, a gross floor area of 4,800 square meters, and a landscaped area of approximately 5,000 square meters, providing a total of 160 beds. In 2023, the Group entered into a contract with the local government to obtain long term operating rights. Following renovation and transformation, the project was officially opened to the public in May 2024, positioned as a professional nursing institution integrating medical and geriatric care, featuring smart technologies and a garden style environment.

In the first half of 2026, Luoxi District Geriatric Care and Nursing Home recorded operating revenue of RMB2.825 million, representing a significant year-on-year increase of 194%, with an occupancy rate of 64% at the end of the period. Since its opening, the project has maintained a strong growth trend in both bed occupancy scale and operating revenue. During the period, a total of 54 specialised training sessions in nursing skills and fire safety management were organised, while 44 government safety inspections at various levels were received. In addition, nine appreciation banners were presented by families of elderly residents, reflecting continuously improving customer satisfaction and market recognition.

Rizhao City Investment Geriatric Care Center and Nursing Home

The project is located at No. 61, Huanghai Second Road, Shijiu Sub district, Donggang District, Rizhao City, Shandong Province, with a total site area of 17 mu and a total gross floor area of 5,573 square meters. It is planned to provide 155 beds and was jointly renovated and constructed by the Group together with Rizhao City Construction Investment Group. The center offers differentiated residential units including single and double rooms, with barrier free access, elderly friendly renovations and intelligent care facilities implemented throughout. Dedicated functional areas include an elderly dining hall, cultural and recreational activity center, medical consultation room, pharmacy and standard nursing stations.

In March 2026, the project obtained the Medical Institution Practice License, and in May of the same year it passed the special construction fire safety inspection and was officially put into operation. In the first half of 2026, the project recorded operating revenue of RMB677,000, with an occupancy rate of 26% at the end of the period. As a newly opened project during the reporting period, both bed occupancy scale and revenue have shown a steady upward trend. At the team level, a total of 24 professional nursing and safety management training sessions were completed, and staff obtained intermediate fire operator professional qualifications. The foundational systems for operations, medical care and safety management have been fully established.

Newly signed and Ongoing Projects

Guangde Elderly Care Service Center Project in Anhui Province

On 30 July 2025, Wuxi Beikang Hongtai Geriatric Services Limited* (無錫北康宏泰養老服務有限公司) , the Group's wholly owned subsidiary, successfully won the bid for the Guangde Elderly Care Service Center project through an open tender process. The project has a total gross floor area of approximately 10,000 square meters and is planned to provide 290 beds. The construction investment will be fully funded by the Guangde Municipal People's Government, while the Group will be responsible for supplying a full suite of professional geriatric care equipment and for full cycle operations and management upon project completion. At present, the main structure of the project has been topped out, and interior fit out works are underway. The overall construction period is expected to be approximately 16 months. Upon completion, the project will be able to serve and accommodate the professional geriatric care needs of elderly populations from surrounding core cities such as Shanghai and Nanjing.

Wuhu Fanchang Eshan Town Elderly Care Service Center Project

In July 2026, Wuhu Beijing Health Golden Sun Health Care Service Company Limited* (蕪湖市北康金太陽養老服務有限公司), the Group's wholly owned subsidiary, formally entered into an investment and operation cooperation agreement with the People's Government of Eshan Town, Fanchang District, Wuhu City, thereby obtaining the full cycle operation rights of this public private elderly care project. The project is located in Eshan Town, Fanchang District, Wuhu City, Anhui Province, with a total site area of 22 mu, existing building area of 2,949 square meters, and landscaped green area of approximately 10,000 square meters. It is planned to provide 107 standard geriatric care beds, primarily serving independent, semi dependent and dependent elderly residents, with reserved land for a second phase expansion to support future development.

Health Industrial Park Business

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

As of 30 June 2026, the Group participated in five projects in total in Beijing, Shanghai, Dali and Canada with a total site area of over 400,000 sq.m.. The implementation plans of each of the projects have gained support from the local governments where the projects are located. As the projects are positioned in line with the market demand, it is expected that the projects will have considerable potential for appreciation in commercial value.

As of 30 June 2026, the progress of the Group's projects under development as follows:

Location	Project Name	Land Area *(sq.m.)*	Shareholding Percentage	Future Planning of the Project	Project Status
Beijing	Chaoyang Logistics Project	87,607	95%	This project is located in the core urban area of the Fourth Ring Road of Beijing, with a superior geographical location. The Group intends to bring in quality enterprises to operate the industrial logistics park through upgrading and transforming the project, to create a new industrial park project with the theme of smart warehousing, digital technology and new energy.	1. We applied to the Chaoyang District Development and Reform Commission for the extension of key projects. 2. We have already steadily increased the revenue through the new operational management system and the introduction of quality partners.
Shanghai	Hongmei Road Project	39,448	100%	This project is strategically located in the core area of Shanghai. The Group intends to bring in quality partners to jointly develop this project as a landmark for leasing projects in the region.	Due to the downturn in the domestic real estate market, the planned commercial and office complex is temporarily suspended. The project is currently leased out, with an annual rental yield of approximately 4%.

Location	Project Name	Land Area *(sq.m.)*	Shareholding Percentage	Future Planning of the Project	Project Status
Dali	Haidong New District Project	275,181	60%	Greater health industrial park complex including lands for residential, commercial and medical purposes	As the Yunnan provincial government suspended its approval process for the development and construction in Haidong New District, this project is temporarily withheld. The Group is discussing with the local government on the follow-up arrangements.
Canada	Ovation	2,425	N/A[1]	Artistic health apartments	The pre-sale of this project began in April 2019 and the units were delivered to buyers at the beginning of 2024. It is expected that with further sales of the remaining unsold units, the Project Company will continue to make repayment arrangements to the Group.
Canada	Royal Tower	10,588	47.47%	Urban health apartments	Preparatory procedures for the re planning of the project land development nature are underway. In June 2026, the first and second reading were completed, while the third reading is expected to be carried out in June 2027.

Note[1]: This project is engaged in the form of debt investment.

Sale of Medical and Geriatric Products

Beijing Vissam Prosperity Furniture Limited* (北京偉森盛業傢俱有限公司) ("Vissam Prosperity") , a company under the Group, specialises in the research, development, sales and provision of integrated space solutions for customised furniture tailored to education, medical and geriatric care scenarios. During the reporting period, the company continued to deepen its presence in three core B2B niche markets, with a particular focus on expanding procurement projects related to infrastructure renovation in higher education institutions.

For the six months ended 30 June 2026, the segment recorded operating revenue of RMB19.4782 million, representing a significant decline compared with the corresponding period last year, and turned from a segment profit in the prior period to a net loss of RMB15.6084 million. The operating performance was subject to multiple external and internal pressures. In recent years, local governments have increased investment in educational infrastructure, prompting numerous furniture manufacturers to shift into the school furniture sector. Regional manufacturers have adopted low price strategies to compete for tenders, while international brands have entered the high end university market through smart classroom systems. The industry price war has continued to intensify, with many local governments implementing price controls in tendering processes, resulting in a clear downward trend in project bid prices. Coupled with rising raw material and labour costs, overall project gross margins have been persistently compressed. During the period, several projects were awarded through low price bidding, collectively exerting a negative impact of approximately RMB2.4 million on the segment's profitability.

In addition, certain large scale contract projects were delayed in delivery and acceptance procedures due to reasons attributable to customers. As a result, the expected profit of approximately RMB12 million could not be recognised during the review period. The relevant revenue will be recognised in subsequent accounting periods once the recognition criteria are met.

For market expansion, the Group adopted a combined model of offline exhibitions and integrated online self media operations. It participated in six national exhibitions for education and geriatric care professional equipment, receiving a total of 296 potential customers. Online operations were conducted through platforms such as WeChat Official Account, WeChat Video Account, Douyin, Sohu and Xiaohongshu, with over 300 pieces of content published and total online exposure reaching 5.5 million views. At the same time, the Group participated in the NeoCon International Furniture Exhibition in the United States, strengthening international brand synergy and presence. During the reporting period, the Company secured 10 project tenders, successfully implementing projects including Shijiazhuang Edison Oncology Hospital, Tsinghua University Qiuzhen College, Sun Yat sen University Zhuhai Campus, Peking University School of Medicine Yifu Building, and Shaanxi Normal University Chang'an Campus dormitory furniture project.

For the qualifications and brand development, during the period, Vissam Prosperity obtained the China Environmental Labelling Product Certification, the China Environmental Protection Certification, the Quality Management System Certification, the Environmental Management System Certification, the Occupational Health and Safety Management System Certification, the Furniture Product Certification for Total Volatile Organic Compound Limits, and the China Green Product Certification. The company was awarded the "2026 Top 10 Brands of School Furniture" and the "2026 Top 10 Brands of Furniture for the Elderly" by China Procurement and Tendering Network, and received the "Online Popularity Award" certificate at the 16th Furniture Tendering and Procurement Evaluation and Recommendation Event in 2026.

On the R&D front, the company continued to deepen technical collaboration with the U.S. international brand KI, completing domestic mass production validation of products such as the Grazzi chair and the Lime silent desk frame. For education and geriatric care scenarios, the company launched new customised products featuring green environmental protection and barrier free elderly friendly designs, while improving craftsmanship to enhance product yield rates and delivery efficiency.

Digital Sports Industry

On 29 May 2026, the Group, through acquisition, indirectly held a 40% equity interest in Beijing Zhongtian Sports Development Co., Ltd. ("Zhongtian Sports"), thereby formally adding the digital sports industry segment. This broadened the boundaries of the Group's greater healthcare industry and achieved a full life-cycle industry ecosystem layout of "institutional geriatric care + elderly-friendly supporting products + digital sports health". During the period, Zhongtian Sports recorded revenue of RMB7.02 million.

FUTURE PROSPECTS

In the geriatric care sector, the Group continues to capitalise on the national silver economy and inclusive elderly care policy benefits, while steadily expanding high quality operating bed capacity. It is expected that more than 500 new beds will be added in the second half of 2026. The Group will further consolidate the competitive advantages of the "Beikang Medical and Geriatric Care" chain brand, adhering to the core model of "chain operation with integrated medical and geriatric care", deepening its presence in key cities within the Yangtze River Delta, while simultaneously expanding into other regions such as Anhui and Shandong. The industry chain is being extended upstream into elderly friendly furniture and downstream into digitalised home based geriatric care services, thereby establishing a comprehensive business layout with institutional beds as the core, complemented by home and community services together with supporting products.

The phased bed capacity targets remain unchanged, 5,000 beds in the short term, exceeding 10,000 beds in the medium term, and reaching 100,000 beds in the long term. At the same time, the Group is advancing initiatives such as employee shareholding incentives and the development of new geriatric care institutions including the Ancient Canal Project, Guangde Project and Fanchang Eshan Town Project, thereby realising steady growth in both scale and profitability.

In respect of the health industrial parks, given the uncertain macroeconomic environment, the Group will not increase its investment in health industrial parks in Mainland China for the time being. Instead, the Group will actively identify suitable partners to dispose of certain projects at an appropriate time. Regarding the Group's investment projects in Canada, efforts will be made to expedite government approval procedures for the Royal Tower project and to prepare for the pre sale of the project. Meanwhile, the Group will actively explore development opportunities in Hong Kong and other overseas markets.

In respect of the medical and geriatric care products business, facing the current industry stock competition and profitability pressures, the segment will adopt the core operating principle of "safeguarding performance, safeguarding profitability and safeguarding cash flow" in the second half of the year, and will implement multiple operational optimisation measures accordingly.

In the digital sports industry, the Group will conduct in depth research to explore opportunities for business innovation and strategies in artificial intelligence, building upon the existing business foundation of Zhongtian Sports.

In respect of the Group's overall strategy, we will exercise rigorous cost control to ensure resources are utilised effectively and to optimise cost efficiency. The Group will prudently manage its own funds, enhancing free cash returns through appropriate allocations in bank wealth management products, equities and bonds, thereby strengthening the Group's financial position. At the same time, we will continue to seek investment opportunities in the sports industry, adding new growth momentum to our investment objectives in the "greater healthcare industry".

SIGNIFICANT INVESTMENTS

For the six months ended 30 June 2026, save for the net amount of bank wealth management products of approximately HK$65,014,000 which were purchased on a rolling basis as part of the Group's surplus funds management, the Group did not have any new significant investments.

The Group is actively identifying and exploring suitable investment opportunities with potential synergistic effects that can be brought into its existing businesses. The Group will only consider any potential investments that are in the interests of the Company and its shareholders as a whole. As at the date of this report, no agreements in respect of significant investments have been entered into.

Major Acquisitions and Disposals

Acquisition of BE Fortune

On 29 May 2026, the Group entered into a share purchase agreement with the vendor to acquire the entire issued share capital of BE Fortune Sports Investment Limited ("BE Fortune") and its subsidiaries (collectively, the "BE Fortune Group") and the shareholder's loans owing by the BE Fortune Group to the vendor in the aggregate amounts of RMB9,000,000 and RMB11,000,000, respectively. The acquisition was completed on 3 June 2026. Details of the acquisition are disclosed in Note 17 "Acquisition of Subsidiaries".

Acquisition of the SPC and SP1

On 30 June 2026, the Company completed the acquisition of all 100 management shares of BE Fortune Diversified Income Fund SPC (the "SPC") from an independent third party. The SPC is a segregated portfolio company incorporated in the Cayman Islands. Upon completion of the acquisition, the SPC became a wholly-owned subsidiary of the Company. Details of the acquisition are disclosed in Note 17 "Acquisition of Subsidiaries".

For the six months ended 30 June 2026, the Group did not have any major disposals.

FINANCIAL REVIEW

Operating Revenue

In the first half of 2026, the Group recorded operating revenue of HK$30,279,000, representing a decrease of 60.5% compared with the corresponding period last year. The decline in operating revenue was mainly attributable to a significant reduction in revenue from the sales of healthcare and elderly care products. As disclosed in the Group's announcement dated 24 July 2026, the decrease in revenue from the medical and geriatric products segment was driven by multiple factors, including changes in the industry operating environment, an increase in the proportion of low margin projects and delays in project acceptance progress by major institutional customers. The decline in revenue from medical and geriatric products sales was partially offset by the growth in revenue from the geriatric care business, which was mainly due to an improvement in property occupancy rates.

Cost of Sales

Cost of sales decreased by 52.9% to HK$26,485,000. Cost of sales mainly comprised procurement costs, freight, installation fees and staff salaries.

Gross Profit Margin

During the period, the Group's overall gross profit margin was 12.5%, compared with 26.6% in the corresponding period last year, representing a decrease of 14.1%. The decline was primarily due to a significant increase in the proportion of low margin orders in the medical and geriatric products segment. This segment engages in B2B commercial furniture business for education, healthcare and geriatric care scenarios. Market competition has continued to intensify, with widespread price competition across the industry. In addition, several government procurement projects implemented price controls, resulting in continued downward pressure on project tender prices, thereby compressing product gross margins.

Other Income and Gains, Net

In the first half of 2026, other income and gains, net was approximately HK$15,246,000, compared with HK$26,133,000 for the same period last year. Other income and gains, net decreased by HK$10,887,000 was mainly due to depreciation of the CAD against the HK$ by approximately 2.7% during the first half of 2026, resulting in an exchange loss of HK$3,275,000 for the period, whereas an exchange gain of HK$19,140,000 was recorded in the first half of 2025. In addition, one-off gains, including a reversal of impairment loss on other receivables of HK$3,350,000 and a bargain purchase gain of HK$7,912,000, were generated during the period, partially offsetting the impact of exchange loss. Excluding the above factors, other income and gains, net mainly comprised fair value losses on investment properties of HK$10,650,000 (corresponding period in 2025: HK$4,863,000), rental income of HK$12,559,000 (corresponding period in 2025: HK$4,912,000) and investment income of HK$4,524,000 (corresponding period in 2025: HK$2,641,000).

Selling and Distribution Expenses

In the first half of 2026, the selling and distribution expenses were HK$10,220,000 (corresponding period in 2025: HK$8,450,000), representing 33.8% of the total sales amount (corresponding period in 2025: 11.0%). Selling and distribution expenses mainly included salaries of approximately HK$3,717,000 (corresponding period in 2025: HK$3,050,000), office costs of approximately HK$1,355,000 (corresponding period in 2025: HK$1,207,000) and promotional fees of approximately HK$1,931,000 (corresponding period in 2025: HK$2,110,000).

Administrative Expenses

In the first half of 2026, the administrative expenses were HK$37,412,000, representing a decrease of 8.2% compared to HK$40,745,000 for the corresponding period last year. The administrative expenses mainly included staff costs (including directors' remuneration) of HK$16,856,000 (corresponding period in 2025: HK$18,357,000), professional advisory fees of HK$1,336,000 (corresponding period in 2025: HK$4,590,000), depreciation and amortisation charge of HK$8,642,000 (corresponding period in 2025: HK$9,397,000), business entertainment expenses of HK$969,000 (corresponding period in 2025: HK$1,516,000), travelling expenses of HK$1,257,000 (corresponding period in 2025: HK$1,607,000) and office costs of HK$2,368,000 (corresponding period in 2025: HK$2,157,000). The decrease in administrative expenses was primarily attributable to the Group's implementation of a stringent cost-control policy, which effectively reduced various administrative expenditure items.

Impairment Losses of Financial Assets

Impairment losses of financial assets mainly represent provisions for impairment of the Group's trade receivables. During the period, certain trade receivables were not repaid upon contractual maturity. After assessing the repayment ability of the relevant debtors, the Group made corresponding impairment provisions against the affected receivables.

Other Expenses and Losses

Other expenses and losses mainly represent one off non cash items. For the six months ended 30 June 2026, the Group recorded other expenses and losses of HK$7,785,000 (corresponding period in 2025: HK$18,265,000). The decrease of other expenses and losses was primarily due to the recognition of a one off loss of approximately HK$21,369,000 in the corresponding period last year relating to the disposal of a subsidiary. In addition, during the current period, an impairment of investment in an associate approximately HK$7,785,000 was made against an investment in an associate (corresponding period in 2025: reversal of impairment of investment in an associate approximately HK$3,104,000).

Finance Costs

Total finance costs for the first half of 2026 amounted to HK$4,403,000 (corresponding period in 2025: HK$139,000), representing a significant increase compared with the same period last year. The increase was mainly attributable to the deemed acquisition of the Canadian joint venture, 1121695 B.C. Ltd., in the second half of 2025, which resulted in the consolidation of its interest bearing bank and other borrowings, generating borrowing interest of approximately HK$3,663,000 (corresponding period in 2025: HK$Nil).

Share of Profits and Losses of Joint Ventures

Since 24 October 2025, the Group's former sole joint venture, 1121695 B.C. Ltd., has been accounted for as a subsidiary of the Group following its deemed acquisition. Accordingly, there was no share of profit or loss of joint ventures recognised during the period (corresponding period in 2025: HK$4,055,000).

Share of Profits and Losses of Associates

The share of profits and losses of associates mainly represents the Group's share of the shareholder's losses of Beijing Sports and Entertainment Industry Group Limited based on its equity interest, amounting to approximately HK$344,000 (corresponding period in 2025: HK$3,297,000).

Net Assets

As at 30 June 2026, the Group's net asset value amounted to approximately HK$1,752,888,000, representing a decrease of approximately HK$831,000 compared with approximately HK$1,753,719,000 as at 31 December 2025. The decrease in net asset was primarily attributable to the loss of approximately HK$41,442,000 recorded during the period, which was largely offset by exchange gains of HK$33,723,000 which were recognised in other comprehensive income.

Liquidity and Financial Resources

As at 30 June 2026, the Group held cash and cash equivalents of approximately HK$47,312,000 (31 December 2025: HK$140,538,000) and bank wealth management product balances of HK$150,976,000 (31 December 2025: HK$79,235,000). During the period, the total balance of cash and cash equivalents together with bank wealth management products amounted to approximately HK$198,288,000, representing a decrease of approximately HK$21,485,000 compared with 31 December 2025, primarily due to cash repayment of bank borrowings of approximately HK$51,075,000 during the period.

As at 30 June 2026, the Group's interest bearing bank and other borrowings amounted to approximately HK$24,765,000 (31 December 2025: HK$109,570,000). Total debt decreased by approximately HK$84,805,000 during the period, mainly attributable to cash repayment of bank borrowings of approximately HK$51,075,000 in accordance with loan agreements and the offsetting of borrowings of approximately HK$38,054,000 upon consolidation following the acquisition of the SPC and SP1 Fund.

As at 30 June 2026, the Group recorded net current assets of HK$114,770,000 and a current ratio of 1.5 times. The Group has sufficient bank credit facilities to meet working capital requirements and maintains ample financial resources to fund capital expenditures in the foreseeable future. The Group considers prudent cash flow management to be of paramount importance. To ensure adequate funding for business development, the Group continues to maintain sound banking relationships with multiple banks, enabling it to secure borrowings when required.

Capital Structure

As a listed company, the Group leverages the advantages of its financing platform to continuously optimise its capital and financing structure, with the aim of securing sufficient funding for future projects in the healthcare and geriatric care industries. During the period, the Group's business operations were primarily funded by internal resources. As at 30 June 2026, the number of issued shares of the Company was 6,058,772,027 shares. Equity attributable to shareholders of the Company amounted to approximately HK$1,669,229,000 (31 December 2025: approximately HK$1,659,983,000), total equity was approximately HK$1,752,888,000 (31 December 2025: approximately HK$1,753,719,000), and the net asset value per share attributable to equity shareholders was approximately HK$0.276 (31 December 2025: HK$0.274).

Capital Expenditure

For the six months ended 30 June 2026, the Group's capital expenditure was approximately HK$2,602,000 (corresponding period in 2025: HK$4,736,000), which was mainly due to the purchase of properties, plants and equipment.

Pledge of Assets

As at 30 June 2026, none of the Group's assets were pledged. As at 31 December 2025, the Group used properties under development in Canada as collateral for bank loans, with a total carrying amount of HK$397,620,000.

CONTINGENT LIABILITIES

As of 30 June 2026, the Group, as guarantor, had undertaken contingent liabilities in respect of bank financing granted to an associate, with the maximum amount being RMB14,400,000 (equivalent to approximately HK$16,579,000) (31 December 2025: RMB14,400,000 (equivalent to approximately HK$15,944,000)). The associate has utilized bank loans of approximately RMB5,696,000 (equivalent to approximately HK$6,558,000) under the guarantee provided by the Group (31 December 2025: RMB5,696,000 (equivalent to approximately HK$6,307,000)).

FOREIGN EXCHANGE RISK

The majority of the Group's subsidiaries operate in Mainland China, with most transactions denominated and settled in RMB. In preparing the Group's consolidated financial statements, fluctuations in the RMB exchange rate affect the Group's net asset value. An appreciation or depreciation of the RMB against HK$ would result in a corresponding increase or decrease in the Group's net asset value. In addition, the Group is exposed to foreign exchange risk in respect of other receivables and borrowings denominated in CAD. As of 30 June 2026, the Group had not entered into any arrangements or utilised any financial instruments to hedge against potential foreign exchange risks arising from currency fluctuations. Management will continue to monitor the relevant foreign exchange risks and will adopt appropriate hedging measures when necessary.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, the Group had a total of approximately 202 employees, comprising 86 males and 116 females (corresponding period in 2025: 180 employees, comprising 77 males and 103 females). For the six months ended 30 June 2026, the Group's total staff costs (including directors' remuneration) amounted to approximately HK$22,532,000 (corresponding period in 2025: approximately HK$22,427,000). The Group's remuneration policy is to determine employees' salaries with reference to prevailing market levels. In addition to basic salaries, employees are entitled to various benefits including medical insurance, mandatory provident fund contributions and PRC social insurance. To incentivise and reward employees, the Group has established a discretionary performance bonus scheme and a year end bonus scheme to encourage employees to enhance work performance and contribute to the Group's business development.

CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 of the Listing Rules for the six months ended 30 June 2026.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as the code of conduct regarding Directors' securities transactions. Having made specific enquiry, the Company confirmed that all the Directors have fully complied with the Model Code throughout the six months ended 30 June 2026.

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries, of the Company's listed securities (including sale of treasury shares) during the six months ended 30 June 2026. As of 30 June 2026, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The Audit Committee was established on 11 April 2002 with written terms of reference. The Board establishes formal and transparent arrangements for considering how it applies the financial reporting and internal control principles and for maintaining an appropriate relationship with the Company's auditors.

The members of the Audit Committee comprise four members, Mr. Tse Man Kit, Keith (Chairman of the Committee), Mr. Zhang Yun Zhou, Mr. Wu Yong Xin and Ms. Yang Xiao Yan, all of which are independent non-executive directors (including one independent non-executive director who possesses the appropriate professional qualifications or accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The Company's interim results for the six months ended 30 June 2026 have been reviewed by the Audit Committee of the Company.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The electronic version of this interim results announcement is published on the websites of the Company (http://www.bjhl.com.hk) and the Stock Exchange (www.hkexnews.hk).

The interim report of the Company for the six months ended 30 June 2026 will be despatched to the shareholders of the Company and published on the said websites in due course.

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

Hong Kong, 31 August 2026

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

* *For identification purpose only*