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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)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026

The board (the "Board") of directors (the "Directors") of China Health Group Limited (the "Company") would like to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2026 (the "Period"). These unaudited condensed consolidated interim financial statements have been reviewed by the Audit Committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2026

		Six months ended 30 September	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
REVENUE	*5*	**16,171**	19,610
Cost of goods sold/services rendered		**(15,264)**	(17,763)
GROSS PROFIT		**907**	1,847
Other income	*6*	**2**	344
Other gain, net	*6*	**–**	371
Selling and distribution expenses		**(2,172)**	(1,875)
Administrative expenses		**(13,235)**	(10,904)
Finance costs	*7*	**(58)**	(672)
LOSS BEFORE TAX		**(14,556)**	(10,889)
Income tax credit	*8*	**46**	50
LOSS FOR THE PERIOD	*9*	**(14,510)**	(10,839)
Other comprehensive income/(loss) after tax:			
Items that may be reclassified to profit or loss:			
Exchange differences reclassified to profit or loss on disposal of subsidiaries		**–**	410
Exchange differences on translating foreign operations		**1,600**	(169)
Other comprehensive income for the period, net of tax		**1,600**	241
Total comprehensive loss for the period		**(12,910)**	(10,598)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

For the six months ended 30 September 2026

		Six months ended 30 September	
		2026	2025
		HK$'000	*HK$'000*
	Notes	**(Unaudited)**	(Unaudited)
Loss for the period attributable to:			
Owners of the Company		**(14,212)**	(10,363)
Non-controlling interests		**(298)**	(476)
		(14,510)	(10,839)
Total comprehensive loss for the period attributable to:			
Owners of the Company		**(12,817)**	(10,172)
Non-controlling interests		**(93)**	(426)
		(12,910)	(10,598)
Loss per share attributable to owners of the Company	*10*		
Basic and diluted *(HK cents)*		**(1.02)**	(2.11)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2026

	Notes	**30 September 2026** ***HK$'000*** **(Unaudited)**	31 March 2026 *HK$'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**16,562**	16,939
Right-of-use assets		**1,365**	1,539
Goodwill		**9,658**	9,658
Prepayment		**9,864**	9,864
Total non-current assets		**37,449**	38,000
CURRENT ASSETS			
Inventories		**14,242**	11,445
Trade receivables	*11*	**17,613**	21,062
Prepayments, deposits and other receivables		**29,806**	39,498
Loan and interest receivables	*12*	**25,345**	24,642
Tax assets		**707**	954
Restricted cash		**1,430**	513
Cash and bank balances		**9,117**	21,442
Total current assets		**98,260**	119,556
CURRENT LIABILITIES			
Trade payables	*13*	**29,452**	30,482
Other payables and accruals	*14*	**48,178**	56,533
Contract Liabilities		**1,151**	656
Lease liabilities		**–**	310
Amount due to directors		**4,451**	4,451
Bank borrowings		**4,545**	4,282
Total current liabilities		**87,777**	96,714

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Continued)

As at 30 September 2026

	Notes	**30 September 2026** ***HK$'000*** **(Unaudited)**	31 March 2026 *HK$'000* (Audited)
NET CURRENT ASSETS		**10,483**	22,842
TOTAL ASSETS LESS CURRENT LIABILITIES		**47,932**	60,842
NET ASSETS		**47,932**	60,842
EQUITY			
Equity attributable to owners of the Company			
Share capital	*15*	**138,714**	138,714
Reserves		**(98,256)**	(85,439)
		40,458	53,275
Non-controlling interests		**7,474**	7,567
TOTAL EQUITY		**47,932**	60,842

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the six months ended 30 September 2026

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
NET CASH FLOWS (USED IN)/GENERATED FROM OPERATING ACTIVITIES	**(12,704)**	2,397
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**–**	(190)
NET CASH FLOWS (USED IN)/GENERATED FROM FINANCING ACTIVITIES	**(234)**	59,682
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(12,938)**	61,889
EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET	**613**	11
CASH AND CASH EQUIVALENTS AT 1 APRIL	**21,442**	1,121
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	**9,117**	63,021

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2026

	Attributable to owners of the Company									
	Share capital	Share premium*	Contributed surplus*	Foreign currency translation reserve*	Share options reserve*	Other reserve*	Accumulated losses*	Sub-total	Non-controlling interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2025 (Audited)	49,164	16,849	57,124	(13,249)	6,308	(10,304)	(113,555)	(7,663)	7,758	95
Loss for the period	–	–	–	–	–	–	(10,363)	(10,363)	(476)	(10,839)
Other comprehensive loss for the period										
Disposal of subsidiaries	–	–	–	410	–	–	–	410	–	410
Exchange differences related to foreign operations	–	–	–	(219)	–	–	–	(219)	50	(169)
Total comprehensive income/(loss) for the period	–	–	–	191	–	–	(10,363)	(10,172)	(426)	(10,598)
At 30 September 2025 (Unaudited)	49,164	16,849	57,124	(13,058)	6,308	(10,304)	(123,918)	(17,835)	7,332	(10,503)
At 1 April 2026 (Audited)	**138,714**	**33,963**	**57,124**	**(11,043)**	**6,308**	**(10,304)**	**(161,487)**	**53,275**	**7,567**	**60,842**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**(14,212)**	**(14,212)**	**(298)**	**(14,510)**
Other comprehensive loss for the period										
Exchange differences related to foreign operations	**–**	**–**	**–**	**1,395**	**–**	**–**	**–**	**1,395**	**205**	**1,600**
Total comprehensive income/(loss) for the period	**–**	**–**	**–**	**1,395**	**–**	**–**	**(14,212)**	**(12,817)**	**(93)**	**(12,910)**
At 30 September 2026 (Unaudited)	**138,714**	**33,963**	**57,124**	**(9,648)**	**6,308**	**(10,304)**	**(175,699)**	**40,458**	**7,474**	**47,932**

* These reserve amounts comprise the consolidated deficit in reserves of approximately HK$98,256,000 (31 March 2026: consolidated deficit of approximately HK$85,439,000) in the consolidated statement of financial position.

NOTE TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2026

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in Bermuda and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and principal place of business is located at Unit 801, 8/F., China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong.

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of Appendix D2 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The accounting policies and the basis of preparation adopted in the preparation of these interim condensed consolidated financial statements are consistent with those adopted in the annual consolidated financial statements of the Group for the year ended 31 March 2026, which have been prepared in accordance with HKFRS Accounting Standards (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. The unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRS Accounting Standards as issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2026. HKFRS Accounting Standards comprise Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's condensed consolidated financial statements and amounts reported for the current period and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRS Accounting Standards will not have material impact on the financial statements of the Group.

4. OPERATING SEGMENT INFORMATION

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

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

(i) Distribution and service in medical equipment and consumables; and

(ii) Hospital operation and management services.

The following is an analysis of the Group's revenue and results by operating segment for the six months ended 30 September 2026 and 2025.

	Distribution and service in medical equipment and consumables		**Hospital operation and management services**		**Total**	
	2026	2025	**2026**	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Segment revenue						
Revenue from external customers	**14,689**	15,551	**1,482**	4,059	**16,171**	19,610
Segment results	**(791)**	(1,257)	**(3,028)**	(3,264)	**(3,819)**	(4,521)
Reconciliation:						
Interest income and unallocated gains					**–**	140
Corporate and other unallocated expenses					**(10,737)**	(6,508)
Loss before tax					**(14,556)**	(10,889)

4. OPERATING SEGMENT INFORMATION (Continued)

The following tables are an analysis of the Group's assets as at 30 September 2026 and 31 March 2026:

	Distribution and service in medical equipment and consumables		Hospital operation and management services		Total	
	30 September 2026	31 March 2026	**30 September 2026**	31 March 2026	**30 September 2026**	31 March 2026
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)
SEGMENT ASSETS	**41,240**	84,667	**54,647**	24,041	**95,887**	108,708
Corporate and other unallocated assets					**39,822**	48,848
Total assets					**135,709**	157,556
SEGMENT LIABILITIES	**27,058**	38,971	**28,270**	26,869	**55,328**	65,840
Corporate and other unallocated liabilities					**32,449**	30,874
Total liabilities					**87,777**	96,714

Segment assets exclude other corporate assets as these assets are managed on a group basis.

Segment liabilities exclude corporate liabilities as these liabilities are managed on a group basis.

The following is an analysis of the Group's revenue from external customers presented by geographical location as below:

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
People's Republic of China ("PRC")	**16,171**	19,610

5. REVENUE

Revenue from the Group's principal activities, which is also the Group's revenue, represented the net invoiced value of goods sold and services rendered, net of allowances for returns, trade discounts and value-added tax. An analysis of the Group's revenue is as follows:

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue:		
Income from distribution and service in medical equipment and consumables	**14,689**	15,551
Income from provision of hospital operation and management services	**1,482**	4,059
	16,171	19,610

6. OTHER INCOME AND OTHER GAIN, NET

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
(i) Other Income		
Other interest income	**1**	140
Sundry income	**1**	204
	2	344
(ii) Other gain/(losses), net		
Loss on disposal of subsidiaries	**–**	(2,419)
Change in fair value of contingent consideration	**–**	2,863
Sundry loss	**–**	(73)
	–	371

7. FINANCE COSTS

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on lease liabilities	**2**	36
Interest on borrowing	**56**	636
	58	672

8. INCOME TAX CREDIT

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current Mainland China corporate income tax		
Provision for the year	**21**	–
Over-provision in prior year	**(67)**	(50)
	(46)	(50)

No provision for Hong Kong Profits Tax has been made in the unaudited condensed consolidated interim financial statements as the Group did not generate any assessable profits arising from Hong Kong for both periods.

According to the Corporate Income Tax Law of the People's Republic of China, the income tax rate for Mainland China subsidiaries is 25% (2025: 25%).

9. LOSS FOR THE PERIOD

The Group's loss for the period is stated after charging/(crediting) the following:

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Depreciation of right-of-use assets	**216**	120
Depreciation of property, plant and equipment	**534**	588
Legal and professional fee	**1,369**	3,372
Litigation losses	**6,424**	40
Interest income	**(1)**	(140)

10. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following:

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company, used in the basic loss per share calculation	**14,212**	10,363
Number of shares:	***'000***	*'000*
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	**1,387,138**	491,645

For the period ended 30 September 2026 and 30 September 2025, the outstanding share options had an anti-dilutive effect on the basic loss per share and were ignored in the calculation of diluted loss per share.

11. TRADE RECEIVABLES

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables arising from contracts with customers	**18,434**	21,839
Less: Allowance for credit loss	**(821)**	(777)
	17,613	21,062

The Group normally provides credit period to its customers maximum up to 180 days.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of impairment, is as follows:

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 90 days	**3,241**	8,963
91 – 180 days	**3,599**	3,618
over 180 days	**10,773**	8,481
	17,613	21,062

12. LOAN AND INTEREST RECEIVABLES

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Loan and interest receivables – unsecured	**75,239**	73,152
Less: Allowance for credit losses	**(49,894)**	(48,510)
	25,345	24,642

The Group's loan and interest receivables are recoverable as follows:

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one year or matured	**25,345**	24,642

The above loan and interest receivables are denominated in Renminbi ("RMB") and subject to the fulfilment of covenants specified in the related loan agreements. If the counterparties were to breach the covenants, the loan and interest receivables would become repayable on demand. As at 30 September 2026 and 31 March 2026, none of the covenants were breached.

Movement of loan and interest receivables is as follows:

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Beginning of the period	**24,642**	34,345
Repayment	**–**	(340)
Impairment charged for the year, net	**–**	(10,627)
Exchange realignment	**703**	1,264
End of the period	**25,345**	24,642

12. LOAN AND INTEREST RECEIVABLES (Continued)

The following table shows effective interest rate of various loan receivables of the Group:

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Fixed rate:	**7%**	7%
Loan receivables	**25,345**	24,642

13. TRADE PAYABLES

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables	**29,452**	30,482

The aging analysis of the trade payables as at the balance sheet date, based on the date of receipt of consumables or goods purchased, is as follows:

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one month	**3,339**	7,586
One to three months	**198**	533
Over three months but within 1 year	**5,588**	22,363
Over 1 year	**20,327**	–
	29,452	30,482

14. OTHER PAYABLES AND ACCRUALS

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Other payables	**33,370**	40,436
Accrued expenses	**14,808**	16,097
	48,178	56,533

15. SHARE CAPITAL

	Number of authorised shares	**Number of issued and fully paid shares**	**Amount**
	'000	*'000*	*HK$'000*
At 31 March 2026 (Audited), 1 April 2026, and 30 September 2026 (unaudited)	100,000,000	1,387,138	138,714

16. APPROVAL OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 27 November 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS REVIEW

For the six months ended 30 September 2026 (the "Period"), the Group reported revenue of approximately HK$16.2 million, representing a decrease as compared to approximately HK$19.6 million for the previous period. The revenue comprises (a) income from distribution and service in medical equipment and consumables of approximately HK$14.7 million (2025: HK$15.6 million); and (b) income from hospital operation and management services of approximately HK$1.5 million (2025: HK$4.1 million). The Group reported gross profit of approximately HK$0.9 million as compared to approximately HK$1.8 million for the previous period.

The Group's loss attributable to shareholders for the Period was approximately HK$14.2 million as compared to approximately HK$10.4 million for the previous period. Basic loss per share for the Period was HK1.02 cents (2025: HK2.11 cents).

REVIEW OF BUSINESS OPERATIONS

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

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

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

(a) Medical equipment and consumables distribution and service business

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

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

Under the second national medical and healthcare reforms in the PRC which has significantly reshaped the operating environment for the medical industry, the Group strategically realigned its product portfolio, focusing on (i) diversification into new surgical fields; (ii) reinforcing the sales of existing products with more favourable margins; and (iii) leveraging its established strength in cardiovascular product distribution. The Group has also distributed cryoablation needles used in tumour surgery, representing its first entry into the oncology-related surgical segment. The Group also plans to participate in cardiac pacemaker and other new cardiovascular products. The product mix has shifted toward wider surgical applications and high-turnover consumables required by the hospitals. The Group will continue to expand its sales agency business for human vaccine products in the Beijing market, including promotion services in Beijing market for AIM Vaccine, Ab&B Bio-Tech's influenza vaccine, Minhai Biological's hepatitis B vaccine and North China Pharmaceutical Group's Ormutivimab.

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

The Group recorded revenue of approximately HK$14.7 million (2025: HK$15.6 million), representing a decrease of 6% as compared with the previous period. The loss was approximately HK$0.8 million (2025: HK$1.3 million) during the Period.

(b) Hospital operation and management services business

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

In view of the increasingly intense competition in the local medical market and the hospital's limitations in advanced medical equipment, Anping Hospital has been striving to achieve business transformation, shifting from medical treatment-focused services to community-based comprehensive health management services. During the Period, in response to changes in market supply and demand as well as adjustments in medical insurance policies, the hospital suspended its inpatient services, resulting in a decrease in revenue for the Period. At the same time, it took this opportunity to streamline costs and focus resources on strengthening general outpatient services and day surgery, with a key focus on developing service offerings such as health check-ups, traditional Chinese medicine, pain management, and rehabilitation, in order to meet the growing demand for preventive and rehabilitative care driven by an aging population and evolving healthcare policies.

Building on its existing departments, Anping Hospital will further optimize staffing, reduce costs, and enhance efficiency. Concurrently, it will seek external collaborations to introduce new service programs and cultivate specialized departments, aiming to boost revenue and profitability and emerge from its operational trough as soon as possible.

The Group recorded revenue from hospital operation of approximately HK$1.5 million (2025: HK$4.1 million) and loss of approximately HK$3.0 million (2025: HK$3.3 million) during the Period.

ACTIONS TAKEN TO RECOVER THE LOAN AND INTEREST RECEIVABLES

During the Period, the Group has taken actions to recover certain loan and interest receivables of the Group as detailed below:

(a) Shuangluan Hospital

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

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

As at 30 September 2026, the outstanding balance (before allowance for credit losses) from Shuangluan Hospital is approximately RMB46.5 million (equivalent to approximately HK$54.2 million) (31 March 2026: RMB46.5 million, equivalent to approximately HK$52.7 million).

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

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

2. The other litigation claims of the Company are dismissed.

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

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

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

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

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

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

On 5 September 2025, 中衛國際諮詢（深圳）有限公司 (Zhongwei International Consulting (Shenzhen) Co., Ltd, "Zhongwei International"), a subsidiary of the Company, initiated legal proceedings against Mingcheng Wangda at the People's Court of Nanshan District, Shenzhen City, the PRC (the "Nanshan Court") for the recovery of the Loans. The litigation was accepted and registered at the Nanshan Court on 9 September 2025.

As at 30 September 2026, all the loans (the "Loans") (before allowance for credit losses), including the Initial Loan, the Additional Loans and the Shareholder's Loans, are due and payable in an aggregate amount of approximately RMB12.3 million (equivalent to approximately HK$14.3 million) (31 March 2026: RMB12.3 million, equivalent to approximately HK$13.9 million).

Zhongwei International has received the civil judgment dated 8 October 2026 from the Nanshan Court ("Mingcheng Wangda Civil Judgment"). The judgment of the Nanshan Court is as follows:

1. Mingcheng Wangda shall, within ten days after the judgment under the Mingcheng Wangda Civil Judgment takes effect, repay to Zhongwei International the outstanding principal amount of the loan of RMB12,300,000, outstanding interest of RMB3,369,098.91 up to 15 August 2025 together with interest thereon (calculated on the basis of RMB9,500,000 from 16 August 2025 until the date of full repayment of the loan at an annual interest rate of 14.6%; and calculated on the basis of RMB2,800,000 from 16 August 2025 until the date of full repayment of the loan at an annual interest rate of 14.2%);

2. The other litigation claims of Zhongwei International are dismissed.

Mingcheng Wangda did not file the appeal to the judgment and the Mingcheng Wangda Civil Judgment has been effective from 30 October 2026.

(c) Beijing Jimuyun Health Technology Company Limited

北京極目雲健康科技有限公司 (Beijing Jimuyun Health Technology Company Limited, "Jimuyun") is a developer of hospital management system which was supplied to Shuangluan Hospital and Anping Hospital. The Group granted loans of RMB4 million to Jimuyun in 2017. As at 30 September 2026, the loan with principal amount (before allowance for credit losses) of approximately RMB3.5 million (equivalent to approximately HK$4.1 million) (31 March 2026: RMB3.5 million, equivalent to approximately HK$4.0 million) and accrued interest (before allowance for credit losses) of approximately RMB1.3 million (equivalent to approximately HK$1.5 million) (31 March 2026: RMB1.3 million, equivalent to approximately HK$1.4 million) remained outstanding.

The Group has been maintaining close communications with the relevant parties in monitoring the recovery process. Based on the latest information available from Jimuyun, Jimuyun is actively seeking potential fund raising through various channels. The Group will continue to liaise with the relevant parties on the repayment plan for the loan.

MATERIAL ACQUISITIONS AND DISPOSALS

There were no material acquisitions and disposals during the Period.

SIGNIFICANT INVESTMENT

In March 2026, the Company entered into a limited partnership agreement to subscribe for an interest in Tyrian Purple, L.P. (the "Fund") as a Limited Partner. The Fund is an exempted limited partnership registered in the Cayman Islands, with a core focus on private equity investments in the healthcare and life sciences sector. The General Partner and Investment Manager of the Fund are CDH China HF Holdings Company Limited and CDH Wealth Management Company Limited respectively. The Company's total committed and paid-up capital contribution to the Fund shall not exceed the Japanese Yen equivalent of HK$10 million (the "Contribution Amount"). The subscription of the Fund was not yet completed as at the date of this announcement. As at 30 September 2026, the Fund with carrying value of approximately HK$9.9 million (31 March 2026: HK$9.9 million) was classified as "Prepayment" in the Consolidated Statement of Financial Position of the Company.

Save as disclosed above, the Group had no other significant investment of carrying value of 5% or more of the total assets as at 30 September 2026.

FUND RAISING ACTIVITIES

There was no fund raising activity during the Period.

UPDATE ON USE OF PROCEEDS

On 2 February 2026, the Company and Riheng HK Limited, which is wholly owned by Zhang Xiaoling (an independent third party of the Company), entered into the subscription agreement in relation to subscription of 48,000,000 subscription shares at a subscription price of HK$0.53 per subscription share, representing a discount of approximately 13.11% to the closing price of HK$0.61 per share as quoted on the Stock Exchange on 2 February 2026. The gross proceeds and the net proceeds (after deduction of related expenses) from the subscription were approximately HK$25.4 million and HK$25.3 million respectively. On such basis, the net issue price was approximately HK$0.526 per subscription share.

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

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

As at date of this announcement, the net proceeds were utilised (i) as to approximately HK$10 million for subscription of the Fund as intended; and (ii) as to approximately HK$7.2 million as the general working capital of the Group as intended. It is planned that the remaining proceeds of approximately HK$8.1 million will be used as intended by end of 2026.

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

LIQUIDITY AND CAPITAL RESOURCES

During the Period, the Group mainly financed its day-to-day operations through its existing cash and bank balances.

As at 30 September 2026, the Group's cash and cash equivalents amounted to approximately HK$9.1 million (31 March 2026: HK$21.4 million). As at 30 September 2026, the current assets and net current assets of the Group are approximately HK$98.3 million (31 March 2026: HK$119.6 million) and HK$10.5 million (31 March 2026: HK$22.8 million) respectively, representing a current ratio of 1.12 (31 March 2026: 1.24).

As at 30 September 2026, the Group has certain bank loans, which were denominated in Renminbi, amounting to approximately RMB3.9 million (equivalent to HK$4.5 million) (31 March 2026: RMB3.8 million, equivalent to HK$4.3 million). The loans carried interest at the loan prime rate (LPR) minus 50 basis points (0.01% per basis point) and were repayable on demand.

As at 30 September 2026, the gearing ratio was 0.03 (31 March 2026: 0.03), calculated as bank borrowings of approximately HK$4.5 million (31 March 2026: HK$4.3 million) (representing debts owed by the Group) divided by total assets of the Group of approximately HK$135.7 million (31 March 2026: HK$157.6 million).

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

CONTINGENT LIABILITIES

As at 30 September 2026, there were no material contingent liabilities of the Group (31 March 2026: nil).

CHARGE ON GROUP'S ASSETS

As at 30 September 2026, there were no charges on the Group's assets (31 March 2026: nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2026, the Group employed 74 employees (31 March 2026: 111). The total staff cost including Directors' emoluments was approximately HK$7.5 million as compared to approximately HK$8.2 million for the previous period. The Group continues to review remuneration packages of employees with reference to the level and composition of pay, the general market condition and individual performance. Staff benefits include contributions to the defined contribution retirement plans and a discretionary bonus payment which is linked to the profit performance of the Group and individual performance. Share option schemes have also been established for employees of the Group. No share options were granted, lapsed or cancelled during the Period. There were 20,836,466 outstanding share options as at 30 September 2026.

FUTURE PROSPECTS

In the coming years, the Company will continuously explore the frontiers of cutting-edge science. Through independent research and development as well as collaborative introductions, we aim to progressively establish a multi-omics-based platform for early disease screening, early diagnosis, and health monitoring; a stem cell technology-based multi-organ anti-aging technology platform; and an AI-driven platform for novel drug discovery. Through these initiatives, we will steadily solidify our sustainable innovation capabilities and profitability.

DIVIDEND

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company has complied with the Corporate Governance Code (the "Code") as set out in Appendix C1 of the Listing Rules throughout the Period.

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

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

AUDIT COMMITTEE

The audit committee of the Company has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including review of the unaudited interim financial statements for the six months ended 30 September 2026.

On behalf of the Board
China Health Group Limited
Cao Xu
Chairman of the Board and Executive Director

Hong Kong, 27 November 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. Wu Hui, Mr. Li Hongyi and Ms. Jiang Li.