

(A joint stock limited liability company)

# 2025

## ANNUAL REPORT





## Corporate Information

B O A R D O F D I R E C T O R S

### Executive Directors

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## Corporate Information

Parent Company: Wenzhou Kangning Hospital Co., Ltd.

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248 Q. R. E.,  
W.,  
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## Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. (the "Company"), I hereby submit to you the 2025 Annual Report of the Company, which covers the period from January 1, 2025, to December 31, 2025.

In 2025, the Company continued to adhere to its corporate strategy and business model, focusing on the development of its core business and the expansion of its market. The Company's operating performance was stable, and its financial situation remained sound. The Company's revenue and profit both showed a steady upward trend, reflecting the Company's strong operational capabilities and market competitiveness. The Company also continued to invest in research and development, and the introduction of new products and services, which has further enhanced the Company's core competitiveness and market influence.

2025, the Company's revenue increased by 10% compared with the same period last year, and the profit increased by 15%. The Company's operating performance was stable, and its financial situation remained sound. The Company's revenue and profit both showed a steady upward trend, reflecting the Company's strong operational capabilities and market competitiveness. The Company also continued to invest in research and development, and the introduction of new products and services, which has further enhanced the Company's core competitiveness and market influence.

In the future, the Company will continue to adhere to its corporate strategy and business model, focusing on the development of its core business and the expansion of its market. The Company will continue to invest in research and development, and the introduction of new products and services, which has further enhanced the Company's core competitiveness and market influence.

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A. 27, 2026

## Management Discussion and Analysis

### Business Overview

#### Psychiatric Specialized Medical Service Industry and Elderly Healthcare Industry in China

##### Psychiatric Specialized Medical Service Industry

According to the "China Mental Health Industry Development Report (2023)", the mental health industry in China has shown rapid growth in recent years. The total market size of the mental health industry in China is estimated to reach 10.6 billion yuan by 2025, with a compound annual growth rate of 10.6%. The industry is expected to continue to expand and mature, driven by the increasing awareness of mental health and the growing demand for psychiatric services. The market is currently dominated by public hospitals, but private hospitals are also emerging and competing for market share. The industry is facing challenges such as a shortage of professional talent and uneven distribution of resources, but also has significant opportunities for development. The government has implemented various policies to support the development of the mental health industry, including increasing funding and strengthening regulation. The industry is expected to play an increasingly important role in the healthcare system in the future.

##### Elderly Healthcare Industry

The elderly healthcare industry in China is also experiencing rapid growth. According to the "China Elderly Healthcare Industry Development Report (2023)", the total market size of the elderly healthcare industry in China is estimated to reach 60 billion yuan by 2025, with a compound annual growth rate of 23%. The industry is expected to continue to expand and mature, driven by the aging population and the growing demand for elderly healthcare services. The market is currently dominated by public hospitals, but private hospitals are also emerging and competing for market share. The industry is facing challenges such as a shortage of professional talent and uneven distribution of resources, but also has significant opportunities for development. The government has implemented various policies to support the development of the elderly healthcare industry, including increasing funding and strengthening regulation. The industry is expected to play an increasingly important role in the healthcare system in the future.

## Management Discussion and Analysis

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# Management Discussion and Analysis

## Business Review

In 2025, the company continued to adhere to the corporate strategy of "Quality First, Innovation Driven, and Sustainable Development". The company focused on enhancing its core competitiveness, strengthening its research and development capabilities, and improving its operational efficiency. The company's overall performance remained stable, with significant achievements in key areas. The company's revenue and profit both showed a steady upward trend, reflecting the company's strong market position and robust financial health.

During the reporting period, the company's operating income reached RMB1,619.8 million, an increase of 2.1% compared to RMB1,448.7 million in 2024. The company's net profit reached RMB54.4 million, an increase of 17.1% compared to RMB46.4 million in 2024. The company's operating profit reached RMB1,448.7 million, an increase of 4.6% compared to RMB1,385.2 million in 2024. The company's total assets reached RMB1,150.8 million, an increase of 11,508 (D. 31, 2024: 11,508).

The company's main business is the provision of medical services, including hospitalization, outpatient, and emergency services.

The company's revenue is primarily derived from medical services, including hospitalization, outpatient, and emergency services. The company's revenue is highly dependent on the number of patients and the quality of medical services. The company has a strong reputation in the industry, and its medical services are highly valued by patients. The company's revenue is expected to continue to grow in the future, driven by its strong market position and robust financial health.

## Management Discussion and Analysis

As at December 31, 2025, the Group has 26 hospitals, 16 nursing homes and 10 nursing stations. As at December 31, 2025:

	As at December 31, 2025		As at December 31, 2024	
	Number of facilities	Number of beds in operation	Number of facilities	Number of beds in operation
Nursing Home	16	6,580	15	6,770
Nursing Station	10	2,128	10	2,158
<b>Total</b>	<b>26</b>	<b>8,708</b>	<b>25</b>	<b>8,928</b>

### Employee Health Insurance

As at December 31, 2025, the Group has 26 hospitals, 16 nursing homes and 10 nursing stations. As at December 31, 2025, the Group has 7 hospitals and 1 hospital. As at December 31, 2025:

	As at December 31, 2025		As at December 31, 2024	
	Number of facilities	Number of beds in operation	Number of facilities	Number of beds in operation
Wenling Hospital	6	2,630	6	2,580
Huangyan Hospital	1	170	1	170
<b>Total</b>	<b>7</b>	<b>2,800</b>	<b>7</b>	<b>2,750</b>

## Management Discussion and Analysis

### Business Highlights

In 2025, the company continued to adhere to the strategy of "Quality First, Innovation Driven, and Digital Transformation". It focused on enhancing the core competitiveness of its products and services, strengthening R&D capabilities, and accelerating digital transformation. The company achieved significant progress in various key areas, including product innovation, market expansion, and operational efficiency.

The company's R&D investment remained stable, with a focus on high-quality projects. It successfully launched several new products, including AI-powered diagnostic tools and smart medical devices. The company also strengthened its cooperation with leading universities and research institutions, promoting the application of cutting-edge technologies in the medical field.

The company's production and sales performance showed a steady upward trend. The production capacity of the main products was significantly improved, and the quality control system was further optimized. In terms of sales, the company expanded its market share in both domestic and international markets. Key indicators include: Total Sales (尖兵) increased by 15%, R&D Investment (領雁) reached 30 million yuan, and the number of patents applied for reached 22. The company also achieved 45 SCI citations and 1 major award.

The company's financial performance remained stable, with a focus on cost control and efficiency improvement. The operating profit margin was maintained at a high level, and the company's financial risk was effectively managed. The company also actively participated in social responsibility activities, contributing to the community and the environment. Key indicators include: Operating Profit Margin (S) increased by 2%, R&D Investment (G) reached 30 million yuan, and the company achieved 45 SCI citations and 1 major award.

## Management Discussion and Analysis

### Business Outlook

本公司2025年经营目标如下：

(一) 营业收入目标：2023年营业收入为1.2亿元，2024年营业收入目标为1.5亿元，2025年营业收入目标为1.8亿元。净利润目标：2023年净利润为0.2亿元，2024年净利润目标为0.3亿元，2025年净利润目标为0.4亿元。毛利率目标：2023年毛利率为16.7%，2024年毛利率目标为20%，2025年毛利率目标为22.2%。

(二) 研发投入目标：2023年研发投入为0.1亿元，2024年研发投入目标为0.15亿元，2025年研发投入目标为0.2亿元。研发投入占营业收入比例目标：2023年为8.3%，2024年为10%，2025年为11.1%。

(三) 人才引进目标：2023年引进高层次人才10人，2024年引进高层次人才15人，2025年引进高层次人才20人。高层次人才占比目标：2023年为10%，2024年为15%，2025年为20%。

此外，

2026年，公司将继续加大研发投入，力争在核心技术领域取得突破。同时，公司将进一步优化产品结构，提升产品竞争力。在人才引进方面，公司将持续引进高层次人才，提升公司整体技术水平。此外，公司还将积极拓展海外市场，提升品牌影响力。2026年营业收入目标为2.2亿元，净利润目标为0.5亿元，毛利率目标为22.7%。研发投入目标为0.25亿元，研发投入占营业收入比例目标为11.4%。高层次人才引进目标为25人，高层次人才占比目标为25%。

## Management Discussion and Analysis

### Financial Review

Total revenue increased by RMB1,619.8 million in 2025, up 4.6% from RMB1,448.7 million in 2024. Operating revenue increased by RMB1,448.7 million, up 25.8% (2024: 25.9%), driven by an increase in revenue from operating owned hospitals of RMB419.1 million, up 4.4% (2024: 17.1%). Revenue from other healthcare related business increased by RMB54.4 million (2024: RMB99.6 million), and other revenue not related to healthcare business increased by RMB340.3 million (2024: RMB440.0 million).

### Revenue from operating owned hospitals

Total revenue from operating owned hospitals was RMB1,448.7 million in 2025, up 25.8% from RMB1,109.6 million in 2024. The increase was primarily due to an increase in revenue from inpatient services, which rose by RMB340.3 million (2024: RMB440.0 million).

Total revenue from operating owned hospitals was RMB1,448.7 million in 2025, up 25.8% from RMB1,109.6 million in 2024.

	For the year ended	
	December 31, 2025	2024
	(RMB'000)	(RMB'000)
Revenue from operating owned hospitals	1,448,706	1,517,773
Revenue from other healthcare related business	1,019,941	1,055,907
Other revenue not related to healthcare business	428,765	461,866
Revenue from other healthcare related business	168,501	135,921
Other revenue not related to healthcare business	2,577	595
<b>Total revenue</b>	<b>1,619,784</b>	<b>1,654,289</b>

## Management Discussion and Analysis

Revenue from operating owned hospitals is primarily derived from the following components:

Revenue from operating owned hospitals (Billing Revenue) is primarily derived from the following components: Inpatient services, Outpatient services, and Diagnostic services. The following table provides a breakdown of the components of Billing Revenue for the year ended December 31, 2025 and 2024.

The following table provides a breakdown of the components of Billing Revenue for the year ended December 31, 2025 and 2024:

	For the year ended December 31,	
	2025	2024
	(RMB'000)	(RMB'000)
<b>Billing Revenue from owned hospitals</b>	<b>1,479,027</b>	1,582,054
Inpatient services	1,047,554	1,107,269
Outpatient services	431,473	474,785
Less: Variable considerations	30,321	64,281
<b>Revenue from operating owned hospitals – net</b>	<b>1,448,706</b>	1,517,773

Revenue from operating owned hospitals (Billing Revenue) for the year ended December 31, 2025, was RMB1,479.0 million, an increase of 6.5% from RMB1,390.0 million for the year ended December 31, 2024. The increase was primarily due to an increase in inpatient services revenue of RMB30.3 million (2024: RMB34.0 million) and outpatient services revenue of RMB138.7 million (2024: RMB130.8 million). The increase in outpatient services revenue was primarily due to an increase in the number of outpatient visits of 2.1% (2024: 4.1%).

## Management Discussion and Analysis

Table 10-1: Comparison of Billing Revenue from Psychiatric and Elderly Healthcare Business (RMB'000)

	For the year ended December 31,	
	2025 (RMB'000)	2024 (RMB'000)
<b>Billing Revenue from psychiatric healthcare business</b>	<b>1,047,554</b>	1,107,269
Contract revenue	712,285	745,959
Government grants	335,269	361,310
<b>Billing Revenue from elderly healthcare business</b>	<b>431,473</b>	474,785
Contract revenue	362,640	379,458
Government grants	68,833	95,327

During the reporting period, the total billing revenue from psychiatric and elderly healthcare business was RMB1,479.0 million, an increase of RMB103.0 million (7.1%) compared to 2024. The increase was primarily driven by the growth in contract revenue from psychiatric healthcare business, which rose from RMB745,959 thousand in 2024 to RMB712,285 thousand in 2025. Additionally, government grants for elderly healthcare business decreased from RMB95,327 thousand in 2024 to RMB68,833 thousand in 2025, contributing to a 11.5% decrease in total revenue from this category.

## Management Discussion and Analysis

The following table shows the revenue breakdown of the hospital's business segments for the year ended December 31, 2025 and 2024.

### Psychiatric healthcare business

	For the year ended December 31,	
	2025	2024
<b>Inpatients</b>		
Inpatient bed-days	8,708	8,928
Revenue	3,178,420	3,267,648
Unit price (%)	91.4	88.4
Number of inpatients	2,904,367	2,889,163
Total inpatient revenue (RMB'000)	791,185	844,076
Average inpatient spending per bed-day (RMB)	272	292
Pharmaceutical sales revenue (RMB'000)	87,657	89,656
Other revenue (RMB)	30	31
<b>Total inpatient revenue (RMB'000)</b>	<b>878,842</b>	<b>933,732</b>
<b>Total average inpatient spending per bed-day (RMB)</b>	<b>303</b>	<b>323</b>
<b>Outpatients</b>		
Number of outpatients	657,802	474,581
Total outpatient revenue (RMB'000)	43,256	45,078
Average outpatient spending per visit (RMB)	66	95
Pharmaceutical sales revenue (RMB'000)	125,456	128,459
Other revenue (RMB)	191	271
<b>Total outpatient revenue (RMB'000)</b>	<b>168,712</b>	<b>173,537</b>
<b>Total average outpatient spending per visit (RMB)</b>	<b>257</b>	<b>366</b>
<b>Total treatment and general healthcare services revenue (RMB'000)</b>	<b>834,441</b>	<b>889,154</b>
<b>Total pharmaceutical sales revenue (RMB'000)</b>	<b>213,113</b>	<b>218,115</b>

## Management Discussion and Analysis

During the reporting period, the company's operating income was RMB878.8 million, an increase of 5.9% compared with 2024. The company's operating profit was RMB168.7 million, an increase of 2.8% compared with 2024. The company's net profit attributable to shareholders was RMB168.7 million, an increase of 2.8% compared with 2024. The company's basic earnings per share was 0.161 yuan, an increase of 16.1% (2024: 15.7%) compared with 2024. The company's diluted earnings per share was 0.161 yuan, an increase of 16.1% (2024: 15.7%) compared with 2024. The company's return on assets was 6.2% (2024: 5.9%), and the return on equity was 83.9% (2024: 84.3%).

During the reporting period, the company's operating income was RMB168.7 million, an increase of 2.8% compared with 2024. The company's operating profit was RMB168.7 million, an increase of 2.8% compared with 2024. The company's net profit attributable to shareholders was RMB168.7 million, an increase of 2.8% compared with 2024. The company's basic earnings per share was 0.161 yuan, an increase of 16.1% (2024: 15.7%) compared with 2024. The company's diluted earnings per share was 0.161 yuan, an increase of 16.1% (2024: 15.7%) compared with 2024. The company's return on assets was 6.2% (2024: 5.9%), and the return on equity was 83.9% (2024: 84.3%).

During the reporting period, the company's operating income was RMB168.7 million, an increase of 2.8% compared with 2024. The company's operating profit was RMB168.7 million, an increase of 2.8% compared with 2024. The company's net profit attributable to shareholders was RMB168.7 million, an increase of 2.8% compared with 2024. The company's basic earnings per share was 0.161 yuan, an increase of 16.1% (2024: 15.7%) compared with 2024. The company's diluted earnings per share was 0.161 yuan, an increase of 16.1% (2024: 15.7%) compared with 2024. The company's return on assets was 6.2% (2024: 5.9%), and the return on equity was 83.9% (2024: 84.3%).

## Management Discussion and Analysis

### Elderly healthcare business

	For the year ended	
	December 31, 2025	2024
<b>Inpatients</b>		
Inpatient bed days	2,800	2,580
Number of inpatient beds	1,022,000	944,280
Occupancy rate (%)	89.6	96.1
Number of inpatient discharges	916,061	907,255
Total inpatient charges (RMB'000)	316,454	346,074
Average inpatient charges per bed-day (RMB)	346	382
Number of inpatient discharges (RMB'000)	92,910	93,599
Average inpatient charges per discharge (RMB)	101	103
<b>Total inpatient revenue (RMB'000)</b>	<b>409,364</b>	<b>439,673</b>
<b>Total average inpatient spending per bed-day (RMB)</b>	<b>447</b>	<b>485</b>
<b>Outpatients</b>		
Number of outpatient visits	62,353	83,661
Total outpatient charges (RMB'000)	9,812	15,632
Average outpatient charges per visit (RMB)	157	187
Number of outpatient discharges (RMB'000)	12,297	19,480
Average outpatient charges per discharge (RMB)	197	233
<b>Total outpatient revenue</b>		

## Management Discussion and Analysis

Direct operating expenses for the year ended December 31, 2024, were RMB409.4 million, an increase of 6.9% from RMB383.2 million in 2023. Indirect operating expenses for the year ended December 31, 2024, were RMB10.5 million, an increase of 7.8% from RMB9.7 million in 2023. Total operating expenses for the year ended December 31, 2024, were RMB419.9 million, an increase of 94.9% (2024: 92.6%) from RMB215.3 million in 2023.

Direct operating expenses for the year ended December 31, 2024, were RMB22.1 million, an increase of 37.0% from RMB16.1 million in 2023. Indirect operating expenses for the year ended December 31, 2024, were RMB1.5 million, an increase of 15.5% from RMB1.3 million in 2023. Total operating expenses for the year ended December 31, 2024, were RMB23.6 million, an increase of 5.1% (2024: 7.4%) from RMB22.4 million in 2023.

Direct operating expenses for the year ended December 31, 2024, were RMB9.8 million, an increase of 9.8% from RMB8.9 million in 2023. Indirect operating expenses for the year ended December 31, 2024, were RMB1.0 million, an increase of 75.6% (2024: 76.2%), from RMB0.6 million in 2023. Total operating expenses for the year ended December 31, 2024, were RMB10.8 million, an increase of 7.0% from RMB10.1 million in 2023. Direct operating expenses for the year ended December 31, 2024, were RMB24.4 million (2024: 23.8%), an increase of 2.5% from RMB23.8 million in 2023. Indirect operating expenses for the year ended December 31, 2024, were RMB2.7 million (2024: 21.3%), an increase of 22.7% (2024: 21.3%) from RMB2.2 million in 2023. Total operating expenses for the year ended December 31, 2024, were RMB27.1 million (2024: 25.1%), an increase of 7.9% (2024: 7.9%) from RMB25.1 million in 2023.

Cost of revenue of owned hospitals for the year ended December 31, 2024, was RMB1,074,925,000, an increase of 7.8% from RMB1,000,000,000 in 2023. Cost of revenue of leased hospitals for the year ended December 31, 2024, was RMB1,125,417,000, an increase of 15.5% from RMB975,000,000 in 2023.

	For the year ended	
	December 31, 2025	2024
	(RMB'000)	(RMB'000)
Personnel	300,340	340,120
Energy	472,192	464,874
Depreciation	105,477	127,032
Cost of materials	67,903	68,571
Taxes	10,700	16,112
Others	118,313	108,708
<b>Cost of revenue of owned hospitals</b>	<b>1,074,925</b>	<b>1,125,417</b>

## Management Discussion and Analysis

During the reporting period, the Group's total revenue was RMB1,074.9 million, an increase of 4.5% compared with 2024. In 2025, the Group's total revenue was RMB1,074.9 million, an increase of 4.5% compared with 2024. In 2024, the Group's total revenue was RMB1,028.6 million, an increase of 11.7% compared with 2023. In 2023, the Group's total revenue was RMB920.7 million, an increase of 1.6% compared with 2022. In 2022, the Group's total revenue was RMB905.6 million, an increase of 17.0% compared with 2021.

For the year ended December 31, 2025, the Group's operating profit was RMB279.0 million, a decrease of 27.9% (2024: 30.2%). Total profit was RMB43.9 million, a decrease of 43.9% (2024: 41.3%). Total comprehensive income was RMB9.8 million, a decrease of 9.8% (2024: 11.3%).

Revenue from the other healthcare related business was RMB168.5 million, an increase of 86.0% (2024: RMB90.1 million). Total revenue from the other healthcare related business was RMB107.4 million, an increase of 19.3% (2024: RMB90.1 million). Total revenue from the other healthcare related business was RMB107.4 million, an increase of 19.3% (2024: RMB90.1 million).

Items	For the year ended December 31,	
	2025 (RMB'000)	2024 (RMB'000)
Revenue from the other healthcare related business	107,370	90,138
Revenue from the other healthcare related business	2,369	2,970
Revenue from the other healthcare related business	36,812	16,137
Other	21,950	26,676
<b>Revenue from the other healthcare related business</b>	<b>168,501</b>	<b>135,921</b>

Other revenue from the other healthcare related business was RMB2.6 million, a decrease of 99.9% (2024: RMB0.6 million).

## Management Discussion and Analysis

### Gross Profit Margin

During the reporting period, the gross profit margin of the Company was 26.5% (2024: 25.9%), an increase of 0.6 percentage points. The increase was primarily due to the increase in the gross profit margin of the Hospital, which was 26.5% (2024: 25.9%), an increase of 0.6 percentage points. The increase was primarily due to the increase in the gross profit margin of the Hospital, which was 26.5% (2024: 25.9%), an increase of 0.6 percentage points.

	For the year ended December 31,	
	2025	2024
Operating Profit Margin	25.8%	25.9%
Pre-tax Profit Margin	30.2%	29.4%
Net Profit Margin	15.4%	17.8%
Operating Profit Margin	26.5%	33.7%
<b>Consolidated gross profit margin</b>	<b>25.9%</b>	<b>26.5%</b>

During the reporting period, the gross profit margin of the Company was 25.9% (2024: 26.5%), a decrease of 0.6 percentage points.

### Total Sales

During the reporting period, the total sales of the Company were RMB11.2 billion (2024: RMB12.3 billion), a decrease of RMB1.1 billion.

### Sales Expenses

During the reporting period, the sales expenses of the Company were RMB7.7 billion (2024: RMB10.0 billion), a decrease of RMB2.3 billion. The decrease was primarily due to the decrease in the sales expenses of the Hospital, which was 0.5% (2024: 0.7%).

## Management Discussion and Analysis

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For the year ended  
December 31,  
2025

## Management Discussion and Analysis

During the reporting period, the Company's operating income was RMB30.1 million (2024: RMB36.5 million), a decrease of 17.5%. The Company's operating profit was RMB2.1 million (2024: 2.4 million).

The Company's operating profit margin was 6.98% (2024: 6.58%).

The Company's operating profit margin decreased by 0.4 percentage points compared to the same period last year, mainly due to the decrease in operating income. The Company's operating profit margin is still relatively stable, indicating that the Company's operating performance is still relatively stable.

	For the year ended	
	December 31,	
	2025	2024
	(RMB'000)	(RMB'000)
Interest expense	-842	-3,123
Financial income	30	157
Business income	27,289	33,143
Interest income	11,522	

## Management Discussion and Analysis

Intangible Assets

Other Intangible Assets

	For the year ended December 31,	
	2025 (RMB'000)	2024 (RMB'000)
Software	-1,464	-1,089
Goodwill	4,804	1,844
Intangible Assets	12	0
	<b>3,352</b>	<b>755</b>

Development of Research and Innovation, RMB3.4 million.

Capital Expenditure

Development of Research and Innovation, RMB6.6 million (2024: RMB26.5 million).

Acquisition of Intangible Assets

Development of Research and Innovation, RMB25.5 million (2024: RMB16.5 million), RMB14.0 million (2024: RMB11.5 million).



## Management Discussion and Analysis

### Financial Position

#### Assets

As of December 31, 2025, the total assets of the Company were RMB46.0 million (December 31, 2024: RMB50.6 million), an increase of 9.2% from the end of 2024.

#### Assets under Administration

As of December 31, 2025, the total assets under administration of the Company were RMB462.9 million (December 31, 2024: RMB571.8 million), a decrease of 19.0% from the end of 2024. The decrease was primarily due to the expiration of the term of the assets under administration and the completion of the liquidation process.

The Company's Return on Assets (ROA) was 58% in 2025, compared to 54% in 2024.

#### Operating Receivables and Payables

As of December 31, 2025, the total operating receivables of the Company were RMB93.6 million (December 31, 2024: RMB96.1 million).

#### Long-term Equity Investment

As of December 31, 2025, the total long-term equity investment of the Company was RMB95.9 million (December 31, 2024: RMB99.4 million).

#### Other Non-current Assets, Financial Assets

As of December 31, 2025, the total other non-current assets, financial assets of the Company were RMB28.1 million (December 31, 2024: RMB36.8 million). The decrease was primarily due to the completion of the liquidation process of the Chongqing Jintu Medical Health Service Industry Equity Investment Fund (Limited Partnership) (重慶金浦醫療健康服務產業股權投資基金合夥企業(有限合夥)).

#### Financial Assets

As of December 31, 2025, the total financial assets of the Company were RMB1,159.4 million (December 31, 2024: RMB889.5 million).

## Management Discussion and Analysis

### Costs, Expenses and Profit

As of December 31, 2025, the total cost of the Company was RMB13.1 million (As of December 31, 2024: RMB185.2 million). The total expense of the Company was RMB185.2 million (As of December 31, 2024: RMB185.2 million). The total profit of the Company was RMB13.1 million (As of December 31, 2024: RMB13.1 million).

### Research and Development

As of December 31, 2025, the total research and development cost of the Company was RMB192.4 million (As of December 31, 2024: RMB161.8 million).

### Intangible Assets

As of December 31, 2025, the total intangible asset of the Company was RMB285.8 million (As of December 31, 2024: RMB291.5 million).

### Goodwill

As of December 31, 2025, the total goodwill of the Company was RMB126.5 million (As of December 31, 2024: RMB114.2 million).

### Long-term Prepaid Expenses

As of December 31, 2025, the total long-term prepaid expense of the Company was RMB121.6 million (As of December 31, 2024: RMB150.4 million). The total long-term prepaid expense of the Company was RMB9.7 million (As of December 31, 2024: RMB38.0 million).

### Deferred Tax Assets

As of December 31, 2025, the total deferred tax asset of the Company was RMB55.3 million (As of December 31, 2024: RMB56.2 million).

### Accounts Payable

As of December 31, 2025, the total accounts payable of the Company was RMB160.8 million (As of December 31, 2024: RMB131.9 million).

### Reserve for Assets Impairment

As of December 31, 2025, the total reserve for assets impairment of the Company was RMB23.3 million (As of December 31, 2024: RMB21.3 million).

### Other Payables

As of December 31, 2025, the total other payables of the Company was RMB91.9 million (As of December 31, 2024: RMB81.3 million).

## Management Discussion and Analysis

### Liquidity and Capital Resources

The following table summarizes the changes in cash and cash equivalents, net of taxes paid, for the periods indicated:

	For the year ended	
	December 31, 2025	2024
	(RMB'000)	(RMB'000)
Net cash and cash equivalents at the beginning of the year	439,970	99,639
Net cash generated from operating activities	-203,913	-172,055
Net cash used in investing activities	-203,584	-76,917
Net cash used in financing activities	32,442	-149,491

#### Net Cash Generated from Operating Activities

Net cash generated from operating activities for the year ended December 31, 2025 was RMB54.4 million, an increase of RMB440.0 million compared with RMB32.0 million for the year ended December 31, 2024. The increase was primarily due to the increase in net income of RMB160.8 million and the increase in net cash generated from operating activities of RMB165.0 million.

#### Net Cash Used in Investing Activities

Net cash used in investing activities for the year ended December 31, 2025 was RMB189.5 million, an increase of RMB203.9 million compared with RMB189.5 million for the year ended December 31, 2024. The increase was primarily due to the increase in net cash used in investing activities of RMB203.9 million.

#### Net Cash Used in Financing Activities

Net cash used in financing activities for the year ended December 31, 2025 was RMB34.5 million, a decrease of RMB203.6 million compared with RMB238.1 million for the year ended December 31, 2024. The decrease was primarily due to the decrease in net cash used in financing activities of RMB203.6 million.

## Management Discussion and Analysis

Section I - Assets

Total Assets: RMB 1,000.00

Assets: RMB 1,000.00

### Indebtedness

Section B

As of December 31, 2025, Total Debt: RMB989.20 (As of December 31, 2024: RMB946.20). Total Debt: RMB400.60 (As of December 31, 2024: RMB443.60). Total Debt: RMB400.60

Section L

As of December 31, 2025, Total Debt: RMB400.60 (As of December 31, 2024: RMB443.60). Total Debt: RMB400.60

## Management Discussion and Analysis

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## Management Discussion and Analysis

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U. E. I. S. 165, 1,818,529 P 23, 180,516 P ( ) 13 A E. I. S. 193, 2,460,000 T 3.39% C RMB10.47 48

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# Management Discussion and Analysis

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## Management Discussion and Analysis

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## Management Discussion and Analysis

- (4) 报告期内，公司实现营业收入 10.25 亿元，较上年同期增长 10.25%。主要得益于报告期内营业收入的稳步增长，以及期间费用率的有效控制。报告期内，公司实现营业收入 10.25 亿元，较上年同期增长 10.25%。主要得益于报告期内营业收入的稳步增长，以及期间费用率的有效控制。
- (一) 营业收入增长
- 报告期内，公司实现营业收入 10.25 亿元，较上年同期增长 10.25%。主要得益于报告期内营业收入的稳步增长，以及期间费用率的有效控制。
- (二) 期间费用率控制
- 报告期内，公司期间费用率为 15.2%，较上年同期下降 0.5 个百分点。主要得益于报告期内期间费用的有效管控。
- (三) 净利润增长
- 报告期内，公司实现净利润 1.5 亿元，较上年同期增长 15.0%。主要得益于报告期内营业收入的稳步增长，以及期间费用率的有效控制。
- (5) 报告期内，公司经营活动产生的现金流量净额为 1.2 亿元，较上年同期增长 12.0%。主要得益于报告期内经营活动产生的现金流量净额为 1.2 亿元，较上年同期增长 12.0%。
- (一) 经营活动产生的现金流量
- 报告期内，公司经营活动产生的现金流量净额为 1.2 亿元，较上年同期增长 12.0%。主要得益于报告期内经营活动产生的现金流量净额为 1.2 亿元，较上年同期增长 12.0%。
- (二) 投资活动产生的现金流量
- 报告期内，公司投资活动产生的现金流量净额为 -0.5 亿元，较上年同期减少 0.5 亿元。主要得益于报告期内投资活动产生的现金流量净额为 -0.5 亿元，较上年同期减少 0.5 亿元。
- (三) 筹资活动产生的现金流量
- 报告期内，公司筹资活动产生的现金流量净额为 0.5 亿元，较上年同期增加 0.5 亿元。主要得益于报告期内筹资活动产生的现金流量净额为 0.5 亿元，较上年同期增加 0.5 亿元。

## Management Discussion and Analysis

- (6) G...P... E... I... S ...
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## Management Discussion and Analysis

DEPARTMENT OF MANAGEMENT, 31, 2025, I, S, E, I, S.

Name/Category of Grantee	Date of Grant	Vesting Date (Unlocking Date)	Grant Price (RMB)	Balance of	Balance of	Granted during the Reporting P9e but not
				Granted but not Vested as at January 1, 2025	Granted and Vested as at January 1, 2025	

## Management Discussion and Analysis

Name/Category of Grantee	Date of Grant	Vesting				Grant Price (RMB)		
		Date (Unlocking Date)						
			Incentive Shares					
			Granted but not					
			Vested as at					
			January 1,					
			2025					
			Incentive Shares	Vested		Incentive Shares		
			Granted and	Granted	(Unlocked)	Cancelled	Lapsed	Granted but not
			Vested as at	during the	during the	during the	during the	Vested as at
			January 1,	Reporting	Reporting	Reporting	Reporting	December 31,
			2025	Period	Period	Period	Period	2025

## Management Discussion and Analysis

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## Management Discussion and Analysis

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## Management Discussion and Analysis

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## Management Discussion and Analysis

## Management Discussion and Analysis

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Vesting Period	Vesting Time	Vesting Percentage
F	F 12	25%
S	F 12	25%
T	F 24	25%
F	F 36	25%
	F 48	

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## Report of the Board

The Board of Directors of Wenzhou Kangning Hospital Co., Ltd. (the "Company") has reviewed the financial statements of the Company for the year ended December 31, 2025.

### Part A

The Board of Directors of the Company has reviewed the financial statements of the Company for the year ended December 31, 2025, and the accompanying notes to the financial statements, and is satisfied that the financial statements give a true and fair view of the financial position of the Company as at the end of the year and of its performance for the year.

The Board of Directors of the Company has also reviewed the financial statements of the Company for the year ended December 31, 2025, and the accompanying notes to the financial statements, and is satisfied that the financial statements give a true and fair view of the financial position of the Company as at the end of the year and of its performance for the year.

### Part B

The Board of Directors of the Company has reviewed the financial statements of the Company for the year ended December 31, 2025, and the accompanying notes to the financial statements, and is satisfied that the financial statements give a true and fair view of the financial position of the Company as at the end of the year and of its performance for the year.

### Part C

The Board of Directors of the Company has reviewed the financial statements of the Company for the year ended December 31, 2025, and the accompanying notes to the financial statements, and is satisfied that the financial statements give a true and fair view of the financial position of the Company as at the end of the year and of its performance for the year.

### Part D

The Board of Directors of the Company has reviewed the financial statements of the Company for the year ended December 31, 2025, and the accompanying notes to the financial statements, and is satisfied that the financial statements give a true and fair view of the financial position of the Company as at the end of the year and of its performance for the year.

### Part E

The Board of Directors of the Company has reviewed the financial statements of the Company for the year ended December 31, 2025, and the accompanying notes to the financial statements, and is satisfied that the financial statements give a true and fair view of the financial position of the Company as at the end of the year and of its performance for the year.

## Report of the Board

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## Report of the Board

### Profit Distribution

The Board of Directors of the Company has reviewed the Profit Distribution Report for 2025 (the "Report") and the Profit Distribution Plan for 2025 (the "Plan") proposed by the Management of the Company. The Report and the Plan are as follows:

The Company's net profit for 2025 (the "Net Profit") is RMB72,358,900 (the "Net Profit"), which is RMB70,399,100 (the "Net Profit") less RMB1,959,800 (the "Net Profit"). The Company's net profit for 2025 (the "Net Profit") is RMB72,358,900 (the "Net Profit"), which is RMB70,399,100 (the "Net Profit") less RMB1,959,800 (the "Net Profit").

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The Board of Directors of the Company has reviewed the Profit Distribution Report for 2025 (the "Report") and the Profit Distribution Plan for 2025 (the "Plan") proposed by the Management of the Company. The Report and the Plan are as follows:

The Company's net profit for 2025 (the "Net Profit") is RMB72,358,900 (the "Net Profit"), which is RMB70,399,100 (the "Net Profit") less RMB1,959,800 (the "Net Profit"). The Company's net profit for 2025 (the "Net Profit") is RMB72,358,900 (the "Net Profit"), which is RMB70,399,100 (the "Net Profit") less RMB1,959,800 (the "Net Profit").

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The Board of Directors of the Company has reviewed the Profit Distribution Report for 2025 (the "Report") and the Profit Distribution Plan for 2025 (the "Plan") proposed by the Management of the Company. The Report and the Plan are as follows:

The Company's net profit for 2025 (the "Net Profit") is RMB72,358,900 (the "Net Profit"), which is RMB70,399,100 (the "Net Profit") less RMB1,959,800 (the "Net Profit"). The Company's net profit for 2025 (the "Net Profit") is RMB72,358,900 (the "Net Profit"), which is RMB70,399,100 (the "Net Profit") less RMB1,959,800 (the "Net Profit").

### Tax

The Company is subject to corporate income tax in accordance with the Enterprise Income Tax Law of the People's Republic of China (the "EIT Law") and other relevant tax laws and regulations. The Company's corporate income tax rate is 25%.

The Company's corporate income tax for 2025 (the "Corporate Income Tax") is RMB1,959,800 (the "Corporate Income Tax"). The Company's corporate income tax for 2025 (the "Corporate Income Tax") is RMB1,959,800 (the "Corporate Income Tax").

The Company's corporate income tax for 2025 (the "Corporate Income Tax") is RMB1,959,800 (the "Corporate Income Tax"). The Company's corporate income tax for 2025 (the "Corporate Income Tax") is RMB1,959,800 (the "Corporate Income Tax").

The Company's corporate income tax for 2025 (the "Corporate Income Tax") is RMB1,959,800 (the "Corporate Income Tax"). The Company's corporate income tax for 2025 (the "Corporate Income Tax") is RMB1,959,800 (the "Corporate Income Tax").

The Company's corporate income tax for 2025 (the "Corporate Income Tax") is RMB1,959,800 (the "Corporate Income Tax"). The Company's corporate income tax for 2025 (the "Corporate Income Tax") is RMB1,959,800 (the "Corporate Income Tax").

# Report of the Board

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## Report of the Board

### Management Discussion and Analysis

For the period ending December 31, 2025, the Company's operating income increased by 2.0% compared to the same period in 2024, while net profit decreased by 4.1%. The Company's operating profit margin was 30%, and the net profit margin was 20.5%. The Company's operating profit margin and net profit margin were lower than those of the same period in 2024, mainly due to the increase in the cost of goods sold and the decrease in the net profit margin of the medical services business.

For the period ending December 31, 2025, the Company's operating profit margin was 8.1%, and the net profit margin was 32.5%. The Company's operating profit margin and net profit margin were lower than those of the same period in 2024, mainly due to the increase in the cost of goods sold and the decrease in the net profit margin of the medical services business.

Net income attributable to shareholders of the Company for the period ending December 31, 2025, was RMB1.2 billion, which is 5% higher than that of the same period in 2024. The Company's net income attributable to shareholders for the period ending December 31, 2025, was RMB1.2 billion, which is 5% higher than that of the same period in 2024.

### Shareholders and Shareholding Structure

The Company's shareholding structure is as follows:

### Direct Shareholding Structure

For the period ending December 31, 2025, the Company's direct shareholding structure is as follows:

### Indirect Shareholding Structure

For the period ending December 31, 2025, the Company's indirect shareholding structure is as follows:

### Shareholding Structure

For the period ending December 31, 2025, the Company's shareholding structure is as follows: RMB3.1 billion.

### Shareholding Structure

For the period ending December 31, 2025, the Company's shareholding structure is as follows: RMB3.1 billion.

## Report of the Board

DIRECTORS

THE BOARD OF DIRECTORS OF WENZHOU KANGNING HOSPITAL CO., LTD.:

### Executive Directors

M. GUAN W. (Chairman)  
M. WANG L.  
M. WANG J.

### Non-executive Directors

M. QIN H.  
M. LI C.

### Independent Non-executive Directors

M. HONG W.  
M. JIN L.  
M. CHAN S. K. (H.K.)

SECRETARIES

THE SECRETARIES OF WENZHOU KANGNING HOSPITAL CO., LTD.:

M. XU N. (Chairman)  
M. XU Y.  
M. XIE T.  
M. QIAN C.  
M. FANG W.

## Report of the Board

Board of Directors, Annual Report, 2025, 31, 2025, Financial Statement, Management Discussion and Analysis

Director, Shareholder, Information, Audit Committee, Supervisory Board, Compensation and Remuneration Committee, Nominations and Remuneration Committee, Internal Control, Risk Management, Environmental and Social Governance, 2025, 31, 2025, Report

Company Secretary, Information, Shareholder, Board of Directors, Supervisory Board, Compensation and Remuneration Committee, Nominations and Remuneration Committee, Internal Control, Risk Management, Environmental and Social Governance, 2025, 31, 2025, Report

Management, Compensation and Remuneration Committee, 2025, 31, 2025, Report

## Report of the Board

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## Report of the Board

As at December 31, 2025, the Board of Directors of the Company consists of 11 members, including 3 independent non-executive directors and 8 executive directors. The Board members are Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, and Mr. Chen Hui. The Board members are Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, and Mr. Chen Hui.

The Board of Directors of the Company consists of 11 members, including 3 independent non-executive directors and 8 executive directors. The Board members are Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, and Mr. Chen Hui. The Board members are Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, Mr. Chen Hui, and Mr. Chen Hui.

Name	Class of Shares	Nature of Interest	Number of Shares	Approximate Percentage in Same Class <sup>(1)</sup>	Approximate Percentage of the Company's Total Issued Share Capital <sup>(1)</sup>
Central Enterprise Rural Industry Investment Fund Co., Ltd. (中央企業鄉村產業投資基金股份有限公司)	Ordinary Shares	Beneficial Interest	7,466,666(L)	14.15%	10.32%
Shanghai Jinzhen Enterprise Management Center (Limited Partnership) <sup>(2)</sup> (上海金浙企業管理中心(有限合夥) <sup>(2)</sup> )	Ordinary Shares	Beneficial Interest	4,540,000(L)		

## Report of the Board

Name	Class of Shares	Nature of Interest	Number of Shares	Approximate Percentage in Shares of the Same Class <sup>(1)</sup>	Approximate Percentage of the Company's Total Issued Share Capital <sup>(1)</sup>
SHANGHAI LEJIN INVESTMENT PARTNERSHIP ENTERPRISE (LIMITED LIABILITY PARTNERSHIP) <sup>(3)</sup> (上海樂進投資合夥企業(有限合夥) <sup>(3)</sup> )	D	Shareholder	4,519,003(L)	8.57%	6.25%
LIN LIN SHANGHAI ZHENXIN VALLEY INVESTMENT MANAGEMENT CO., LTD. (上海正心谷投資管理有限公司)	D	Shareholder	5,846,364(L)	11.08%	8.08%
SHANGHAI ZHENXIN VALLEY INVESTMENT MANAGEMENT CO., LTD. (上海正心谷投資管理有限公司)	D	Shareholder	5,846,364(L)	11.08%	8.08%
WANDI INFORMATION TECHNOLOGY CO., LTD. (萬得信息技術股份有限公司)	D	Shareholder	3,333,000(L)	6.32%	4.61%
SHANGHAI HUYUAN ENTERPRISE MANAGEMENT CENTER (LIMITED LIABILITY PARTNERSHIP) (上海荷花緣企業管理中心(有限合夥))	D	Shareholder	3,333,000(L)	6.32%	4.61%
WANDI IMPACT INVESTMENT (JIAXING) PARTNERSHIP ENTERPRISE (LIMITED LIABILITY PARTNERSHIP) (萬得影響力股權投資(嘉興)合夥企業(有限合夥)) (WANDI INFORMATION TECHNOLOGY CO., LTD.)	D	Shareholder	3,333,000(L)	6.32%	4.61%
CITIC SECURITIES INVESTMENT CO., LTD. (中信證券投資有限公司)	D	Shareholder	2,780,000(L)	5.27%	3.84%
CITIC SECURITIES CO., LTD. (中信證券股份有限公司) <sup>(5)</sup>	D	Shareholder	2,780,000(L)	5.27%	3.84%
O. M. A. LLC	HS	Shareholder	1,454,000(L)	7.42%	2.01%
O. M. C. LLC	HS	Shareholder	2,150,900(L)	10.97%	2.97%
O. M. P. M. F. L.	HS	Shareholder	1,279,900(L)	6.53%	1.77%
O. M. P. II, L.P.	HS	Shareholder	1,052,000(L)	5.37%	1.45%
UBS GROUP AG	HS	Shareholder	1,029,400(L)	5.25%	1.42%
BOH (BOHAI)	HS	Shareholder	1,680,000(L)	8.57%	2.32%
M. WANG H. <sup>(6)</sup>	D	Shareholder	5,785,350(L)	10.97%	8.00%
	HS	Shareholder	21,544,750(L)	40.84%	29.77%
	HS	Shareholder	309,000(L)	1.58%	0.43%
	HS	Shareholder	149,300(L)	0.76%	0.21%
K. S. H. L.	HS	Shareholder	3,347,975(L)	17.08%	4.63%
T. T. C. (HK) L.	HS	Shareholder	3,347,975(L)	17.08%	4.63%

## Report of the Board

Notes:

(L): RMB million

- (1) Total assets of 52,760,000 DOLLARS and 19,598,900 HONG KONG DOLLARS as of December 31, 2025.
- (2) FAN Y. (50%), SUN J. E. M. C. (L.P.) (Shanghai Jinzhi Enterprise Management Center (Limited Partnership)), SUN J. E. M. C. (L.P.) (Shanghai Jinzhi Enterprise Management Center (Limited Partnership)), W. J. E. I. P. (L.P.) (Wenzhou Jinning Equity Investment Limited Partnership), SUN J. 33.94%, W. J. E. I. P. (L.P.) (Wenzhou Jinning Equity Investment Limited Partnership), SUN J. J. E. I. M. C. L. (Shanghai Jintian Health Equity Investment Management Limited), W. J. E. I. P. (L.P.) (Wenzhou Jinning Equity Investment Limited Partnership), T. P. XV SFO, FAN Y., SUN J. E. M. C. L. (Shanghai Jinzhi Enterprise Management Center (Limited Partnership)), SUN J. S. J. E. I. M. C. L. (Shanghai Jintian Health Equity Investment Management Limited), D. S. W. J. E. I. P. (L.P.) (Wenzhou Jinning Equity Investment Limited Partnership).
- (3) SUN L. I. L.P. (Shanghai Lanyin Investment Limited Partnership) 99.99%, SUN T. I. L.P. (Shanghai Zhanying Investment Limited Partnership), T. P. XV SFO, SUN L. I. L.P. (Shanghai Lanyin Investment Limited Partnership), D. S. SUN T. I. L.P. (Shanghai Zhanying Investment Limited Partnership).
- (4) SUN L. V. I. M. C. L. (Shanghai Zhengxin Valley Investment Management Limited), SUN S. I. M. C. L. (Shanghai Shengge Investment Management Limited), SUN Q. I. M. P. (L.P.) (Shanghai Qian Gou Investment Management Limited Partnership), SUN T. I. L.P. (Shanghai Zhanying Investment Limited Partnership), T. P. XV SFO, SUN L. V. I. M. C. L. (Shanghai Zhengxin Valley Investment Management Limited), SUN S. I. M. C. L. (Shanghai Shengge Investment Management Limited), D. S. SUN Q. I. M. P. (L.P.) (Shanghai Qian Gou Investment Management Limited Partnership) (1,987,356 DOLLARS), SUN T. I. L.P. (Shanghai Zhanying Investment Limited Partnership).
- (5) CITIC S. I. C. L. (CITIC Securities Investment Limited), CITIC S. C. L. (CITIC Securities Share Limited), T. CITIC S. C. L. (CITIC Securities Share Limited), D. S. CITIC S. I. C. L. (CITIC Securities Investment Limited), T. P. XV SFO.
- (6) M. GUAN W., M. WANG L. M. WANG H. (M. WANG L.) 27,330,100, 458,300 HONG KONG DOLLARS, M. XU. Q. P.

## Report of the Board

During the reporting period, the Board has actively and independently exercised its duties and responsibilities, and has taken the following measures:

1. **Strengthening Corporate Governance:** The Board has strictly followed the provisions of the Company Law, the Securities Law, and the Listing Rules, and has actively implemented the requirements of the Shanghai Stock Exchange. It has established a sound corporate governance system, including the Board of Directors, the Board of Supervisors, and the Management, to ensure the company's operations are in line with the law and the interests of all shareholders.

2. **Improving Risk Management:** The Board has established a risk management system, including the Risk Management Committee, to identify, assess, and manage the company's risks in a timely and effective manner.

3. **Strengthening Financial Management:** The Board has established a financial management system, including the Finance Committee, to ensure the company's financial stability and soundness. It has actively implemented the requirements of the Shanghai Stock Exchange regarding financial reporting, and has ensured the accuracy and timeliness of the company's financial statements.

4. **Strengthening Shareholder Relations:** The Board has established a shareholder relations system, including the Shareholder Relations Committee, to actively listen to the voices of shareholders and to improve the company's transparency and communication.

5. **Strengthening Environmental, Social, and Governance (ESG) Management:** The Board has established an ESG management system, including the ESG Committee, to identify, assess, and manage the company's ESG risks and opportunities. It has actively implemented the requirements of the Shanghai Stock Exchange regarding ESG reporting, and has ensured the accuracy and timeliness of the company's ESG reports.

Month of Repurchase	Number of Shares Repurchased	Price Paid per Share		Total Consideration (Before Deducting Expenses)
		Highest Price (H. K. D. -)	Lowest Price (H. K. D. -)	
March 2025	3,000	9.03	9.03	27,090.00
April 2025	308,100	11.50	10.22	3,487,806.50
August 2025	967,600	10.60	9.10	9,978,407.42
September 2025	591,200	11.49	10.40	6,476,694.99
October 2025	95,800	11.36	10.59	1,065,137.07
November 2025	275,000	11.70	10.92	3,143,627.20
December 2025	30,200	11.20	10.90	337,170.00
<b>Total</b>	<b>2,270,900</b>			<b>24,515,933.18</b>

The Board has actively and independently exercised its duties and responsibilities, and has taken the following measures:

As of December 31, 2025, the company has completed the following measures:

# Report of the Board

## P R

T S A PRC C L C S

## B B

D G D 31, 2025 N 5 F S (21), (31) (32)

## A P

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## C G

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## P F

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T C CSRC A 21, 2025 9,286,359 S HS C ( F C S ). U F C S HS C 9,286,359 T H S C F C S 26,258,059 37.30% C S ( 1,959,800 H S ) L P D T C M P P T C CSRC F

## Report of the Board

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 H K L R

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 2025 C A  
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### A

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 ( BDO ).

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 GUAN W  
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PRC  
 A. 27, 2026

## Report of the Supervisory Committee

Text 1

In 2025, the Supervisory Committee has performed its duties in accordance with the provisions of the Company Law of the PRC, the Articles of Association, and the Supervisory Committee Charter. It has supervised the management of the Company and the implementation of the resolutions of the Board of Directors, ensuring that the Company's operations are in compliance with laws, regulations, and the Company's internal control system. The Committee has also reviewed the Company's financial statements and reported to the Shareholders' Meeting.

In 2025, the Supervisory Committee has held several meetings to discuss and resolve various issues. It has closely monitored the Company's business operations and financial performance, and has taken effective measures to address any irregularities or risks identified. The Committee has also strengthened its communication with the Shareholders and other stakeholders to enhance transparency and accountability.

The Supervisory Committee has also focused on improving the Company's internal control system and risk management. It has reviewed and approved the Company's internal control policies and procedures, and has conducted regular audits to ensure their effectiveness. Additionally, the Committee has organized training sessions for the management and staff to raise their awareness of legal and ethical standards.

In 2026, the Supervisory Committee will continue to fulfill its duties and responsibilities. It will focus on further strengthening the Company's internal control and risk management, and will continue to monitor the management and the Board of Directors. The Committee will also work to improve the Company's financial performance and ensure that it remains in compliance with all applicable laws and regulations.

Feng Xun  
Chairman of the Supervisory Committee

## Corporate Governance Report

### Company Information

The company is a public company listed on the Shanghai Stock Exchange. The company's main business is the operation of hospitals and medical services. The company's headquarters are located in Wenzhou, Zhejiang Province, China. The company's registered capital is RMB 1,000 million. The company's stock code is 600201.

### Values

The company's core values are "Integrity, Innovation, and Service". The company is committed to providing high-quality medical services and promoting the health of the community. The company's values are reflected in its business operations and corporate governance.

### Vision

The company's vision is to become a leading medical institution in China, providing comprehensive medical services and promoting the health of the community. The company is committed to continuous innovation and improvement of its medical services.

### Mission

The company's mission is to provide high-quality medical services and promote the health of the community. The company is committed to continuous innovation and improvement of its medical services. The company's mission is to become a leading medical institution in China.



## Corporate Governance Report

### R E F E R E N C E S

The Board of Directors, the Board of Supervisors, the Management, and the Board of Directors of the Company have all signed and confirmed the 2025 Annual Report. The Board of Directors has also signed and confirmed the 2025 Annual Report. The Board of Directors has also signed and confirmed the 2025 Annual Report.

The Board of Directors, the Board of Supervisors, the Management, and the Board of Directors of the Company have all signed and confirmed the 2025 Annual Report. The Board of Directors has also signed and confirmed the 2025 Annual Report. The Board of Directors has also signed and confirmed the 2025 Annual Report.

The Board of Directors, the Board of Supervisors, the Management, and the Board of Directors of the Company have all signed and confirmed the 2025 Annual Report. The Board of Directors has also signed and confirmed the 2025 Annual Report. The Board of Directors has also signed and confirmed the 2025 Annual Report.

The Board of Directors, the Board of Supervisors, the Management, and the Board of Directors of the Company have all signed and confirmed the 2025 Annual Report. The Board of Directors has also signed and confirmed the 2025 Annual Report. The Board of Directors has also signed and confirmed the 2025 Annual Report.

The Board of Directors, the Board of Supervisors, the Management, and the Board of Directors of the Company have all signed and confirmed the 2025 Annual Report. The Board of Directors has also signed and confirmed the 2025 Annual Report. The Board of Directors has also signed and confirmed the 2025 Annual Report.

### C O N C L U S I O N

The Board of Directors, the Board of Supervisors, the Management, and the Board of Directors of the Company have all signed and confirmed the 2025 Annual Report. The Board of Directors has also signed and confirmed the 2025 Annual Report. The Board of Directors has also signed and confirmed the 2025 Annual Report.

### R E F E R E N C E S

The Board of Directors, the Board of Supervisors, the Management, and the Board of Directors of the Company have all signed and confirmed the 2025 Annual Report. The Board of Directors has also signed and confirmed the 2025 Annual Report. The Board of Directors has also signed and confirmed the 2025 Annual Report.

### R E F E R E N C E S

The Board of Directors, the Board of Supervisors, the Management, and the Board of Directors of the Company have all signed and confirmed the 2025 Annual Report. The Board of Directors has also signed and confirmed the 2025 Annual Report. The Board of Directors has also signed and confirmed the 2025 Annual Report.

## Corporate Governance Report

Chairman of the Board, Mr. GUAN W.

Chairman of the Board, Mr. GUAN W. (2025), Mr. HANG Y. (2024), Mr. HANG Y. (2023), Mr. HANG Y. (2022), Mr. HANG Y. (2021), Mr. HANG Y. (2020), Mr. HANG Y. (2019), Mr. HANG Y. (2018), Mr. HANG Y. (2017), Mr. HANG Y. (2016), Mr. HANG Y. (2015), Mr. HANG Y. (2014), Mr. HANG Y. (2013), Mr. HANG Y. (2012), Mr. HANG Y. (2011), Mr. HANG Y. (2010), Mr. HANG Y. (2009), Mr. HANG Y. (2008), Mr. HANG Y. (2007), Mr. HANG Y. (2006), Mr. HANG Y. (2005), Mr. HANG Y. (2004), Mr. HANG Y. (2003), Mr. HANG Y. (2002), Mr. HANG Y. (2001).

Chairman of the Board, Mr. GUAN W. (2025), Mr. HANG Y. (2024), Mr. HANG Y. (2023), Mr. HANG Y. (2022), Mr. HANG Y. (2021), Mr. HANG Y. (2020), Mr. HANG Y. (2019), Mr. HANG Y. (2018), Mr. HANG Y. (2017), Mr. HANG Y. (2016), Mr. HANG Y. (2015), Mr. HANG Y. (2014), Mr. HANG Y. (2013), Mr. HANG Y. (2012), Mr. HANG Y. (2011), Mr. HANG Y. (2010), Mr. HANG Y. (2009), Mr. HANG Y. (2008), Mr. HANG Y. (2007), Mr. HANG Y. (2006), Mr. HANG Y. (2005), Mr. HANG Y. (2004), Mr. HANG Y. (2003), Mr. HANG Y. (2002), Mr. HANG Y. (2001).

Chairman of the Board, Mr. GUAN W. (2025), Mr. HANG Y. (2024), Mr. HANG Y. (2023), Mr. HANG Y. (2022), Mr. HANG Y. (2021), Mr. HANG Y. (2020), Mr. HANG Y. (2019), Mr. HANG Y. (2018), Mr. HANG Y. (2017), Mr. HANG Y. (2016), Mr. HANG Y. (2015), Mr. HANG Y. (2014), Mr. HANG Y. (2013), Mr. HANG Y. (2012), Mr. HANG Y. (2011), Mr. HANG Y. (2010), Mr. HANG Y. (2009), Mr. HANG Y. (2008), Mr. HANG Y. (2007), Mr. HANG Y. (2006), Mr. HANG Y. (2005), Mr. HANG Y. (2004), Mr. HANG Y. (2003), Mr. HANG Y. (2002), Mr. HANG Y. (2001).

Chairman of the Board, Mr. GUAN W. (2025), Mr. HANG Y. (2024), Mr. HANG Y. (2023), Mr. HANG Y. (2022), Mr. HANG Y. (2021), Mr. HANG Y. (2020), Mr. HANG Y. (2019), Mr. HANG Y. (2018), Mr. HANG Y. (2017), Mr. HANG Y. (2016), Mr. HANG Y. (2015), Mr. HANG Y. (2014), Mr. HANG Y. (2013), Mr. HANG Y. (2012), Mr. HANG Y. (2011), Mr. HANG Y. (2010), Mr. HANG Y. (2009), Mr. HANG Y. (2008), Mr. HANG Y. (2007), Mr. HANG Y. (2006), Mr. HANG Y. (2005), Mr. HANG Y. (2004), Mr. HANG Y. (2003), Mr. HANG Y. (2002), Mr. HANG Y. (2001).

Chairman of the Board, Mr. GUAN W. (2025), Mr. HANG Y. (2024), Mr. HANG Y. (2023), Mr. HANG Y. (2022), Mr. HANG Y. (2021), Mr. HANG Y. (2020), Mr. HANG Y. (2019), Mr. HANG Y. (2018), Mr. HANG Y. (2017), Mr. HANG Y. (2016), Mr. HANG Y. (2015), Mr. HANG Y. (2014), Mr. HANG Y. (2013), Mr. HANG Y. (2012), Mr. HANG Y. (2011), Mr. HANG Y. (2010), Mr. HANG Y. (2009), Mr. HANG Y. (2008), Mr. HANG Y. (2007), Mr. HANG Y. (2006), Mr. HANG Y. (2005), Mr. HANG Y. (2004), Mr. HANG Y. (2003), Mr. HANG Y. (2002), Mr. HANG Y. (2001).

Name	Members of the Group	Positions held at members of the Group	Term of office
GUAN W	Y. K. H. C., L.	E. D.	F. D. 2012, S. 2025
WANG L	W. G. F. H. C., L.	E. D., M.	F. S. 2025, F. M. 2024, N. 2025
WANG J	W. G. F. H. C., L.	C., M.	F. N. 2025
XU Y	Y. I. H. (W. C.) C., L.	E. D., G. M.	F. S. 2025, F. M. 2020, F. 2025
JIN W	W. G. F. H. C., L.	D.	F. N. 2025
	P. C. Y. H. C., L.	E. D.	F. S. 2021, J. 2025
	P. C. Y. H. C., L.	D.	F. F. 2025

## Corporate Governance Report

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J... , M . QIN H... , M . LI C... , M . ZHONG W... , M . JIN L... M . CHAN S K... H...  
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C... .. M... .. C... ..

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## Corporate Governance Report

Supervisory Board

Executive Director (Independent Director), Supervisor

Trustee, Auditor, Non-Executive Director, Supervisor

Accounting Policies

The Company's Accounting Policies are based on the Accounting Standards for Enterprises in 2017, the Companies Ordinance (Chapter 622 of the Hong Kong) (Companies Ordinance).

Accounting Policies

### Accounting Policies

The Company's Accounting Policies are based on the Accounting Standards for Enterprises in 2017, the Accounting Standards for Enterprises in 2006 (the Accounting Standards for Business Enterprises).

The Company's Accounting Policies are based on the Accounting Standards for Enterprises in 2017, the Accounting Standards for Enterprises in 2006 (the Accounting Standards for Business Enterprises).

### Changes of Significant Accounting Policies

The Company's Accounting Policies are based on the Accounting Standards for Enterprises in 2017, the Accounting Standards for Enterprises in 2006 (the Accounting Standards for Business Enterprises).

Accounting Policies

The Company's Accounting Policies are based on the Accounting Standards for Enterprises in 2017, the Accounting Standards for Enterprises in 2006 (the Accounting Standards for Business Enterprises).

## Corporate Governance Report

Director, Mr. P. C. 9 B. D. B.

Name of Directors	Number of Board meetings convened/attended
<b>Executive Directors</b>	
M. GUAN W. (C. )	9/9
M. WANG L. ( )	9/9
M. WANG J.	9/9
<b>Non-executive Directors</b>	
M. QIN H.	9/9
M. LI C.	9/9
<b>Independent non-executive Directors</b>	
M. HONG W.	9/9
M. JIN L.	9/9
M. CHAN S. K. (H.)	9/9

A. D. T. C. C.

M. B. B. D. M. B. B. D. D. B. D. T. B. D.



## Corporate Governance Report

Wen Zhou Kang Ning Hospital Co., Ltd.

Wen Zhou Kang Ning Hospital Co., Ltd. (WZKH) was established in 1998. It is a public company listed on the Shanghai Stock Exchange (600925). The company is committed to providing high-quality medical services and has achieved significant growth in its business operations.

## Corporate Governance Report

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S K H ( ), M . JIN L , M . GUAN W . D R . P  
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Directors	Number of meetings convened/attended
M . CHAN S K H (C )	1/1
M . GUAN W	1/1
M . JIN L	1/1

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## Corporate Governance Report

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## Corporate Governance Report

### Supervisory Committee

The Supervisory Committee consists of three members: Mr. Sun Jie, Mr. Sun Jie, and Mr. Sun Jie. The committee is responsible for supervising the company's financial and business activities, and ensuring that the company's operations comply with applicable laws and regulations.

At the 2024 Annual Meeting of the Shareholders, Mr. Sun Jie, Mr. Sun Jie, and Mr. Sun Jie were elected as members of the Supervisory Committee. The committee will continue to work closely with the Board of Directors to ensure the company's long-term and sustainable development.

The Supervisory Committee will continue to monitor the company's financial and business activities, and ensure that the company's operations comply with applicable laws and regulations.

Directors	Number of meetings convened/attended
M. GUAN W (C )	1/1
M. HONG W	1/1
M. QIN H	1/1

### Board of Directors

The Board of Directors consists of five members: Mr. Sun Jie, Mr. Sun Jie, Mr. Sun Jie, Mr. Sun Jie, and Mr. Sun Jie. The board is responsible for the overall management and supervision of the company's business activities, and ensuring that the company's operations comply with applicable laws and regulations.

## Corporate Governance Report

### The Current Composition of the Board

Age	Gender	Years of service as Director
30 ~ 49 (4 ● - - - )	F (37.5%)	1 ~ 5 (6 ● - - - )
50 ~ (4 ● - - - )	M (62.5%)	6 ~ 10 (2 ● - - - )

# Corporate Governance Report

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 ... (3)  
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## DEPARTMENT OF BUSINESS

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## Corporate Governance Report

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A... C... B...  
G... D... 31, 2025,  
D... R... P... G...

S... M... R...  
T... C... D... S...  
M... D... 31, 2025... :

Remuneration band (RMB)	Number of individuals
0-700,000	6
700,001-1,400,000	10

A... R...  
F... D... 31, 2025, G... BDO, D...

## Corporate Governance Report

## Corporate Governance Report

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### S ' R

#### Procedures for Shareholder(s) to Convene an Extraordinary General Meeting ("EGM")

S ... .. EGM ... ..

S ... .. 10% S ... .. A ... .. EGM ... ..

B ... .. EGM ... .. C ... ..

B ... .. EGM ... .. 10% S ... ..

S ... .. C ... .. EGM ... .. 0.5 ( ) 0.5 ( ) 0.5 ( ) M 0.5 ( ) 0.5 ( ) P T ( ) 0.5 ( ) 0.5 ( ) 0.6 ( )

## Corporate Governance Report

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 10... EGM. T...  
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## Corporate Governance Report

### C. C. D.

DE R. P. C. A. I. 2024 H. 2025  
2025 C. J. 30, 2025. I. G.  
A. A. L. C. (2025), C. L. P. R. C. (2023  
R.), D. S. C. R. C. A. R. D. S.  
C. T. M. A. O. L. S. D. E.  
A. R. PRCL. H. K. S. E.  
H. K. L. R. C. A.  
C. PRC. H. K. L. R. 2024  
C. T. A. J. 30, 2025. 2024  
H. 2025  
2025, H. K. S. E. C.  
F. C. M. 28, 2025. J. 30, 2025.

### D. P.

T. C. W. C. 10% C. T. C. 50%  
C. S. C. A.  
C. A. C. S. A.  
S. S. A.  
C. N. S.

## Corporate Governance Report

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## Directors, Supervisors and Senior Management

D . . -



## Directors, Supervisors and Senior Management

### Non-executive Directors

Mr. QIN Hao (秦浩), 35, male, Chinese citizen, Bachelor's degree, currently serving as a Non-executive Director of the Company. He is also a shareholder of Shanghai Zhengxin Valley Investment Management Co., Ltd. (上海正心谷投资管理有限公司), holding 0.01% of its shares.





## Directors, Supervisors and Senior Management

Mr. QIAN Chengliang (錢成良)

## Directors, Supervisors and Senior Management

### S. M.

Mr. ZHOU Chaoyi (周朝毅), 63, H. C. M. C. F. 2005, H. S. 2014, C. P. C. N. 1995, D. 2004, M. W. C. H. (温州心血管醫院), W. F. M. 1990, O. 1995, M. C. M. H. (溫州市中醫院), W. F. J. 1986, A. 1990, M. W. Q. S. (溫州市氣功療養院), W. M. W. M. H. R. S. S. B. N. 2015.

Mr. YE Minjie (葉敏捷), 52, H. C. H. C. O. 2013, M. Y. S. 2014, C. P. C. J. 1994, S. 2013, (科長) W. M. H. (溫州市精神病院), W.

M. Y. X. M. C. (新鄉醫學院), X. H. P. J. 2007, H. H. R. S. S. B. P. (浙江省人力資源和社會保障廳), J. 2014.

## Directors, Supervisors and Senior Management

**Mr. XU Yi (徐誼),** 51, Male, Bachelor's Degree, Hubei University of Medicine, Hubei, China. He has worked in the pharmaceutical industry for over 20 years. He has held various positions in the pharmaceutical industry, including Director of Sales, Director of Marketing, and Director of Operations. He has been a member of the Board of Directors since 2002. He is currently the Chairman of the Board of Directors. He has a rich management experience and a strong sense of responsibility.

Mr. XU Yi has worked in the pharmaceutical industry for over 20 years. He has held various positions in the pharmaceutical industry, including Director of Sales, Director of Marketing, and Director of Operations. He has been a member of the Board of Directors since 2002. He is currently the Chairman of the Board of Directors. He has a rich management experience and a strong sense of responsibility.

**Ms. ZHANG Feixue (章飛雪),** 56, Female, Bachelor's Degree, Suzhou University, Suzhou, China. She has worked in the pharmaceutical industry for over 20 years. She has held various positions in the pharmaceutical industry, including Director of Sales, Director of Marketing, and Director of Operations. She has been a member of the Board of Directors since 2004. She is currently the Vice Chairman of the Board of Directors. She has a rich management experience and a strong sense of responsibility.

Ms. ZHANG Feixue has worked in the pharmaceutical industry for over 20 years. She has held various positions in the pharmaceutical industry, including Director of Sales, Director of Marketing, and Director of Operations. She has been a member of the Board of Directors since 2004. She is currently the Vice Chairman of the Board of Directors. She has a rich management experience and a strong sense of responsibility.

**Mr. WANG Jian (王健),** 41, Male, Bachelor's Degree, Zhejiang University, Zhejiang, China. He has worked in the pharmaceutical industry for over 10 years. He has held various positions in the pharmaceutical industry, including Director of Sales, Director of Marketing, and Director of Operations. He has been a member of the Board of Directors since 2014. He is currently the Director of the Board of Directors. He has a rich management experience and a strong sense of responsibility.

## Directors, Supervisors and Senior Management

**Mr. JIN Weiguang (金偉光)**, 57, male, Chinese, Bachelor's degree, Hubei University of Medicine, Hubei, China. He has worked in the pharmaceutical industry for over 20 years. He has served as the General Manager of Wenzhou Kangning Hospital since 2015. He has also served as the Chairman of the Board of Directors of Wenzhou Kangning Hospital since 2015. He has served as the Chairman of the Board of Supervisors of Wenzhou Kangning Hospital since 2017. He has served as the Chairman of the Board of Directors of Wenzhou Kangning Hospital since 2017. He has served as the Chairman of the Board of Supervisors of Wenzhou Kangning Hospital since 2022. He has served as the Chairman of the Board of Directors of Wenzhou Kangning Hospital since 2018. He has served as the Chairman of the Board of Supervisors of Wenzhou Kangning Hospital since 1987. He has served as the Chairman of the Board of Directors of Wenzhou Kangning Hospital since 2015. He has served as the Chairman of the Board of Supervisors of Wenzhou Kangning Hospital since 2009. He has served as the Chairman of the Board of Directors of Wenzhou Kangning Hospital since 2002. He has served as the Chairman of the Board of Supervisors of Wenzhou Kangning Hospital since 2009. He has served as the Chairman of the Board of Directors of Wenzhou Kangning Hospital since 2002. He has served as the Chairman of the Board of Supervisors of Wenzhou Kangning Hospital since 2009.

Mr. JIN Weiguang has received several awards and honors, including the "Outstanding Entrepreneur" award in 1997, the "Outstanding Entrepreneur" award in 2002, the "Outstanding Entrepreneur" award in 2003, and the "Outstanding Entrepreneur" award in 2004. He has also received several awards and honors from the Chinese Communist Party (CPC) and the Chinese People's Political Consultative Conference (CPPCC).

**Mr. JIN Hui (金輝)**, 39, male, Chinese, Bachelor's degree, Hubei University of Medicine, Hubei, China. He has worked in the pharmaceutical industry for over 10 years. He has served as the General Manager of Wenzhou Kangning Hospital since 2022. He has also served as the Chairman of the Board of Directors of Wenzhou Kangning Hospital since 2022. He has served as the Chairman of the Board of Supervisors of Wenzhou Kangning Hospital since 2021. He has served as the Chairman of the Board of Directors of Wenzhou Kangning Hospital since 2012. He has served as the Chairman of the Board of Supervisors of Wenzhou Kangning Hospital since 2018. He has served as the Chairman of the Board of Directors of Wenzhou Kangning Hospital since 2009. He has served as the Chairman of the Board of Supervisors of Wenzhou Kangning Hospital since 2012.

Mr. JIN Hui has received several awards and honors, including the "Outstanding Entrepreneur" award in 2008, the "Outstanding Entrepreneur" award in 2013, and the "Outstanding Entrepreneur" award in 2024. He has also received several awards and honors from the Chinese Communist Party (CPC) and the Chinese People's Political Consultative Conference (CPPCC).



## Directors, Supervisors and Senior Management

Directors/Senior Management	Members of the Group	Positions Held at Members of the Group	Term of Office
WANG L. 王 林	Y. K. 俞 坤 M. 明, C., L. Q. K. 钱 坤 C., L. H. Y. 何 宇 N. S. 倪 松 C., L. Y. H. 俞 洪 T. C. 陶 成 C., L. D. P. 董 平 B. C. 鲍 成 C., L. K. H. 柯 洪 H. C. 何 成 C., L. K. P. 柯 平 H. C. 何 成 C., L. W. G. 王 刚 F. B. 冯 斌 H. C. 何 成 C., L. B. Y. 鲍 宇 H. C. 何 成 C., L. Q. K. 钱 坤 P. M. 潘 明 C., L.	E. B. 倪 斌, M. M. E. B. 倪 斌, G. M. E. B. 倪 斌 C. D. C. C. 曹, M. E. B. 倪 斌 M. M.	F. J. 冯 杰 2017. 1. 1 - 2022. 12. 31 F. D. 冯 冬 2018. 1. 1 - 2020. 12. 31 F. D. 冯 冬 2020. 1. 1 - 2022. 12. 31 F. S. 冯 松 2022. 1. 1 - 2022. 12. 31 F. S. 冯 松 2022. 1. 1 - 2022. 12. 31 F. N. 冯 宁 2022. 1. 1 - 2023. 12. 31 F. M. 冯 明 2023. 1. 1 - 2025. 12. 31 F. N. 冯 宁 2025. 1. 1 - 2025. 12. 31 F. J. 冯 杰 2024. 1. 1 - 2024. 12. 31 F. N. 冯 宁 2024. 1. 1 - 2024. 12. 31



## Directors, Supervisors and Senior Management

Directors/Senior Management	Members of the Group	Positions Held at Members of the Group	Term of Office
WANG J.	Q. Y. H., C., L.	D.	F. N. 2015, . . . . .
	W. N. P., S., H., C., L.	C., M.	F. J. 2019, . . . . .
	H. K. H., C., L.	D.	F. J. 2019, . . . . .
	H. Y. P., H., C., L.	D.	F. J. 2019, . . . . .
	Y. P., I., H., (W. C., L.)	E., G., M.	F. M. 2020, F. 2025
	Y. H., T., C., L.	M.	F. M. 2020, . . . . .
	W. L. Y., H., C., L.	D.	F. A. 2020, . . . . .
	J. S. H., C., L.	C.	F. O. 2022, . . . . .
	L. K. H., C., L.	E., G., M.	F. F. 2023, . . . . .
	B. Y. H., C., L.	D., M.	F. F. 2023, . . . . .
	C. K. P., H., C., L.	D.	F. M. 2023, . . . . .
	C. J. Y. P., H., C., L.	C.	F. D. 2023, . . . . .
	Y. G. H., S., C., L.	D., M.	F. A. 2024, . . . . .
	H. Y. H., C., L.	D.	F. M. 2025, . . . . .
	Y. P., C., L.	D., M.	F. J. 2025, . . . . .
	W. D. C. S., C., L.	D.	F. S. 2025, . . . . .
	J. H., T., C., L.	C.	F. S. 2025, . . . . .
	W. G. F., H., C., L.	D.	F. N. 2025, . . . . .

## Directors, Supervisors and Senior Management

Directors/Senior Management	Members of the Group	Positions Held at Members of the Group	Term of Office
☑️ HOU C	Y  ☑️ K  H  、 M  C  、L  、 Q  ☑️ Y  H  、 C  、L  、	SE  - D  、	F  J  ☑️  2017  、  、  、 F  N  2022  、  、  、
☑️ HANG F  ☑️	L  K  H  、 C  、L  、 W  N  P  、 S  、H  、C  、L  、 L  C  H  、 C  、L  、	E  ☑️  、  、  、M  、 D  、 E  ☑️  、  、  、M  、	F  J  ☑️  2018  、  、  、 F  J  ☑️  2019  、  、  、 F  D  2020  、  、  、
JIN W  ☑️	H  Y  P  、 H  、C  、L  、 P  C  Y  、 H  、C  、L  、	D  、 D  、	F  D  2018  、  、  、 F  F  ☑️  2025  、  、  、
XU N  、	G  Y  H  、 C  、L  、 H  Y  P  、 H  、C  、L  、	E  ☑️  、  、 C  、	F  J  ☑️  2019  、  、  、 F  M  2020  、  、  、
JIN H  ☑️	W  ☑️ O  ☑️ Y  、 E  H  、C  、L  、 C  Y  N  、 C  、C  、L  、 P  C  Y  、 H  、C  、L  、 J  ☑️ S  ☑️ H  、 C  、L  、	SE  - SE  - SE  - D  、	F  S  、  2022  、  、  、 F  S  、  2022  、  、  、 F  J  ☑️  2023  、  、  、 F  M  2024  、  、  、



## Auditor's Report

### Key Audit Matters

The audit was conducted in accordance with the applicable audit standards. The auditor has identified the following key audit matters:

W

#### Key audit matters

#### How these matters were addressed in the audit

#### (I) Goodwill impairment

P N 3.18 I  
N 3.31 S  
N 5.16 G

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## Auditor's Report

### Key audit matters

### How these matters were addressed in the audit

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## Auditor's Report

Q. I  
M. K. H. ( )  
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R. M. T. C. G.  
F. S.

M. A. S. B. E.

I. K. H. C.

T. K. H.



## Auditor's Report

安 瑞 安 服 务 ( 股 份 有 限 公 司 )

瑞 安 服 务 ( 股 份 有 限 公 司 ) 2025 年 度 财 务 报 告 的 审 计 报 告

瑞 安 服 务 ( 股 份 有 限 公 司 ) 2025 年 度 财 务 报 告 的 审 计 报 告

瑞 安 服 务 ( 股 份 有 限 公 司 ) 2025 年 度 财 务 报 告 的 审 计 报 告

## Consolidated Balance Sheet

31 December 2025

(Amount in RMB)

Asset	Notes	Balance as at 31 December 2025	Balance as at 31 December 2024
<b>Current assets:</b>			
Cash and cash equivalents	5.1	294,039,860.88	261,749,010.62
Short-term investments			
Prepaid expenses and other receivables	5.2	8,573,388.20	7,938,322.41
Due from related parties	5.3	1,486,564.55	663,798.83
Accounts receivable	5.4	462,939,569.82	571,812,956.97
Other receivables	5.5	15,792,568.62	14,713,963.24
Inventory			
Other current assets	5.6	77,790,656.08	81,354,941.59
Financial assets at fair value through profit or loss	5.7	46,032,543.08	50,629,131.38
Investments in subsidiaries			
Cost			
Accounts receivable	5.8		
Other receivables			
Other	5.9	25,380,696.08	5,859,353.91
<b>Total current assets</b>		<b>932,035,847.31</b>	<b>994,721,478.95</b>

## Consolidated Balance Sheet

31 D 2025  
(A RMB )

Asset	N 5	Balance as at 31 December 2025	B 31 D 2024
<b>Non-current assets:</b>			
L			
D			
O			
L	5.10		14,000,000.00
L	5.11	<b>95,912,391.92</b>	99,413,985.20
I			
O	5.12	<b>28,123,065.82</b>	36,755,116.10
I			
F	5.13	<b>1,159,366,939.63</b>	889,544,442.13
C	5.14	<b>13,091,854.50</b>	185,164,227.10
P			
O			
R	5.15	<b>192,354,108.23</b>	161,821,444.56
I	5.16	<b>285,757,258.42</b>	291,535,792.26
I			
D			
I			
G	5.17	<b>126,454,937.63</b>	114,158,433.92
L	5.18	<b>121,609,290.74</b>	150,407,031.48
D	5.19	<b>55,346,815.83</b>	56,197,544.77
O	5.20	<b>15,514,860.97</b>	11,233,664.34
<b>Total non-current assets</b>		<b>2,093,531,523.69</b>	2,010,231,681.86
<b>Total assets</b>		<b>3,025,567,371.00</b>	3,004,953,160.81

T

L R :  
GUAN W

P C A :  
JIN H

H A D :  
WANG M

## Consolidated Balance Sheet

31 December 2025

(Amount in RMB)

Liabilities and shareholders' equity	N/A	Balance as at 31 December 2025	Balance as at 31 December 2024
<b>Current liabilities:</b>			
Short-term borrowings	5.21	109,243,676.71	91,000,000.00
Bank deposits			
Financial assets			
Equity	5.22		

## Consolidated Balance Sheet

31 D 2025  
(Amount in RMB)

Liabilities and shareholders' equity	N	Balance as at 31 December 2025	B 31 D 2024
<b>Non-current liabilities:</b>			
P			
L	5.31		

## Consolidated Balance Sheet

31 December 2025

(Amount in RMB)

Liabilities and shareholders' equity	Number	Balance as at 31 December 2025	Balance as at 31 December 2024
<b>Owner's equity:</b>			
Share capital	5.36	72,358,900.00	72,670,000.00
Other equity instruments			
Investment			
Reserves			
Capital reserve	5.37	760,645,326.71	790,024,238.03
Surplus reserve	5.38	47,815,625.17	22,366,848.64
Other reserves			
Special reserve	5.39	38,399,577.13	38,399,577.13
Retained earnings	5.40	364,230,299.84	344,285,828.01
<b>Total equity attributable to owners of the company</b>		<b>1,187,818,478.51</b>	<b>1,223,012,794.53</b>
<b>Minority equity</b>		<b>123,811,419.81</b>	<b>120,288,896.30</b>
<b>Total owner's equity</b>		<b>1,311,629,898.32</b>	<b>1,343,301,690.83</b>
<b>Total liabilities and shareholders' equity</b>		<b>3,025,567,371.00</b>	<b>3,004,953,160.81</b>

TOTAL ASSETS

Liability Auditor:  
GUAN W

Preparer:  
JIN H

Head Auditor:  
WANG M

## Company's Balance Sheet

31 December 2025  
(Amount in RMB)

Asset	2025	Balance as at 31 December 2025	Balance as at 31 December 2024
<b>Current assets:</b>			
Cash and bank deposits		94,963,270.69	112,152,552.80
Accounts receivable	16.1	36,684,264.84	69,696,752.09
Prepaid expenses		1,846,331.88	2,264,057.74
Other receivables	16.2	550,863,300.90	616,875,722.47
Inventory		10,183,513.42	10,162,306.19
Investments			
Other current assets			
Accounts payable			
Prepaid expenses			
Other current liabilities			355,000.00
<b>Total current assets</b>		<b>694,540,681.73</b>	<b>811,506,391.29</b>

## Company's Balance Sheet

31 December 2025

(Amount in RMB)

Asset	2024	Balance as at 31 December 2025	2025
<b>Non-current assets:</b>			
Long-term receivables	16.3	858,672,101.34	834,837,987.87
Long-term equity investments		28,123,065.82	36,755,116.10
Investments in subsidiaries		272,207,527.96	280,273,134.88
Investments in associates		1,025,192.00	622,132.50
Investments in joint ventures			
Intangible assets		22,729,970.04	23,603,766.55
Property, plant and equipment		15,910,730.63	18,701,115.49
Right-of-use assets		18,521,653.76	17,876,806.13
Other non-current assets		4,734,226.16	6,010,995.66
<b>Total non-current assets</b>		<b>1,221,924,467.71</b>	<b>1,218,681,055.18</b>
<b>Total assets</b>		<b>1,916,465,149.44</b>	<b>2,030,187,446.47</b>

TOTAL ASSETS

Liability and Equity  
GUAN W

Parent Company  
JIN H

Headquarters  
WANG M

## Company's Balance Sheet

31 December 2025

(Amount in RMB)

Liabilities and shareholders' equity	N 16	Balance as at 31 December 2025	Balance as at 31 December 2024
<b>Current liabilities:</b>			
Short-term borrowings		93,720,000.00	75,000,000.00
Trade payables			
Accounts payable		35,437,646.63	50,885,691.57
Other payables		4,504,580.09	4,828,444.68
Contract liabilities			
Employee benefits payable		20,959,095.77	20,234,697.93
Tax payables		3,963,391.03	3,208,892.78
Other current liabilities		22,658,542.55	51,395,823.13
Liabilities arising from government grants			
Other non-current liabilities		142,430,144.00	172,880,144.00
<b>Total current liabilities</b>		<b>323,673,400.07</b>	<b>378,433,694.09</b>
<b>Non-current liabilities:</b>			
Long-term borrowings		379,700,000.00	399,350,000.00
Other non-current liabilities			
Long-term payables		20,752,353.52	34,016,324.10
Other non-current liabilities			
Deferred income		8,126,515.00	8,430,307.00
Other non-current liabilities			
<b>Total non-current liabilities</b>		<b>408,578,868.52</b>	<b>441,796,631.10</b>
<b>Total liabilities</b>		<b>732,252,268.59</b>	<b>820,230,325.19</b>

## Company's Balance Sheet

31 December 2025

(Amount in RMB)

Liabilities and shareholders' equity	Number	Balance as at 31 December 2025	Balance as at 31 December 2024
<b>Owner's equity:</b>			
Capital		72,358,900.00	72,670,000.00
Other			
Investment			
Reserves			
Capital		833,848,391.98	832,320,975.11
Liabilities		47,815,625.17	22,366,848.64
Other			
Share		38,399,577.13	38,399,577.13
Reserves		287,421,636.91	288,933,417.68
<b>Total owner's equity</b>		<b>1,184,212,880.85</b>	<b>1,209,957,121.28</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,916,465,149.44</b>	<b>2,030,187,446.47</b>

Total

Li Ruan  
GUAN W

Peng C  
JIN H

Hua A D  
WANG M



## Consolidated Income Statement

Y 2025

(Amount in RMB)

Item	N 5	Amount in 2025	Amount 2024
<b>III. Operating profit (losses represented with “-” signs)</b>		<b>84,833,285.98</b>	75,353,614.13
A	5.52	1,321,588.29	1,528,901.03
L	5.53	16,935,849.67	8,783,028.50
<b>IV. Pre-tax profit (total loss represented with “-” signs)</b>		<b>69,219,024.60</b>	68,099,486.66
L	5.54	32,615,101.37	17,701,775.29
<b>V. Net profit (net loss represented with “-” signs)</b>		<b>36,603,923.23</b>	50,397,711.37
(I) C			
1. N		36,603,923.23	50,397,711.37
2. N			
(II) C			
1. N		54,395,979.83	65,610,188.85
2. P		-17,792,056.60	-15,212,477.48
<b>VI. Other comprehensive income, net of tax</b>			
O			
(I) O			
1. C			
2. O			
3. C			
4. C			

## Consolidated Income Statement

Year 2025

(Amount in RMB)

Item	2025	Amount in 2025	2024
(II) Operating income			
1. Operating income			
2. Cost of services			
3. Administrative expenses			
4. Cost of materials			
5. Research and development expenses			
6. Employee benefits			
7. Other operating expenses			
Operating profit			
<b>VII. Total comprehensive income</b>		<b>36,603,923.23</b>	50,397,711.37
Attributable to equity holders of the parent company		<b>54,395,979.83</b>	65,610,188.85
Total		<b>-17,792,056.60</b>	-15,212,477.48
<b>VIII. Earnings per share:</b>			
(I) Basic earnings per share (RMB/)	5.55	<b>0.76</b>	0.88
(II) Diluted earnings per share (RMB/)	5.55	<b>0.76</b>	0.88

Total

Prepared by: GUAN W      Checked by: JIN HB      Prepared by: WANG M

## Company's Income Statement

Y 2025

(A, RMB)

Item	N 16	Amount in 2025	A 2024
<b>I. Operating revenue</b>	16.4	<b>379,040,391.81</b>	382,203,291.48
L	16.4	<b>261,667,292.67</b>	265,234,884.25
T		<b>4,413,733.38</b>	4,316,465.04
S		<b>555,980.03</b>	631,732.91
A		<b>73,077,746.47</b>	68,141,320.83
R&D		<b>23,312,745.77</b>	25,088,282.82
E		<b>11,063,956.27</b>	15,534,037.93
I		<b>19,519,649.23</b>	27,155,993.77
I		<b>11,933,229.39</b>	15,686,764.05
A		<b>5,739,721.13</b>	4,410,314.14
I	16.5	<b>27,025,584.92</b>	49,133,712.65
I	16.5	<b>2,025,584.92</b>	1,695,251.38
I			
N			
G		<b>-1,962,024.32</b>	742,239.73
C		<b>-3,608,388.19</b>	4,015,631.88
A			
A			
<b>II. Operating profit (losses represented with "-" signs)</b>		<b>32,143,830.76</b>	61,558,466.10
A		<b>401,764.62</b>	338,053.84
L		<b>250,715.78</b>	27,039,569.49
<b>III. Pre-tax profit (total loss represented with "-" signs)</b>		<b>32,294,879.60</b>	34,856,950.45
L		<b>-644,847.63</b>	-3,233,115.77
<b>IV. Net profit (net loss represented with "-" signs)</b>		<b>32,939,727.23</b>	38,090,066.22
(I) N		<b>32,939,727.23</b>	38,090,066.22
(II) N			

# Company's Income Statement

Y 2025

(A RMB )

Item N 16 Amount in 2025 A 2024

## V. Other comprehensive income, net of tax

- (I) O
  - 1. C
  - 2. O
  - 3. C
  - 4. C
- (II) O
  - 1. O
  - 2. C
  - 3. A
  - 4. C
  - 5. R
  - 6. E
  - 7. O

VI. Total comprehensive income 32,939,727.23 38,090,066.22

## VII. Earnings per share:

- (I) B (RMB/ )
- (II) D (RMB/ )

T

L R :  
GUAN W

P C A :  
JIN H

H A D :  
WANG M.

## Consolidated Statement of Cash Flow

Y 2025

(Amount in RMB)

Item	Unit	Amount in 2025	Amount in 2024
<b>I. Cash flow from operating activities</b>			
Cash received from patients		1,772,490,027.34	1,387,505,397.99
Government grants			
Income from the disposal of non-current assets			
Interest income			
Dividend income			
Other income			
Interest expense			
Other expenses			
Net cash generated from operating activities	5.56	73,327,922.17	46,542,855.34
<b>Sub-total of cash inflows of operating activities</b>		<b>1,845,817,949.51</b>	<b>1,434,048,253.33</b>
Cash received from the disposal of non-current assets		570,409,686.30	536,137,778.74
Government grants			
Income from the disposal of non-current assets			
Interest income			
Dividend income			
Other income			
Interest expense			
Other expenses			
Net cash generated from operating activities		664,306,092.60	642,555,983.44
Net cash generated from operating activities		58,559,037.83	63,003,045.02
Net cash generated from operating activities	5.56		

## Consolidated Statement of Cash Flow

Year 2025

(Amount in RMB)

Item	2025	Amount in 2025	2024
<b>II. Cash flows from investing activities</b>			
Cash received from disposal of long-term equity investments		14,540,025.96	34,242,178.97
Cash received from disposal of other long-term investments		12,086.31	
Net cash received from disposal of long-term investments		173,819.70	1,844,120.17
Net cash received from disposal of other long-term investments			2,000,000.00
Cash received from disposal of intangible assets	5.56	13,000,000.00	
<b>Sub-total of cash inflows of investing activities</b>		<b>27,725,931.97</b>	<b>38,086,299.14</b>
Cash paid for acquisition of long-term equity investments		189,507,952.28	192,178,988.86
Cash paid for acquisition of other long-term investments		1,200,000.00	17,020,000.00
Net cash paid for acquisition of long-term investments		27,901,903.01	
Cash paid for acquisition of other long-term investments	5.56	13,029,192.78	942,428.37
<b>Sub-total of cash outflows of investing activities</b>		<b>231,639,048.07</b>	<b>210,141,417.23</b>
<b>Net cash flow from investing activities</b>		<b>-203,913,116.10</b>	<b>-172,055,118.09</b>

## Consolidated Statement of Cash Flow

Y 2025

(Amount in RMB)

Item	Unit	Amount in 2025	Amount in 2024
<b>III. Net cash flow from financing activities</b>			
Cash received from issuing shares		14,000,000.00	7,210,500.00
Interest received from bank deposits		14,000,000.00	7,210,500.00
Cash received from bank deposits		433,102,530.08	448,460,250.00
Cash received from other financing activities	5.56	850,000.00	60,000,000.00
<b>Sub-total of cash inflows of financing activities</b>		<b>447,952,530.08</b>	<b>515,670,750.00</b>
Cash paid for purchase of property, plant and equipment		400,626,910.05	367,013,827.25
Cash paid for purchase of intangible assets		74,417,907.34	74,654,124.22
Interest paid on bank deposits		1,515,123.89	2,923,034.00
Cash paid for other financing activities	5.56	176,491,832.65	150,919,616.84
<b>Sub-total of cash outflows of financing activities</b>		<b>651,536,650.04</b>	<b>592,587,568.31</b>
<b>Net cash flows from financing activities</b>		<b>-203,584,119.96</b>	<b>-76,916,818.31</b>
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>			
		-30,314.57	-157,162.49
<b>V. Net increase in cash and cash equivalents</b>			
Period: Cash and cash equivalents	5.57	255,232,744.16	404,723,339.37
<b>VI. Cash and cash equivalents at the end of the period</b>			
	5.57	287,674,751.45	255,232,744.16

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L R :  
GUAN WP C : A :  
JIN HH A : D :  
WANG M

## Company's Statements of Cash Flows

Y 2025

(A, RMB)

Item	Amount in 2025	Amount 2024
<b>I. Cash flows from operating activities</b>		
Cash inflows from operating activities	417,376,501.33	355,123,462.58
Cash outflows from operating activities	490,071,165.48	563,112,957.82
<b>Sub-total of cash inflows of operating activities</b>	<b>907,447,666.81</b>	<b>918,236,420.40</b>
Cash outflows from operating activities	153,791,613.45	135,345,404.98
Cash outflows from operating activities	172,187,105.62	163,048,839.70
Cash outflows from operating activities	5,232,958.43	3,350,063.92
Cash outflows from operating activities	439,804,646.45	535,927,923.31
<b>Sub-total of cash outflows of operating activities</b>	<b>771,016,323.95</b>	<b>837,672,231.91</b>
<b>Net cash flows from operating activities</b>	<b>136,431,342.86</b>	<b>80,564,188.49</b>
<b>II. Cash flows from investing activities</b>		
Cash inflows from investing activities	162,179,725.96	139,899,934.13
Cash outflows from investing activities		18,438,461.27
Net cash inflows from investing activities	33,949.00	21,024.00
Net cash outflows from investing activities		
Cash outflows from investing activities		
<b>Sub-total of cash inflows of investing activities</b>	<b>162,213,674.96</b>	<b>158,359,419.40</b>
Cash outflows from investing activities	7,737,107.02	12,562,107.39
Cash outflows from investing activities	176,657,200.00	184,882,800.00
Net cash outflows from investing activities		
Cash outflows from investing activities		
<b>Sub-total of cash outflows of investing activities</b>	<b>184,394,307.02</b>	<b>197,444,907.39</b>
<b>Net cash flows from investing activities</b>	<b>-22,180,632.06</b>	<b>-39,085,487.99</b>

## Company's Statements of Cash Flows

Y 2025

(A, RMB)

Item	Amount in 2025	Amount in 2024
<b>III. Net cash flows from financing activities</b>		
C		
C	287,720,000.00	329,000,000.00
C		35,000,000.00
<b>Sub-total of cash inflows of financing activities</b>	<b>287,720,000.00</b>	<b>364,000,000.00</b>
C	319,100,000.00	335,542,127.25
C	55,890,886.68	58,516,854.32
C	44,139,769.54	85,949,943.67
<b>Sub-total of cash outflows of financing activities</b>	<b>419,130,656.22</b>	<b>480,008,925.24</b>
<b>Net cash flows from financing activities</b>	<b>-131,410,656.22</b>	<b>-116,008,925.24</b>
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>-30,314.57</b>	<b>-157,162.49</b>
<b>V. Net increase in cash and cash equivalents</b>	<b>-17,190,259.99</b>	<b>-74,687,387.23</b>
P : C	110,788,421.25	185,475,808.48
<b>VI. Cash and cash equivalents at the end of the period</b>	<b>93,598,161.26</b>	<b>110,788,421.25</b>

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L R :  
GUAN WP C :  
JIN HH A :  
WANG M

## Consolidated Statement of Changes in Shareholders' Equity

Y 2025

(Amount in RMB)

Item	Equity attributable to owners of the company							Minority equity	Total owner's equity				
	Other equity instruments		Other										
	Share capital	Preferred shares	Perpetual bond	Others	Capital surplus	Less: treasury stock	Other comprehensive income	Surplus reserve	Provision for general risk	Retained earnings	Subtotal	Minority equity	Total owner's equity

Amount in 2025

Equity attributable to owners of the company

Other equity instruments

Share capital  
Preferred shares  
Perpetual bond  
Others

Other

Capital surplus  
Less: treasury stock  
Other comprehensive income  
Surplus reserve  
Provision for general risk

Retained earnings

Subtotal

Minority equity

Total owner's equity

# Consolidated Statement of Changes in Shareholders' Equity

Year 2025

(Amount in RMB)

Item	Other equity instruments				Equity attributable to owners of the company					Minority equity	Total owner's equity	
	Share capital	Preferred shares	Perpetual bond	Others	Capital surplus	Less: treasury stock	Other comprehensive income	Specific reserve	Surplus reserve			Provision for general risk
(VI) Balance at 31 December 2024	72,358,900.00				760,645,326.71	47,815,625.17		38,399,577.13	364,230,299.84	1,187,818,478.51	123,811,419.81	1,311,629,898.32
(VII) Changes during the year												
1. Issuance of new shares												
2. Share repurchase												
3. Share-based payment												
4. Conversion of convertible preferred shares												
5. Other changes												
6. Other changes												
(VIII) Balance at 31 December 2025					-30,943,297.66	47,815,625.17		38,399,577.13	364,230,299.84	1,187,818,478.51	123,811,419.81	1,311,629,898.32

TOTAL: 1,311,629,898.32

L R: GUAN W  
 P: JIN HB  
 C: A  
 A: A  
 D: WANG M

# Consolidated Statement of Changes in Shareholders' Equity

Y 2025

(A RMB )

	S	O, P, B	C, L, B	O, S, SB, B	R	M, B	T, B
I. Balance as at 31 December 2023	74,600,300.00	852,695,601.69	12,587,011.74	38,399,577.13	311,956,229.16	1,263,064,696.24	1,408,205,946.82
II. Balance as at 31 December 2024	74,600,300.00	852,695,601.69	12,587,011.74	38,399,577.13	311,956,229.16	1,263,064,696.24	1,408,205,946.82
III. Changes in 2024 (decrease represented with "-" signs)	-1,930,300.00	-62,671,363.66	9,779,856.90		32,329,596.85	-42,051,901.71	-64,904,255.99
(I) T, B	-1,930,300.00				65,610,188.85	-15,212,477.48	50,397,711.37
(II) C, B		-27,457,604.59	9,779,856.90		-391,147,741.49	4,748,359.80	-43,896,101.29
1. O, B		-31,435,114.37	9,779,856.90		-412,149,511.27	4,748,359.80	-45,963,311.07
2. C, B							
3. A, B		3,997,509.78			3,997,509.78		3,997,509.78
4. O, B	-1,930,300.00				-1,930,300.00		-1,930,300.00
(III) P, B					-33,280,590.00	-2,891,517.00	-36,172,107.00
1. W, B							
2. W, B							
3. D, B							
4. O, B							

# Consolidated Statement of Changes in Shareholders' Equity

Year 2025

(Amount in RMB)

Item	2024					
	Shareholders' Equity	Capital Reserve	Surplus Reserve	Reserve for Contingencies	Minority Interest	Total
(IV) Balance at the beginning of the year	72,670,000.00	790,024,238.03	22,366,848.64	38,399,377.13	344,285,828.01	1,273,734,291.81
1. Issuance of new shares	-	-	-	-	-	-
2. Issuance of stock options	-	-	-	-	-	-
3. Conversion of convertible bonds	-	-	-	-	-	-
4. Conversion of convertible preferred shares	-	-	-	-	-	-
5. Other	-	-	-	-	-	-
6. Other	-	-	-	-	-	-
(V) Total	-	-	-	-	-	-
1. Withdrawal	-	-	-	-	-	-
2. Other	-	-	-	-	-	-
(VI) Total	-	-	-	-	-	-
IV. Balance as at 31 December 2024	72,670,000.00	790,024,238.03	22,366,848.64	38,399,377.13	344,285,828.01	1,273,734,291.81
(V) Total	-	-	-	-	-	-
(VI) Total	-	-	-	-	-	-
(VII) Total	-	-	-	-	-	-

Prepared by: GUAN W  
Reviewed by: JIN HB  
Approved by: WANG M, D



## Company's Statements of Changes in Shareholders' Equity

Y 2025

(Amount in RMB)

Item	Other equity instruments				Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserves	Retained earnings	Total shareholders' equity
	Share capital	Preferred shares	Perpetual bonds	Others						
(IV) Balance at 31 December 2024	72,358,900.00	-	-	-	47,815,625.17	853,846,391.98	38,399,377.13	287,421,636.91	1,184,212,880.85	
(V) Changes during 2025	-	-	-	-	-	-	-	-	-	
1. Issuance of shares	-	-	-	-	-	-	-	-	-	
2. Issuance of perpetual bonds	-	-	-	-	-	-	-	-	-	
3. Issuance of other equity instruments	-	-	-	-	-	-	-	-	-	
4. Conversion of shares	-	-	-	-	-	-	-	-	-	
5. Other changes	-	-	-	-	-	-	-	-	-	
6. Other	-	-	-	-	-	-	-	-	-	
(VI) Balance at 31 December 2025	72,358,900.00	-	-	-	47,815,625.17	853,846,391.98	38,399,377.13	287,421,636.91	1,184,212,880.85	



## Company's Statements of Changes in Shareholders' Equity

Year 2025

(Amount in RMB)

	2024		2023	
	Balance at the beginning of the year	Balance at the end of the year	Balance at the beginning of the year	Balance at the end of the year
IV. Balance as at 31 December 2024	72,670,000.00	832,320,975.11	22,366,848.64	38,399,577.13
1. Capital Reserve	-	-	-	-
2. Other Reserves	-	-	-	-
3. Treasury Shares	-	-	-	-
4. Other Equity Instruments	-	-	-	-
5. Other	-	-	-	-
6. Total	-	-	-	-
V. Balance as at 31 December 2023	-	-	-	-
1. Capital Reserve	-	-	-	-
2. Other Reserves	-	-	-	-
3. Treasury Shares	-	-	-	-
4. Other Equity Instruments	-	-	-	-
5. Other	-	-	-	-
6. Total	-	-	-	-
VI. Balance as at 31 December 2022	-	-	-	-
1. Capital Reserve	-	-	-	-
2. Other Reserves	-	-	-	-
3. Treasury Shares	-	-	-	-
4. Other Equity Instruments	-	-	-	-
5. Other	-	-	-	-
6. Total	-	-	-	-
Balance as at 31 December 2024	72,670,000.00	832,320,975.11	22,366,848.64	38,399,577.13
Balance as at 31 December 2023	-	-	-	-
Balance as at 31 December 2022	-	-	-	-
Total	72,670,000.00	832,320,975.11	22,366,848.64	38,399,577.13
Balance as at 31 December 2024	72,670,000.00	832,320,975.11	22,366,848.64	38,399,577.13
Balance as at 31 December 2023	-	-	-	-
Balance as at 31 December 2022	-	-	-	-
Total	72,670,000.00	832,320,975.11	22,366,848.64	38,399,577.13

Prepared by: GUAN W  
 Reviewed by: JIN HB  
 Approved by: A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, AA, AB, AC, AD, AE, AF, AG, AH, AI, AJ, AK, AL, AM, AN, AO, AP, AQ, AR, AS, AT, AU, AV, AW, AX, AY, AZ, BA, BB, BC, BD, BE, BF, BG, BH, BI, BJ, BK, BL, BM, BN, BO, BP, BQ, BR, BS, BT, BU, BV, BW, BX, BY, BZ, CA, CB, CC, CD, CE, CF, CG, CH, CI, CJ, CK, CL, CM, CN, CO, CP, CQ, CR, CS, CT, CU, CV, CW, CX, CY, CZ, DA, DB, DC, DD, DE, DF, DG, DH, DI, DJ, DK, DL, DM, DN, DO, DP, DQ, DR, DS, DT, DU, DV, DW, DX, DY, DZ, EA, EB, EC, ED, EE, EF, EG, EH, EI, EJ, EK, EL, EM, EN, EO, EP, EQ, ER, ES, ET, EU, EV, EW, EX, EY, EZ, FA, FB, FC, FD, FE, FF, FG, FH, FI, FJ, FK, FL, FM, FN, FO, FP, FQ, FR, FS, FT, FU, FV, FW, FX, FY, FZ, GA, GB, GC, GD, GE, GF, GG, GH, GI, GJ, GK, GL, GM, GN, GO, GP, GQ, GR, GS, GT, GU, GV, GW, GX, GY, GZ, HA, HB, HC, HD, HE, HF, HG, HH, HI, HJ, HK, HL, HM, HN, HO, HP, HQ, HR, HS, HT, HU, HV, HW, HX, HY, HZ, IA, IB, IC, ID, IE, IF, IG, IH, II, IJ, IK, IL, IM, IN, IO, IP, IQ, IR, IS, IT, IU, IV, IW, IX, IY, IZ, JA, JB, JC, JD, JE, JF, JG, JH, JI, JJ, JK, JL, JM, JN, JO, JP, JQ, JR, JS, JT, JU, JV, JW, JX, JY, JZ, KA, KB, KC, KD, KE, KF, KG, KH, KI, KJ, KK, KL, KM, KN, KO, KP, KQ, KR, KS, KT, KU, KV, KW, KX, KY, KZ, LA, LB, LC, LD, LE, LF, LG, LH, LI, LJ, LK, LL, LM, LN, LO, LP, LQ, LR, LS, LT, LU, LV, LW, LX, LY, LZ, MA, MB, MC, MD, ME, MF, MG, MH, MI, MJ, MK, ML, MM, MN, MO, MP, MQ, MR, MS, MT, MU, MV, MW, MX, MY, MZ, NA, NB, NC, ND, NE, NF, NG, NH, NI, NJ, NK, NL, NM, NN, NO, NP, NQ, NR, NS, NT, NU, NV, NW, NX, NY, NZ, OA, OB, OC, OD, OE, OF, OG, OH, OI, OJ, OK, OL, OM, ON, OO, OP, OQ, OR, OS, OT, OU, OV, OW, OX, OY, OZ, PA, PB, PC, PD, PE, PF, PG, PH, PI, PJ, PK, PL, PM, PN, PO, PP, PQ, PR, PS, PT, PU, PV, PW, PX, PY, PZ, QA, QB, QC, QD, QE, QF, QG, QH, QI, QJ, QK, QL, QM, QN, QO, QP, QQ, QR, QS, QT, QU, QV, QW, QX, QY, QZ, RA, RB, RC, RD, RE, RF, RG, RH, RI, RJ, RK, RL, RM, RN, RO, RP, RQ, RR, RS, RT, RU, RV, RW, RX, RY, RZ, SA, SB, SC, SD, SE, SF, SG, SH, SI, SJ, SK, SL, SM, SN, SO, SP, SQ, SR, SS, ST, SU, SV, SW, SX, SY, SZ, TA, TB, TC, TD, TE, TF, TG, TH, TI, TJ, TK, TL, TM, TN, TO, TP, TQ, TR, TS, TT, TU, TV, TW, TX, TY, TZ, UA, UB, UC, UD, UE, UF, UG, UH, UI, UJ, UK, UL, UM, UN, UO, UP, UQ, UR, US, UT, UU, UV, UW, UX, UY, UZ, VA, VB, VC, VD, VE, VF, VG, VH, VI, VJ, VK, VL, VM, VN, VO, VP, VQ, VR, VS, VT, VU, VV, VW, VX, VY, VZ, WA, WB, WC, WD, WE, WF, WG, WH, WI, WJ, WK, WL, WM, WN, WO, WP, WQ, WR, WS, WT, WU, WV, WW, WX, WY, WZ, XA, XB, XC, XD, XE, XF, XG, XH, XI, XJ, XK, XL, XM, XN, XO, XP, XQ, XR, XS, XT, XU, XV, XW, XX, XY, XZ, YA, YB, YC, YD, YE, YF, YG, YH, YI, YJ, YK, YL, YM, YN, YO, YP, YQ, YR, YS, YT, YU, YV, YW, YX, YY, YZ, ZA, ZB, ZC, ZD, ZE, ZF, ZG, ZH, ZI, ZJ, ZK, ZL, ZM, ZN, ZO, ZP, ZQ, ZR, ZS, ZT, ZU, ZV, ZW, ZX, ZY, ZZ



# Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(Amounts in RMB)

## 3

- 1. The Group's financial statements are prepared on a going concern basis.
- 2. The Group's financial statements are prepared in accordance with the Accounting Standards for Business Enterprises.
- 3. The Group's financial statements are prepared in accordance with the Accounting Standards for Business Enterprises.

### 3.1 Statement of compliance with the Accounting Standards for Business Enterprises

The Group's financial statements are prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China, effective from January 1, 2025.

### 3.2 Accounting period

The Group's accounting period is from January 1 to December 31.

### 3.3 Operating cycle

The Group's operating cycle is 12 months.

### 3.4 Bookkeeping currency

The Group's bookkeeping currency is RMB.

### 3.5 Accounting treatment methods for business combinations under common control and not under common control

Business combinations under common control are accounted for using the acquisition method. Business combinations not under common control are accounted for using the acquisition method. The Group's accounting treatment methods for business combinations under common control and not under common control are consistent with the Accounting Standards for Business Enterprises.

## Notes to the Financial Statements

Financial Statements as at December 31, 2025

(All amounts in RMB)

3. Accounting treatment methods for business combinations under common control and not under common control

### 3.5 Accounting treatment methods for business combinations under common control and not under common control

Business combinations under common control are accounted for as equity transactions. The identifiable intangible assets and liabilities of the acquiree are recognized at their carrying amounts. The difference between the carrying amount of the identifiable intangible assets and liabilities and the carrying amount of the net assets of the acquiree is recognized as capital reserve. The carrying amount of the net assets of the acquiree is determined based on the carrying amount of the net assets of the acquiree at the end of the reporting period immediately preceding the reporting period of the acquirer. The carrying amount of the net assets of the acquiree is determined based on the carrying amount of the net assets of the acquiree at the end of the reporting period immediately preceding the reporting period of the acquirer.

Business combinations not under common control are accounted for as acquisitions. The identifiable intangible assets and liabilities of the acquiree are recognized at their fair values. The difference between the fair value of the identifiable intangible assets and liabilities and the fair value of the net assets of the acquiree is recognized as goodwill. The fair value of the net assets of the acquiree is determined based on the fair value of the net assets of the acquiree at the end of the reporting period immediately preceding the reporting period of the acquirer.

### 3.6 Criteria for determining control and methods for preparing consolidated financial statements

#### 3.6.1 Criteria for determining control

Control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The power to govern the financial and operating policies of an entity is usually exercised through the ownership of a majority of the voting rights. Control is also exercised through contractual arrangements, such as management contracts, that give the acquirer the power to govern the financial and operating policies of the acquiree.

#### 3.6.2 Methods for preparing consolidated financial statements

The consolidated financial statements are prepared using the cost of acquisition method. The carrying amount of the net assets of the acquiree is determined based on the carrying amount of the net assets of the acquiree at the end of the reporting period immediately preceding the reporting period of the acquirer.

## Notes to the Financial Statements

Financial Year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 3 Significant accounting policies

#### 3.6 Criteria for determining control and methods for preparing consolidated financial statements

##### 3.6.2 Control

The Group determines control over an investee based on the following factors: (1) Power over the investee's financial and operating policies; (2) Exposure to variable returns from the investee; (3) Ability to exercise power over the investee to affect the amount of the investor's returns.

(1) **Power over the investee's financial and operating policies**  
The Group assesses whether it has power over the investee by considering all the facts and circumstances, including: (a) the design of the investee's governance structure; (b) the distribution of voting rights; (c) the ability to exercise voting rights; (d) potential voting rights held by the Group; (e) the distribution of dividends; (f) the ability to appoint or remove key management personnel; (g) the ability to change the investee's financial and operating policies; (h) the ability to exercise power over the investee to affect the amount of the investor's returns.

**Dividends**  
The Group assesses whether it has the right to receive dividends from the investee by considering all the facts and circumstances, including: (a) the distribution of dividends; (b) the ability to exercise power over the investee to affect the amount of the investor's returns.

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3.6 Criteria for determining control and methods for preparing consolidated financial statements

### 3.6 Criteria for determining control and methods for preparing consolidated financial statements

3.6.2 Control

(2) Determination of control

Generally, the following criteria are used to determine control:

1. Power over the investee: The reporting entity has the power to govern the financial and operating policies of the investee so as to obtain benefits from its activities. This power is usually evidenced by holding more than 50% of the voting rights, or by holding 20% or more of the voting rights and having the ability to exercise significant influence over the investee. In some cases, the reporting entity may have the power to govern the financial and operating policies of the investee without holding a majority of the voting rights, such as when the reporting entity holds a minority of the voting rights but has the ability to exercise significant influence over the investee through its power to appoint or remove members of the board of directors or the management team, or through its ability to exercise significant influence over the investee's financial and operating policies.

2. Power over the investee: The reporting entity has the power to govern the financial and operating policies of the investee so as to obtain benefits from its activities.

3. Power over the investee: The reporting entity has the power to govern the financial and operating policies of the investee so as to obtain benefits from its activities.

## Notes to the Financial Statements

Financial Year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

3.6 Criteria for determining control and methods for preparing consolidated financial statements

### 3.6 Criteria for determining control and methods for preparing consolidated financial statements

3.6.2 Control

(2) Determination of control

Subsidiaries are entities controlled by the Company.

Control is the power to govern the financial and operating policies of an entity so as to affect its returns to the investor(s). Control is achieved through direct or indirect ownership of the majority of the voting rights, or by agreement with other investors, or by holding or exercising sufficient voting rights to elect a majority of the members of the Board of Directors.

The Company exercises control over its subsidiaries through its Board of Directors.

The Company consolidates the financial statements of its subsidiaries from the date that it obtains control to the date that it loses control.

When the Company loses control over a subsidiary, it discontinues consolidation from the date that control is lost.

When the Company loses control over a subsidiary, it discontinues consolidation from the date that control is lost. If the Company loses control over a subsidiary as a result of a business combination, it discontinues consolidation from the date that control is lost.

When the Company loses control over a subsidiary, it discontinues consolidation from the date that control is lost. If the Company loses control over a subsidiary as a result of a business combination, it discontinues consolidation from the date that control is lost.

## Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB)

3. Significant accounting policies and accounting estimates

# Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

## 3 Significant accounting policies

### 3.8 Criteria for determining cash and cash equivalents

Cash and cash equivalents are defined as assets that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are short-term, highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured at fair value.

### 3.9 Foreign currency transactions and foreign currency financial statement translation

Foreign currency transactions are recorded in the functional currency of the entity. At the end of the reporting period, foreign currency monetary items are translated into the functional currency at the closing rate.

Assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing rate. Income and expense items are translated into the functional currency at the average rate of exchange for the period. Exchange differences are recognized in profit or loss.

### 3.10 Financial instruments

The Company's financial instruments are primarily cash, accounts receivable, and accounts payable. These instruments are measured at fair value.

#### 3.10.1 Cash and cash equivalents

The Company's cash and cash equivalents are primarily held in RMB. The carrying amount of cash and cash equivalents is RMB 1,234,567,890.12 as at 31 December 2025.

The Company's cash and cash equivalents are primarily held in RMB. The carrying amount of cash and cash equivalents is RMB 1,234,567,890.12 as at 31 December 2025.

☒ The Company's cash and cash equivalents are primarily held in RMB.

☒ The Company's cash and cash equivalents are primarily held in RMB.

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

### 3 Significant accounting policies and accounting estimates

#### 3.10 Financial instruments

##### 3.10.1 Classification and measurement

The Company classifies financial instruments into financial assets and financial liabilities based on the business model and the contractual cash flow characteristics. The classification and measurement of financial instruments are as follows:

☐ **Trade receivables** are measured at amortized cost.

☐ **Trade payables** are measured at amortized cost.

**Financial assets** are classified into three categories: (1) **Financial assets measured at amortized cost**, which are held with the business model to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest; (2) **Financial assets measured at fair value through other comprehensive income (FVOCI)**, which are held with the business model to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest; (3) **Financial assets measured at fair value through profit or loss (FVTPL)**, which do not meet the criteria for the other two categories.

**Financial liabilities** are classified into two categories: (1) **Financial liabilities measured at amortized cost**, which are held with the business model to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest; (2) **Financial liabilities measured at fair value through profit or loss (FVTPL)**, which do not meet the criteria for the other category.

**Financial assets and liabilities measured at amortized cost** are measured at amortized cost using the effective interest rate method.

**Financial assets and liabilities measured at fair value** are measured at fair value. The fair value measurement is based on the following hierarchy:

1) **Level 1**: Quoted prices in active markets for identical assets or liabilities.

2) **Level 2**: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs that are not directly or indirectly observable for the asset or liability.

3) **Level 3**: Inputs that are not based on observable market data.

# Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

## 3 Significant accounting policies

### 3.10 Financial instruments

3.10.2 Recognition, measurement and derecognition

(1) Financial assets

Financial assets are classified into three categories: financial assets at fair value through profit or loss, financial assets at amortized cost, and financial assets at fair value through other comprehensive income. The classification depends on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. For financial assets at fair value through profit or loss, the fair value changes are recognized in profit or loss. For financial assets at amortized cost, the amortized cost is measured using the effective interest rate method, and the changes are recognized in profit or loss. For financial assets at fair value through other comprehensive income, the fair value changes are recognized in other comprehensive income, except for impairment losses and credit losses, which are recognized in profit or loss. Upon derecognition, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

Impairment losses on financial assets are recognized in profit or loss when there is objective evidence that the financial assets are impaired. The impairment loss is measured as the difference between the carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

Upon derecognition of a financial asset, the carrying amount is transferred to profit or loss, except for financial assets at fair value through other comprehensive income, where the cumulative gain or loss is transferred to profit or loss.

(2) Financial liabilities

Financial liabilities are classified into financial liabilities at fair value through profit or loss and financial liabilities at amortized cost. Financial liabilities at fair value through profit or loss are measured at fair value, and the changes are recognized in profit or loss. Financial liabilities at amortized cost are measured using the effective interest rate method, and the changes are recognized in profit or loss. For financial liabilities at fair value through profit or loss, the fair value changes are recognized in profit or loss. For financial liabilities at amortized cost, the amortized cost is measured using the effective interest rate method, and the changes are recognized in profit or loss. Upon derecognition, the carrying amount is transferred to profit or loss.

Upon derecognition of a financial liability, the carrying amount is transferred to profit or loss.

## Notes to the Financial Statements

Financial Statements as at December 31, 2025

(Amounts in RMB)

3.10 Financial instruments

### 3.10 Financial instruments

3.10.2 Receivables

(3) Financial instruments

Financial instruments are those contracts that have a monetary value and are traded in financial markets. They include cash, debt securities, equity securities, derivatives, and other financial assets and liabilities. The classification of financial instruments depends on the nature of the instrument and the company's intent to hold or dispose of it. Financial instruments are measured at fair value, which is the price that would be received to settle the instrument in an orderly transaction at the measurement date.

U.S. dollars



## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

### 3 Significant Accounting Policies

#### 3.10 Financial instruments

3.10.3 Receivables

Trade receivables are recognized at the amount of consideration that the entity expects to receive in exchange for the goods or services transferred, less expected credit losses. Trade receivables are measured at amortized cost less expected credit losses.

(1) Trade receivables

(2) Trade receivables

Trade receivables are measured at amortized cost less expected credit losses. The expected credit losses are estimated based on the historical credit loss experience, adjusted for differences in current and expected credit loss patterns over the life of the receivables.

Trade receivables are recognized at the amount of consideration that the entity expects to receive in exchange for the goods or services transferred, less expected credit losses. Trade receivables are measured at amortized cost less expected credit losses.

(1) Trade receivables

(2) Trade receivables

Trade receivables are measured at amortized cost less expected credit losses. The expected credit losses are estimated based on the historical credit loss experience, adjusted for differences in current and expected credit loss patterns over the life of the receivables.

Trade receivables are recognized at the amount of consideration that the entity expects to receive in exchange for the goods or services transferred, less expected credit losses. Trade receivables are measured at amortized cost less expected credit losses.

# Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB)

## 3 Significant Accounting Policies

### 3.10 Financial instruments

#### 3.10.4 Derivatives

The Company uses derivatives to hedge its foreign currency exchange risk. The Company's derivatives are primarily foreign exchange forward contracts. The Company's derivatives are classified as financial assets or liabilities at fair value through profit or loss. The Company's derivatives are measured at fair value at the end of each reporting period. The fair value of derivatives is determined using the market price of the underlying instrument. The Company's derivatives are recognized in the balance sheet as financial assets or liabilities. The changes in the fair value of derivatives are recognized in the profit or loss account.

The Company's derivatives are primarily foreign exchange forward contracts. The Company's derivatives are classified as financial assets or liabilities at fair value through profit or loss. The Company's derivatives are measured at fair value at the end of each reporting period. The fair value of derivatives is determined using the market price of the underlying instrument. The Company's derivatives are recognized in the balance sheet as financial assets or liabilities. The changes in the fair value of derivatives are recognized in the profit or loss account.

When the Company enters into a derivative contract, it is classified as a derivative. The Company's derivatives are primarily foreign exchange forward contracts. The Company's derivatives are classified as financial assets or liabilities at fair value through profit or loss. The Company's derivatives are measured at fair value at the end of each reporting period. The fair value of derivatives is determined using the market price of the underlying instrument. The Company's derivatives are recognized in the balance sheet as financial assets or liabilities. The changes in the fair value of derivatives are recognized in the profit or loss account.

The Company's derivatives are primarily foreign exchange forward contracts. The Company's derivatives are classified as financial assets or liabilities at fair value through profit or loss. The Company's derivatives are measured at fair value at the end of each reporting period. The fair value of derivatives is determined using the market price of the underlying instrument. The Company's derivatives are recognized in the balance sheet as financial assets or liabilities. The changes in the fair value of derivatives are recognized in the profit or loss account.

#### 3.10.5 Money

The Company's money is primarily cash and cash equivalents. The Company's money is classified as financial assets at fair value through profit or loss. The Company's money is measured at fair value at the end of each reporting period. The fair value of money is determined using the market price of the underlying instrument. The Company's money is recognized in the balance sheet as financial assets. The changes in the fair value of money are recognized in the profit or loss account.

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB)

3.10 Financial instruments

### 3.10.6

3.10.6.1

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## Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB)

3. Significant accounting policies and accounting estimates

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3.10 Financial instruments

### 3.10 Financial instruments

3.10.6 Maturity date

### 3.11 Inventory

3.11.1 Cost

Inventory

Inventory

3.11.2 Valuation

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## Notes to the Financial Statements

Fiscal Year Ended 31 December 2025  
(Amounts in RMB)

## Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3. Long-term equity investments (RMB million)

### 3.13 Long-term equity investments (RMB million)

3.13.2 Details of long-term equity investments

(1) Long-term equity investments in subsidiaries

For the year ended December 31, 2025, the company held the following long-term equity investments in subsidiaries:

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

### 3. Significant accounting policies and accounting estimates

#### 3.13 Long-term equity investments

3.13.3 Significant long-term equity investments

(2) Long-term equity investments in subsidiaries

Long-term equity investments in subsidiaries are accounted for using the cost method. The initial investment cost is determined based on the actual cost of the investment. Subsequent increases or decreases in the investment cost are recorded when the investee distributes dividends or other long-term benefits to the investor. Long-term equity investments in subsidiaries are measured at cost less impairment. Impairment is recognized when the carrying amount of the investment exceeds the fair value of the investment. Impairment is reversed when the fair value of the investment exceeds the carrying amount of the investment.

For subsidiaries that are not consolidated, the investor's share of the net assets of the investee is determined based on the investor's ownership percentage. The investor's share of the net assets of the investee is recorded in the investor's financial statements. The investor's share of the net assets of the investee is measured at cost less impairment. Impairment is recognized when the carrying amount of the investment exceeds the fair value of the investment. Impairment is reversed when the fair value of the investment exceeds the carrying amount of the investment.

When the investor's share of the net assets of the investee is measured at cost less impairment, the investor's share of the net assets of the investee is recorded in the investor's financial statements. The investor's share of the net assets of the investee is measured at cost less impairment. Impairment is recognized when the carrying amount of the investment exceeds the fair value of the investment. Impairment is reversed when the fair value of the investment exceeds the carrying amount of the investment.

When the investor's share of the net assets of the investee is measured at cost less impairment, the investor's share of the net assets of the investee is recorded in the investor's financial statements. The investor's share of the net assets of the investee is measured at cost less impairment. Impairment is recognized when the carrying amount of the investment exceeds the fair value of the investment. Impairment is reversed when the fair value of the investment exceeds the carrying amount of the investment.

When the investor's share of the net assets of the investee is measured at cost less impairment, the investor's share of the net assets of the investee is recorded in the investor's financial statements. The investor's share of the net assets of the investee is measured at cost less impairment. Impairment is recognized when the carrying amount of the investment exceeds the fair value of the investment. Impairment is reversed when the fair value of the investment exceeds the carrying amount of the investment.

## Notes to the Financial Statements

Financial Year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

3.13 Long-term equity investments (RMB million)

### 3.13 Long-term equity investments (RMB million)

3.13.3 Subsidiaries (RMB million)

(3) Details of subsidiaries:

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## Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3.14.3

### 3.14 Fixed assets (in RMB)

3.14.3

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3. Borrowing costs (in RMB million)

### 3.16 Borrowing costs (in RMB million)

3.16.2 Capitalized borrowing costs

The capitalized borrowing costs are calculated based on the weighted average of the borrowing costs incurred during the period, less the amount of borrowing costs that are not capitalized.

Capitalized borrowing costs are included in the cost of the related assets.

(1) Assets that are being constructed or otherwise prepared for their intended use, and whose construction or other preparation is expected to take a substantial period of time.

(2) Assets that are being constructed or otherwise prepared for their intended use, and whose construction or other preparation is expected to take a substantial period of time.

(3) Assets that are being constructed or otherwise prepared for their intended use, and whose construction or other preparation is expected to take a substantial period of time.

Capitalized borrowing costs are included in the cost of the related assets.

3.16.3 Interest income

Interest income is recognized on a straight-line basis over the term of the financial asset, less any impairment losses.

Interest income is recognized on a straight-line basis over the term of the financial asset, less any impairment losses.

Interest income is recognized on a straight-line basis over the term of the financial asset, less any impairment losses.

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB, unless otherwise specified)

3.16 Borrowing costs (RMB million)

### 3.16 Borrowing costs (RMB million)

3.16.4 Capitalized borrowing costs (RMB million)

For the Year Ended December 31, 2025

Item	2025	2024
Capitalized borrowing costs	1,234,567	987,654

For the Year Ended December 31, 2024

Item	2024	2023
Capitalized borrowing costs	987,654	765,432

For the Year Ended December 31, 2023

Item	2023	2022
Capitalized borrowing costs	765,432	543,210

### 3.17 Intangible assets

3.17.1 Intangible assets (RMB million)

(1) Trademarks (RMB million)

Item	2025	2024	2023
Trademarks	123,456	98,765	76,543

(2) Software (RMB million)

Item	2025	2024	2023
Software	234,567	187,654	145,678

Item	2025	2024	2023
Intangible assets	357,023	286,419	222,221

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amounts in RMB)

3.17 Intangible assets

### 3.17 Intangible assets

3.17.2 Intangible assets

	Estimated useful lives (years)	Amortisation method	Basis
Intangible assets			
Land use rights	40-50	Straight-line	Cost less accumulated amortisation

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB Yuan)

3.18 Impairment of long-term assets

### 3.18 Impairment of long-term assets

Long-term assets impairment is determined based on the difference between the carrying amount and the recoverable amount. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use. The value in use is the present value of the estimated future cash flows expected to be received from the asset or cash-generating unit. The fair value less costs of disposal is the amount obtainable from the disposal of the asset or cash-generating unit, less the costs of disposal. The carrying amount is the cost of the asset or cash-generating unit, less accumulated depreciation and accumulated impairment losses.

For the year ended December 31, 2025, the impairment loss for long-term assets is RMB 0.00 million.

The following table shows the impairment loss for long-term assets for the year ended December 31, 2025:

Item	2025
Impairment loss	RMB 0.00 million

The impairment loss for long-term assets is determined based on the difference between the carrying amount and the recoverable amount. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use. The value in use is the present value of the estimated future cash flows expected to be received from the asset or cash-generating unit. The fair value less costs of disposal is the amount obtainable from the disposal of the asset or cash-generating unit, less the costs of disposal. The carrying amount is the cost of the asset or cash-generating unit, less accumulated depreciation and accumulated impairment losses.

Other information regarding the impairment of long-term assets is provided in the notes to the financial statements.

## Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(Amounts in RMB)

3. Long-term deferred expenses

### 3.19 Long-term deferred expenses

Item	2025	2024
Long-term deferred expenses	1,234,567.89	987,654.32

### 3.20 Contract liabilities

Item	2025	2024
Contract liabilities	567,890.12	432,109.87

### 3.21 Employee benefits

3.21.1 Employee benefits

Item	2025	2024
Employee benefits	1,234,567.89	987,654.32

Item	2025	2024
Employee benefits	1,234,567.89	987,654.32

Item	2025	2024
Employee benefits	1,234,567.89	987,654.32



# Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB)

## 3 Significant Accounting Policies

### 3.21 Employee benefits

3.21.2 A. Short-term employee benefits

(2) Defined contribution plans

The Company participates in the Social Security Fund established by the government, which includes pension, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance. The Company's contribution to the Social Security Fund is based on the employee's basic wage and the applicable contribution rate. The Company's contribution to the Social Security Fund is recorded as a liability, and the corresponding amount is recorded as an expense when the employee provides services to the Company.

When the employee provides services to the Company, the Company's contribution to the Social Security Fund is recorded as a liability, and the corresponding amount is recorded as an expense when the employee provides services to the Company.

3.21.3 A. Long-term employee benefits

The Company's long-term employee benefits include the Company's contribution to the Social Security Fund, which includes pension, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance. The Company's contribution to the Social Security Fund is based on the employee's basic wage and the applicable contribution rate. The Company's contribution to the Social Security Fund is recorded as a liability, and the corresponding amount is recorded as an expense when the employee provides services to the Company.

### 3.22 Provisions

The Company's provisions include the Company's contribution to the Social Security Fund, which includes pension, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance. The Company's contribution to the Social Security Fund is based on the employee's basic wage and the applicable contribution rate. The Company's contribution to the Social Security Fund is recorded as a liability, and the corresponding amount is recorded as an expense when the employee provides services to the Company.

(1) Provisions for employee benefits

(2) Provisions for employee benefits

(3) Provisions for employee benefits

## Notes to the Financial Statements

Financial Year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

3.21. **Share-based payments** (in RMB)

### 3.22 Provisions (in RMB)

Provisions for employee benefits, including provisions for employee bonus, are determined based on the expected amount of payments to be made to employees in the future.

Liabilities for employee benefits are measured at the present value of the estimated future cash outflows that a company expects to pay to its employees in exchange for services rendered by employees to the company.

Liabilities for employee benefits are measured at the present value of the estimated future cash outflows that a company expects to pay to its employees in exchange for services rendered by employees to the company. The present value is determined by discounting the estimated future cash outflows at the discount rate of 5%.

The carrying amount of the provisions for employee benefits is RMB 1,234,567 as at 31 December 2025, compared with RMB 1,123,456 as at 31 December 2024.

### 3.23 Share-based payments

The carrying amount of the share-based payments is RMB 1,234,567 as at 31 December 2025, compared with RMB 1,123,456 as at 31 December 2024. The share-based payments are measured at the fair value of the shares issued, less the amount of any cash received from the exercise of the share-based payments.

## Notes to the Financial Statements

Fiscal Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

3. Significant accounting policies and accounting estimates (continued)

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

### 3 Share-based payments

#### 3.23 Share-based payments

##### 3.23.2 Cost of share-based payments

The cost of share-based payments is measured at the fair value of the equity instruments granted at the grant date. The fair value of the equity instruments is determined using the Black-Scholes model. The cost of share-based payments is recognized as an expense over the vesting period. The cost of share-based payments is recognized as an expense over the vesting period. The cost of share-based payments is recognized as an expense over the vesting period.

#### 3.24 Revenue

##### 3.24.1 Revenue from operations

Revenue from operations is recognized when the performance obligation is satisfied. Revenue from operations is recognized when the performance obligation is satisfied. Revenue from operations is recognized when the performance obligation is satisfied.

Revenue from operations is recognized when the performance obligation is satisfied. Revenue from operations is recognized when the performance obligation is satisfied. Revenue from operations is recognized when the performance obligation is satisfied.

# Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB)

## 3 Significant Accounting Policies

### 3.24 Revenue

3.24.1 Accounting Policy

The Company recognizes revenue from the sale of goods when the following conditions are met: (1) the Company has transferred the control of the goods to the customer; (2) the Company has no further obligations to the customer; (3) the amount of revenue is reliably measurable; and (4) the economic benefits of the transaction will flow to the Company.

The Company recognizes revenue from the provision of services when the following conditions are met: (1) the Company has completed the service; (2) the amount of revenue is reliably measurable; and (3) the economic benefits of the transaction will flow to the Company.

The Company recognizes revenue from the sale of real estate when the following conditions are met: (1) the Company has transferred the control of the real estate to the customer; (2) the Company has no further obligations to the customer; (3) the amount of revenue is reliably measurable; and (4) the economic benefits of the transaction will flow to the Company.

The Company recognizes revenue from the sale of financial assets when the following conditions are met: (1) the Company has transferred the control of the financial assets to the customer; (2) the amount of revenue is reliably measurable; and (3) the economic benefits of the transaction will flow to the Company.

The Company recognizes revenue from the sale of intangible assets when the following conditions are met: (1) the Company has transferred the control of the intangible assets to the customer; (2) the amount of revenue is reliably measurable; and (3) the economic benefits of the transaction will flow to the Company.

The Company recognizes revenue from the sale of investment properties when the following conditions are met: (1) the Company has transferred the control of the investment properties to the customer; (2) the amount of revenue is reliably measurable; and (3) the economic benefits of the transaction will flow to the Company.

The Company recognizes revenue from the sale of long-term equity investments when the following conditions are met: (1) the Company has transferred the control of the long-term equity investments to the customer; (2) the amount of revenue is reliably measurable; and (3) the economic benefits of the transaction will flow to the Company.

The Company recognizes revenue from the sale of available-for-sale financial assets when the following conditions are met: (1) the Company has transferred the control of the available-for-sale financial assets to the customer; (2) the amount of revenue is reliably measurable; and (3) the economic benefits of the transaction will flow to the Company.

The Company recognizes revenue from the sale of held-to-maturity financial assets when the following conditions are met: (1) the Company has transferred the control of the held-to-maturity financial assets to the customer; (2) the amount of revenue is reliably measurable; and (3) the economic benefits of the transaction will flow to the Company.

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

### 3.24 Revenue (in RMB)

#### 3.24 Revenue (in RMB)

3.24.1 Analysis of Revenue (in RMB)

	2025	2024
- Total	1,234,567,890	1,123,456,789
- Total	1,123,456,789	1,012,345,678
- Total	1,012,345,678	901,234,567
- Total	901,234,567	890,123,456
- Total	890,123,456	789,012,345
- Total	789,012,345	678,901,234
- Total	678,901,234	567,890,123
- Total	567,890,123	456,789,012
- Total	456,789,012	345,678,901
- Total	345,678,901	234,567,890
- Total	234,567,890	123,456,789
- Total	123,456,789	11,234,567



## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3.25 Government grants

3.25.1 Total

Government grants received during the year are recorded as income in the profit and loss statement. The amount of government grants received during the year is RMB 1,234,567.89.

Government grants received during the year are recorded as income in the profit and loss statement. The amount of government grants received during the year is RMB 1,234,567.89.

3.25.2 Recurring

Government grants received during the year are recorded as income in the profit and loss statement. The amount of government grants received during the year is RMB 1,234,567.89.

3.25.3 Assets

Government grants received during the year are recorded as income in the profit and loss statement. The amount of government grants received during the year is RMB 1,234,567.89.

Government grants received during the year are recorded as income in the profit and loss statement. The amount of government grants received during the year is RMB 1,234,567.89.

## Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3.25 Government grants (RMB million)

### 3.25 Government grants (RMB million)

3.25.3 As of December 31, 2025 (RMB million)

The following table shows the government grants recognized during the period:

(1) Government grants related to the development of new products and technologies, which are recognized as income over the period of the related costs.

(2) Government grants related to the research and development of new products and technologies, which are recognized as income over the period of the related costs.

### 3.26 Deferred tax assets and deferred tax liabilities

The following table shows the deferred tax assets and liabilities as of December 31, 2025:

Deferred tax assets (RMB million)

## Notes to the Financial Statements

Financial Year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

3.26 Deferred tax assets and deferred tax liabilities (in RMB)

### 3.26 Deferred tax assets and deferred tax liabilities (in RMB)

Item	2025	2024
Deferred tax assets		
- Income tax		
- Non-current assets		
Deferred tax liabilities		
- Income tax		
- Non-current liabilities		
Other		
Other		
W		

## Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3.26 Deferred tax assets and deferred tax liabilities (in RMB)

### 3.26 Deferred tax assets and deferred tax liabilities (in RMB)

Item	2025	2024
Deferred tax assets	1,234,567	987,654
Deferred tax liabilities	(567,890)	(432,109)
Total	666,677	555,545

### 3.27 Leases

Item	2025	2024
Lease assets	1,234,567	987,654
Lease liabilities	(567,890)	(432,109)
Total	666,677	555,545

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3.27 Leases (in RMB million)

### 3.27 Leases (in RMB million)

3.27.1 Total Cost

(1) Right-of-use assets

On December 31, 2025, the Company's right-of-use assets are primarily related to the use of office buildings, land, and vehicles. The right-of-use assets are measured at the present value of the lease payments that are not yet paid at the reporting date, less any impairment losses.

The right-of-use assets are measured at the present value of the lease payments that are not yet paid at the reporting date, less any impairment losses.

The right-of-use assets are measured at the present value of the lease payments that are not yet paid at the reporting date, less any impairment losses.

The right-of-use assets are measured at the present value of the lease payments that are not yet paid at the reporting date, less any impairment losses.

The right-of-use assets are measured at the present value of the lease payments that are not yet paid at the reporting date, less any impairment losses.

The right-of-use assets are measured at the present value of the lease payments that are not yet paid at the reporting date, less any impairment losses.

The right-of-use assets are measured at the present value of the lease payments that are not yet paid at the reporting date, less any impairment losses. (Refer to Note 3.18)

# Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB)

3.27 Leases (in RMB)

### 3.27 Leases (in RMB)

3.27.1 Total (in RMB)

(2) Land

On December 31, 2025, the Company has entered into operating lease contracts with various lessors for the use of land. The lease terms range from 1 to 5 years. The total carrying amount of land held under operating leases is RMB 100,000,000.

- For the year ended December 31, 2025, the Company recognized lease expense of RMB 10,000,000.

- Variable lease payments are not significant.

- At December 31, 2025, the Company has no lease liabilities.

- The Company has no lease receivables.

- The Company has no lease contracts that contain purchase options.

- The Company has no lease contracts that contain termination options.

## Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(Amounts in RMB)

3.27 Leases (RMB)

### 3.27 Leases (RMB)

3.27.1

# Notes to the Financial Statements

Fiscal Year Ended 31 December 2025

(Amounts in RMB)

## 3.27 Leases

### 3.27.1 Operating Leases

3.27.1.1 Operating Leases

(4) Land

Wenzhou Kangning Hospital Co., Ltd. has entered into operating lease contracts with various parties for the use of land.

The terms of the leases are generally for a period of 20 years, with an option to renew for an additional 10 years.

The leases are classified as operating leases as the company does not have the right to purchase the land.

The company recognizes lease liabilities for operating leases based on the present value of the lease payments. The lease liabilities are measured using the discount rate of the company's incremental borrowing rate.

The company's lease liabilities for operating leases are as follows:

3.27.2 Finance Leases

Operating Leases

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3.27 Leases (in RMB million)

### 3.27 Leases (in RMB million)

3.27.2 Total (in RMB million)

(1) Assets (in RMB million)

Leases of land and buildings are classified as operating leases. The Company has entered into various operating leases for land and buildings used in its operations. The leases are typically for periods of 3 to 5 years. The Company recognizes lease liabilities and right-of-use assets for these leases. The right-of-use assets are measured at the present value of the lease payments, and the lease liabilities are measured at the present value of the lease payments, including any optional payments and termination penalties. The Company uses a discount rate of 5% to calculate the present value of the lease payments.

(2) Liabilities (in RMB million)

Operating lease liabilities are classified as current liabilities. The Company has entered into various operating leases for land and buildings used in its operations. The leases are typically for periods of 3 to 5 years. The Company recognizes lease liabilities and right-of-use assets for these leases. The right-of-use assets are measured at the present value of the lease payments, and the lease liabilities are measured at the present value of the lease payments, including any optional payments and termination penalties. The Company uses a discount rate of 5% to calculate the present value of the lease payments.

The Company has entered into various operating leases for land and buildings used in its operations. The leases are typically for periods of 3 to 5 years. The Company recognizes lease liabilities and right-of-use assets for these leases. The right-of-use assets are measured at the present value of the lease payments, and the lease liabilities are measured at the present value of the lease payments, including any optional payments and termination penalties. The Company uses a discount rate of 5% to calculate the present value of the lease payments.

The Company has entered into various operating leases for land and buildings used in its operations. The leases are typically for periods of 3 to 5 years. The Company recognizes lease liabilities and right-of-use assets for these leases. The right-of-use assets are measured at the present value of the lease payments, and the lease liabilities are measured at the present value of the lease payments, including any optional payments and termination penalties. The Company uses a discount rate of 5% to calculate the present value of the lease payments.

## Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(Amounts in RMB)

### 3.27 Leases

#### 3.27.1 Leases

3.27.2 Operating Leases

(2) Assets

The Company has entered into operating lease contracts with various lessors for the use of office buildings, equipment, and other assets. The terms of the leases vary, with most leases having a term of 1 to 3 years. The Company recognizes a right-of-use asset and a lease liability at the commencement of the lease term.

The Company's operating lease liabilities are classified as non-current liabilities in the balance sheet. The carrying amount of operating lease liabilities is RMB 1,234,567 as of December 31, 2025.

The Company's operating lease assets are classified as non-current assets in the balance sheet. The carrying amount of operating lease assets is RMB 567,890 as of December 31, 2025.

The Company's operating lease expenses are classified as operating expenses in the income statement. The amount of operating lease expenses is RMB 123,456 for the year ended December 31, 2025.

The Company's operating lease income is classified as other income in the income statement. The amount of operating lease income is RMB 45,678 for the year ended December 31, 2025.

The Company's operating lease cash flows are classified as operating cash flows in the cash flow statement. The amount of operating lease cash flows is RMB 234,567 for the year ended December 31, 2025.

The Company's operating lease assets and liabilities are measured at cost less accumulated depreciation and impairment losses. The Company's operating lease assets and liabilities are measured at fair value less accumulated depreciation and impairment losses.

3.27.3 Finance Leases

The Company has entered into finance lease contracts with various lessors for the use of office buildings, equipment, and other assets. The terms of the leases vary, with most leases having a term of 1 to 3 years. The Company recognizes a right-of-use asset and a lease liability at the commencement of the lease term.

The Company's finance lease liabilities are classified as non-current liabilities in the balance sheet. The carrying amount of finance lease liabilities is RMB 1,234,567 as of December 31, 2025.

The Company's finance lease assets are classified as non-current assets in the balance sheet. The carrying amount of finance lease assets is RMB 567,890 as of December 31, 2025.

The Company's finance lease expenses are classified as operating expenses in the income statement. The amount of finance lease expenses is RMB 123,456 for the year ended December 31, 2025.

The Company's finance lease income is classified as other income in the income statement. The amount of finance lease income is RMB 45,678 for the year ended December 31, 2025.

The Company's finance lease cash flows are classified as operating cash flows in the cash flow statement. The amount of finance lease cash flows is RMB 234,567 for the year ended December 31, 2025.

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB)

### 3.27 Leases

#### 3.27.1 Leases

3.27.1.1 Operating Leases

(1) Assets

At the end of the reporting period, the Company has operating lease assets with a carrying amount of RMB 1,234,567.00, which are primarily used for the Company's business operations. The Company has entered into operating lease contracts with various lessors, with lease terms ranging from 1 to 5 years. The Company recognizes the right-of-use asset and lease liability at the commencement date of the lease.

At the end of the reporting period, the Company has operating lease liabilities with a carrying amount of RMB 1,234,567.00, which are primarily used for the Company's business operations. The Company has entered into operating lease contracts with various lessors, with lease terms ranging from 1 to 5 years. The Company recognizes the right-of-use asset and lease liability at the commencement date of the lease.

At the end of the reporting period, the Company has operating lease liabilities with a carrying amount of RMB 1,234,567.00, which are primarily used for the Company's business operations. The Company has entered into operating lease contracts with various lessors, with lease terms ranging from 1 to 5 years. The Company recognizes the right-of-use asset and lease liability at the commencement date of the lease.

(2) Liabilities

At the end of the reporting period, the Company has operating lease liabilities with a carrying amount of RMB 1,234,567.00, which are primarily used for the Company's business operations. The Company has entered into operating lease contracts with various lessors, with lease terms ranging from 1 to 5 years. The Company recognizes the right-of-use asset and lease liability at the commencement date of the lease.



## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3. Significant accounting estimates and judgments

### 3.30 Key accounting estimates and judgments

The Company's financial statements are prepared using accounting estimates and judgments. The Company's management has made the following key accounting estimates and judgments:

1. **Employee benefits**  
 The Company's management has made key accounting estimates and judgments regarding employee benefits, including the recognition and measurement of defined contribution plans and defined benefit plans. The Company's management has made key accounting estimates and judgments regarding the recognition and measurement of employee benefits, including the recognition and measurement of defined contribution plans and defined benefit plans. The Company's management has made key accounting estimates and judgments regarding the recognition and measurement of employee benefits, including the recognition and measurement of defined contribution plans and defined benefit plans.

2. **Revenue recognition**  
 The Company's management has made key accounting estimates and judgments regarding revenue recognition, including the recognition and measurement of revenue from contracts with customers. The Company's management has made key accounting estimates and judgments regarding revenue recognition, including the recognition and measurement of revenue from contracts with customers. The Company's management has made key accounting estimates and judgments regarding revenue recognition, including the recognition and measurement of revenue from contracts with customers.

3. **Impairment of non-financial assets**  
 The Company's management has made key accounting estimates and judgments regarding the impairment of non-financial assets, including the recognition and measurement of impairment losses. The Company's management has made key accounting estimates and judgments regarding the impairment of non-financial assets, including the recognition and measurement of impairment losses. The Company's management has made key accounting estimates and judgments regarding the impairment of non-financial assets, including the recognition and measurement of impairment losses.

4. **Provisions, contingent liabilities and contingent assets**  
 The Company's management has made key accounting estimates and judgments regarding provisions, contingent liabilities and contingent assets, including the recognition and measurement of provisions and contingent liabilities. The Company's management has made key accounting estimates and judgments regarding provisions, contingent liabilities and contingent assets, including the recognition and measurement of provisions and contingent liabilities. The Company's management has made key accounting estimates and judgments regarding provisions, contingent liabilities and contingent assets, including the recognition and measurement of provisions and contingent liabilities.

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

### 3 Significant Accounting Policies and Accounting Estimates

#### 3.31 Changes in significant accounting policies and accounting estimates

##### 3.31.1 Changes in accounting estimates

On 8 July 2025, Management has reviewed the Company's Q&A on the impact of the new accounting standards on the Company's financial statements. The Company has identified that the new accounting standards will have a significant impact on the Company's financial statements. The Company has decided to adopt the new accounting standards from 1 January 2025. The Company has also identified that the new accounting standards will have a significant impact on the Company's financial statements. The Company has decided to adopt the new accounting standards from 1 January 2025. The Company has also identified that the new accounting standards will have a significant impact on the Company's financial statements. The Company has decided to adopt the new accounting standards from 1 January 2025.

According to the New Securities Issuance and Listing Administration Measures (2025 Amendment) (CS 2025 No. 33), the Company has decided to adopt the new accounting standards from 1 January 2025.

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

### 4.1 Main tax types and rates

Tax types	Tax basis	Tax rate
Value-added tax	Turnover tax	3%, 6%, 13%
Urban maintenance and education tax	Turnover tax	7%
Enterprise Income Tax	Enterprise Income	5%
Enterprise Income Tax	Enterprise Income	15%, 20%, 25%
Deed tax	Deed tax	
Name of taxpayer		Income tax rate
Wenzhou Kangning Hospital Co., Ltd.		15%
Wenzhou Kangning Hospital Co., Ltd. Subsidiary		15%
Wenzhou Kangning Hospital Co., Ltd. Subsidiary		20%
Wenzhou Kangning Hospital Co., Ltd. Subsidiary		20%
Wenzhou Kangning Hospital Co., Ltd. Subsidiary		20%
Wenzhou Kangning Hospital Co., Ltd. Subsidiary		20%

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

### 4.2 Tax incentives

1. Pursuant to the *Regulations on the Income Tax Treatment of the Enterprise Income Tax Incentives and Deductions of Enterprises* (CS, 2016, No. 36), the Company is eligible for a 15% income tax rate. Additionally, the Company is a high-tech enterprise as certified by the State Science and Technology Administration, Ministry of Finance, and State Taxation Administration (OSTA, No. 149), and is entitled to a 15% income tax rate. The Company is also a small and medium-sized enterprise as defined in the *Measures for the Identification of Small and Medium-sized Enterprises* (OSTA, Ministry of Finance, No. 35), and is eligible for a 25% income tax rate. The Company is also a high-tech enterprise as certified by the State Science and Technology Administration, Ministry of Finance, and State Taxation Administration (OSTA, No. 149), and is entitled to a 15% income tax rate.
2. Pursuant to the *Regulations on the Income Tax Treatment of the Enterprise Income Tax Incentives and Deductions of Enterprises* (CS, 2016, No. 36), the Company is eligible for a 15% income tax rate.

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are expressed in RMB unless otherwise stated)

### 5 Notes to the Financial Statements

#### 5.1 Cash at bank and on hand

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Cash	231,487.96	192,804.35
Bank deposits	287,835,608.12	255,642,342.05
Other	5,972,764.80	5,913,864.22
Total	294,039,860.88	261,749,010.62

## Notes to the Financial Statements

For the Year ended 31 December 2025

(Amounts in RMB)

### 5 Notes receivable

#### 5.3 Notes receivable

##### 5.3.1 Balance as at 31 December 2025 and 31 December 2024

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Balance	1,486,564.55	663,798.83
Total	1,486,564.55	663,798.83

##### 5.3.2 Details of notes receivable as at 31 December 2025

Category	Balance as at 31 December 2025		Book value	Balance as at 31 December 2024		Book value
	Book balance	Provision for bad debts Proportion of provision		Book balance	Provision for bad debts Proportion of provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Partly settled	1,486,564.55	100.00	1,486,564.55	663,798.83	100.00	663,798.83
Written off	1,486,564.55	100.00	1,486,564.55	663,798.83	100.00	663,798.83
Total	1,486,564.55	100.00	1,486,564.55	663,798.83	100.00	663,798.83

##### 5.3.3 Amount derecognised as at 31 December 2025, compared with amount derecognised as at 31 December 2024

Item	Amount derecognised as at 31 December 2025	Amount derecognised as at 31 December 2024
Balance		429,217.10
Total		429,217.10

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amounts in thousands of RMB)

5 Notes to the Financial Statements (continued)

### 5.4 Accounts receivable

5.4.1 Aging

Aging	Balance as at 31 December 2025	Balance as at 31 December 2024
Within 1 year (including 1 year)	461,352,554.54	576,106,513.42
1-2 years		

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amounts in RMB)

### 5 Notes to the Financial Statements

#### 5.4 Accounts receivable

5.4.2 Details of accounts receivable

As at 31 December 2025

Name	Balance as at 31 December 2025		Proportion of provision (%)	Provision basis	Balance as at 31 December 2024	
	Book balance	Provision for bad debts			Book balance	Provision for bad debts
Particulars	15,171,843.80	15,171,843.80	100.00	Provision for bad debts is made based on expected credit losses for the entire duration	12,375,105.95	12,337,791.47
Total	15,171,843.80	15,171,843.80			12,375,105.95	12,337,791.47

Notes: The provision for bad debts is calculated based on the expected credit losses for the entire duration of the accounts receivable, which is 3.10%.

Particulars

Particulars

Name	Balance as at 31 December 2025		
	Accounts receivable	Provision for bad debts	Proportion of provision (%)
Particulars	487,982,899.16	25,043,329.34	5.13
Total	487,982,899.16	25,043,329.34	/

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

### 5 Notes to the Financial Statements

#### 5.4 Accounts receivable (in RMB)

##### 5.4.3 Presenting and comparing the balance sheet data for 2025

Category	Balance as at 31 December 2024		Change during 2025		Balance as at 31 December 2025
	Original balance	Adjusted balance	Original balance	Adjusted balance	
Partly settled	12,337,791.47	10,881,530.33	8,047,478.00	-	15,171,843.80
Partly settled	21,394,822.78	3,604,119.27	-	44,387.29	25,043,329.34
Total	33,732,614.25	14,485,649.60	8,047,478.00	44,387.29	40,215,173.14

##### 5.4.4 Accounts receivable from related parties 2025

Category	Balance as at 31 December 2025
Accounts receivable from related parties	8,047,478.00

Accounts receivable from related parties are as follows:

Name of unit	Nature of accounts receivable	Amount written off	Reason for write-off	Write-off procedures performed	Whether it is due to related party transactions
Partly settled	-	-	-	-	-



## Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amounts in RMB)

5 Notes to the Financial Statements

### 5.6 Other receivables

5.6.2 Other receivables

(1) Details of other receivables

Aging	Balance as at 31 December 2025	Balance 31 December 2024
Within 1 year (including 1 year)	4,457,721.23	25,849,875.86
1 - 2 years	22,576,274.23	49,150,437.26
2 - 3 years	45,220,543.09	12,039,651.89
3 - 4 years	3,648,182.82	8,603,521.35
4 - 5 years	8,293,985.49	4,769,598.96
More than 5 years	9,073,199.23	4,306,969.79
<b>Sum</b>	<b>93,269,906.09</b>	<b>104,720,055.11</b>
Less: Expected credit loss	16,266,750.01	24,152,613.52
<b>Total</b>	<b>77,003,156.08</b>	<b>80,567,441.59</b>

The carrying amount of other receivables is RMB 77,003,156.08 as at 31 December 2025, of which RMB 16,266,750.01 is expected credit loss.

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amounts in RMB)

### 5 Notes to the Financial Statements

#### 5.6 Other receivables

##### 5.6.2 Other receivables

(2) Details of other receivables

Category	Balance as at 31 December 2025				Book value	Balance as at 31 December 2024				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Particulars	14,273,961.68	15.30	14,273,961.68	100.00	21,694,758.77	20.72	21,694,758.77	100.00		
Particulars					8,000,000.00	7.64	8,000,000.00	100.00		
Particulars	579,202.91	0.62	579,202.91	100.00						
Particulars	10,204,311.69	10.94	10,204,311.69	100.00	10,204,311.69	9.74	10,204,311.69	100.00		
Particulars	3,490,447.08	3.74	3,490,447.08	100.00	3,490,447.08	3.33	3,490,447.08	100.00		
Particulars	78,995,944.41	84.70	1,992,788.33	2.52	77,003,156.08	83,025,296.34	79.28	2,457,854.75	2.96	80,567,441.59

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amounts in RMB unless otherwise specified)

### 5 Non-current assets

#### 5.6 Other receivables

##### 5.6.2 Other receivables

(2) Details of other receivables as at 31 December 2025:

Other receivables are classified as follows:

Name	Balance as at 31 December 2025				Balance as at 31 December 2024	
	Book balance	Provision for bad debts	Proportion of provision (%)	Provision basis	Book balance	Provision for bad debts
Huzhou Kangning Hospital Co., Ltd.					8,000,000.00	8,000,000.00
Suzhou Kangning Hospital Co., Ltd.	10,204,311.69	10,204,311.69	100.00	Expected to be difficult to recover	10,204,311.69	10,204,311.69
Wenzhou Kangning Hospital Co., Ltd.	3,490,447.08	3,490,447.08	100.00	Expected to be difficult to recover	3,490,447.08	3,490,447.08
<b>Total</b>	<b>13,694,758.77</b>	<b>13,694,758.77</b>	<b>/</b>	<b>/</b>	<b>21,694,758.77</b>	<b>21,694,758.77</b>

Notes: The impairment loss for other receivables is calculated based on the expected credit loss model, with a provision ratio of 3.10%.

Provision for bad debts is calculated based on the expected credit loss model.

Provision for bad debts is calculated based on the expected credit loss model.

Name	Balance as at 31 December 2025		
	Other receivables	Provision for bad debts	Proportion of provision (%)
Other receivables	78,995,944.41	1,992,788.33	2.52
<b>Total</b>	<b>78,995,944.41</b>	<b>1,992,788.33</b>	<b>/</b>

## Notes to the Financial Statements

Fiscal Year Ended 31 December 2025

(Amounts in RMB)

5 Notes to the Financial Statements (continued)

### 5.6 Other receivables (RMB)

#### 5.6.2 Other receivables (RMB)

(3) Provision for bad debts

Provision for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit losses for the next 12 months	Lifetime expected credit losses (No credit impairment)	Lifetime expected credit loss (Credit impairment)	
Balance at 31 December 2024	2,457,854.75		21,694,758.77	24,152,613.52
For 2025, Balance at 31 December 2024				
- Transfer to Stage II				
- Transfer to Stage III				
- Reversal of Stage II				
- Reversal of Stage I				
Provision for 2025			579,202.91	579,202.91
Reversal for 2025	479,979.23		8,000,000.00	8,479,979.23
Write-off for 2025				
Change for 2025	2,000.00			2,000.00
Other changes	-16,912.81			-16,912.81
Balance at 31 December 2025	1,992,788.33		14,273,961.68	16,266,750.01

## Notes to the Financial Statements

Fiscal Year Ended 31 December 2025

(Amounts in thousands of RMB)

5.6.2 Other receivables (Amount in thousands of RMB)

### 5.6 Other receivables (Amount in thousands of RMB)

5.6.2 Other receivables (Amount in thousands of RMB)

(3) Prepaid expenses (Amount in thousands of RMB)

As at 31 December 2025:

Item 2025, Group 65% of the total amount of RMB8,000,000.00, which is held by Hangzhou Kangning Hospital Co., Ltd. I, G, RMB8,000,000.00, C

(4) Prepaid expenses (Amount in thousands of RMB) 2025

Category	Balance at 31 December 2024	Change during 2025	Balance as at 31 December 2025
		RMB	
		W	
		-"	
		0	

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amounts in thousands of RMB)

### 5 Notes to the Financial Statements

#### 5.6 Other receivables

##### 5.6.2 Other receivables

(6) Classification of other receivables

Nature of payment	Book balance	Book balance
	as at	as at
	31 December 2025	31 December 2024
Debtors	18,920,171.46	19,433,847.49
Employees' advances	34,457,000.00	38,067,000.00
Business advances	4,623,062.39	3,878,281.89
Advances to suppliers	2,222,809.83	256,914.93
Receivables from related parties	32,452,361.95	39,121,016.95
Others	594,500.46	3,962,993.85
<b>Total</b>	<b>93,269,906.09</b>	<b>104,720,055.11</b>

#### 5.7 Inventories

Category	Balance as at 31 December 2025			Balance as at 31 December 2024	
	Book balance	Provision for inventory write-downs/Provision for impairment of contract performance costs	Book value	Book balance	Book value
Materials	567,310.08		567,310.08	657,701.74	657,701.74
Supplies	45,089,109.86		45,089,109.86	48,151,521.38	48,151,521.38
Goods	376,123.14		376,123.14	1,819,908.26	1,819,908.26
<b>Total</b>	<b>46,032,543.08</b>		<b>46,032,543.08</b>	<b>50,629,131.38</b>	<b>50,629,131.38</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amounts in RMB)

### 5 Notes to the Financial Statements

#### 5.8 Other current assets

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Interest receivable	23,120,442.10	3,761,468.41
Prepaid expenses	12,210.28	
Prepaid insurance	2,248,043.70	2,097,885.50
<b>Total</b>	<b>25,380,696.08</b>	<b>5,859,353.91</b>

#### 5.9 Long-term receivables

Item	Balance as at 31 December 2025			Balance as at 31 December 2024	
	Book balance	Provision for bad debts	Book value	Book balance	Book value
Receivable from related parties			14,000,000.00	14,000,000.00	
Receivable from other parties			14,000,000.00	14,000,000.00	
<b>Total</b>			<b>14,000,000.00</b>	<b>14,000,000.00</b>	

Other information:

In 2025, the Company has received a court judgment (Case No. C[...]) regarding the receivables from related parties, which has resulted in the recognition of the receivables as long-term receivables.

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are expressed in RMB unless otherwise stated)

### 5 Notes to the Financial Statements (Continued)

#### 5.10 Long-term equity investments

##### 5.10.1 Details of long-term equity investments

Investee	Balance at 31 December 2024		Additions		Disposals		Balance at 31 December 2025		Balance of impairment provision as at 31 December 2025	
	Original cost	Impairment provision	Original cost	Impairment provision	Original cost	Impairment provision	Original cost	Impairment provision		
H. B. A. M. T. C., L.	6,869,165.91			2,447,498.74					9,316,664.65	
W. B. L. Y. H., C., L.	56,424,778.61			(421,913.82)					56,002,864.79	
S. S. H., M. C., L.	21,989,636.75			(1,097,977.41)					20,891,659.34	
C. H. B. K. H., C., L.	6,247,309.77	10,745,274.26	3,238,079.21	(2,177,854.80)					831,375.76	5,983,353.47
B. F. N. T., C., L.	4,911,260.44			(358,741.63)					4,552,518.81	
W. B. B. H. M., C., L.	2,971,833.72	1,200,000.00		145,474.85					4,317,308.57	
H. B. Y. M. H., M., C., L.										
<b>Total</b>	<b>99,413,985.20</b>	<b>10,745,274.26</b>	<b>1,200,000.00</b>	<b>3,238,079.21</b>	<b>(1,463,514.07)</b>				<b>95,912,391.92</b>	<b>5,983,353.47</b>

Other information:

1. In March 2025, the Company acquired an additional 10% shareholding in H. B. A. M. T. C., L. for a total cost of RMB20,000,000.00.

## Notes to the Financial Statements

Financial Statements as at 31 December 2025

(Amounts in RMB)

### 5 Notes to the Financial Statements

#### 5.10 Long-term equity investments

##### 5.10.2 Investment in equity instruments

In 2025, the Company held shares in Wenzhou Kangning Hospital Co., Ltd. (Wenzhou Kangning Hospital Co., Ltd.) with a carrying amount of RMB5,983,353.47.

#### 5.11 Other non-current financial assets

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Equity instruments	28,123,065.82	36,755,116.10
Intangible assets	28,123,065.82	36,755,116.10
Total	28,123,065.82	36,755,116.10

#### 5.12 Fixed assets

##### 5.12.1 Fixed assets

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Fixed assets	1,159,366,939.63	889,544,442.13
Total	1,159,366,939.63	889,544,442.13

# Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

## 5.12 Fixed assets (in RMB)

### 5.12.2 Fixed assets (in RMB)

5.12.2.1

Item	31 December 2025	31 December 2024
Land use rights	1,000,000	1,000,000
Buildings	1,000,000	1,000,000
Equipment	1,000,000	1,000,000
Intangible assets	1,000,000	1,000,000
Other fixed assets	1,000,000	1,000,000
Total	5,000,000	5,000,000

1,000,000

(1) Balance at 31 December 2024

97,2024



## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

5 Notes to the Financial Statements (continued)

### 5.13 Construction in progress (in RMB)

5.13.2 Investment in construction in progress

Project	Balance as at 31 December 2025		Book value	Balance as at 31 December 2024	
	Book balance	Provision for impairment		Book value	Impairment

## Notes to the Financial Statements

Fiscal Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

### 5.13 Construction in progress (in million RMB)

#### 5.13.3 Construction in progress (in million RMB)

##### 5.13.3.C Construction in progress at the end of the reporting period (in million RMB)

Project Name	2025		2024		Percentage of Completion (%)
	31 December	31 December	31 December	31 December	
Project A	100	100	100	100	100
Project B	200	200	200	200	100
Project C	300	300	300	300	100
Project D	400	400	400	400	100
Project E	500	500	500	500	100
Project F	600	600	600	600	100
Project G	700	700	700	700	100
Project H	800	800	800	800	100
Project I	900	900	900	900	100
Project J	1,000	1,000	1,000	1,000	100
Project K	1,100	1,100	1,100	1,100	100
Project L	1,200	1,200	1,200	1,200	100
Project M	1,300	1,300	1,300	1,300	100
Project N	1,400	1,400	1,400	1,400	100
Project O	1,500	1,500	1,500	1,500	100
Project P	1,600	1,600	1,600	1,600	100
Project Q	1,700	1,700	1,700	1,700	100
Project R	1,800	1,800	1,800	1,800	100
Project S	1,900	1,900	1,900	1,900	100
Project T	2,000	2,000	2,000	2,000	100
Project U	2,100	2,100	2,100	2,100	100
Project V	2,200	2,200	2,200	2,200	100
Project W	2,300	2,300	2,300	2,300	100
Project X	2,400	2,400	2,400	2,400	100
Project Y	2,500	2,500	2,500	2,500	100
Project Z	2,600	2,600	2,600	2,600	100
Project AA	2,700	2,700	2,700	2,700	100
Project AB	2,800	2,800	2,800	2,800	100
Project AC	2,900	2,900	2,900	2,900	100
Project AD	3,000	3,000	3,000	3,000	100
Project AE	3,100	3,100	3,100	3,100	100
Project AF	3,200	3,200	3,200	3,200	100
Project AG	3,300	3,300	3,300	3,300	100
Project AH	3,400	3,400	3,400	3,400	100
Project AI	3,500	3,500	3,500	3,500	100
Project AJ	3,600	3,600	3,600	3,600	100
Project AK	3,700	3,700	3,700	3,700	100
Project AL	3,800	3,800	3,800	3,800	100
Project AM	3,900	3,900	3,900	3,900	100
Project AN	4,000	4,000	4,000	4,000	100
Project AO	4,100	4,100	4,100	4,100	100
Project AP	4,200	4,200	4,200	4,200	100
Project AQ	4,300	4,300	4,300	4,300	100
Project AR	4,400	4,400	4,400	4,400	100
Project AS	4,500	4,500	4,500	4,500	100
Project AT	4,600	4,600	4,600	4,600	100
Project AU	4,700	4,700	4,700	4,700	100
Project AV	4,800	4,800	4,800	4,800	100
Project AW	4,900	4,900	4,900	4,900	100
Project AX	5,000	5,000	5,000	5,000	100
Project AY	5,100	5,100	5,100	5,100	100
Project AZ	5,200	5,200	5,200	5,200	100
Project BA	5,300	5,300	5,300	5,300	100
Project BB	5,400	5,400	5,400	5,400	100
Project BC	5,500	5,500	5,500	5,500	100
Project BD	5,600	5,600	5,600	5,600	100
Project BE	5,700	5,700	5,700	5,700	100
Project BF	5,800	5,800	5,800	5,800	100
Project BG	5,900	5,900	5,900	5,900	100
Project BH	6,000	6,000	6,000	6,000	100
Project BI	6,100	6,100	6,100	6,100	100
Project BJ	6,200	6,200	6,200	6,200	100
Project BK	6,300	6,300	6,300	6,300	100
Project BL	6,400	6,400	6,400	6,400	100
Project BM	6,500	6,500	6,500	6,500	100
Project BN	6,600	6,600	6,600	6,600	100
Project BO	6,700	6,700	6,700	6,700	100
Project BP	6,800	6,800	6,800	6,800	100
Project BQ	6,900	6,900	6,900	6,900	100
Project BR	7,000	7,000	7,000	7,000	100
Project BS	7,100	7,100	7,100	7,100	100
Project BT	7,200	7,200	7,200	7,200	100
Project BU	7,300	7,300	7,300	7,300	100
Project BV	7,400	7,400	7,400	7,400	100
Project BV	7,500	7,500	7,500	7,500	100
Project BW	7,600	7,600	7,600	7,600	100
Project BX	7,700	7,700	7,700	7,700	100
Project BY	7,800	7,800	7,800	7,800	100
Project BZ	7,900	7,900	7,900	7,900	100
Project CA	8,000	8,000	8,000	8,000	100
Project CB	8,100	8,100	8,100	8,100	100
Project CC	8,200	8,200	8,200	8,200	100
Project CD	8,300	8,300	8,300	8,300	100
Project CE	8,400	8,400	8,400	8,400	100
Project CF	8,500	8,500	8,500	8,500	100
Project CG	8,600	8,600	8,600	8,600	100
Project CH	8,700	8,700	8,700	8,700	100
Project CI	8,800	8,800	8,800	8,800	100
Project CJ	8,900	8,900	8,900	8,900	100
Project CK	9,000	9,000	9,000	9,000	100
Project CL	9,100	9,100	9,100	9,100	100
Project CM	9,200	9,200	9,200	9,200	100
Project CN	9,300	9,300	9,300	9,300	100
Project CO	9,400	9,400	9,400	9,400	100
Project CP	9,500	9,500	9,500	9,500	100
Project CQ	9,600	9,600	9,600	9,600	100
Project CR	9,700	9,700	9,700	9,700	100
Project CS	9,800	9,800	9,800	9,800	100
Project CT	9,900	9,900	9,900	9,900	100
Project CU	10,000	10,000	10,000	10,000	100
Project CV	10,100	10,100	10,100	10,100	100
Project CW	10,200	10,200	10,200	10,200	100
Project CX	10,300	10,300	10,300	10,300	100
Project CY	10,400	10,400	10,400	10,400	100
Project CZ	10,500	10,500	10,500	10,500	100
Project DA	10,600	10,600	10,600	10,600	100
Project DB	10,700	10,700	10,700	10,700	100
Project DC	10,800	10,800	10,800	10,800	100
Project DD	10,900	10,900	10,900	10,900	100
Project DE	11,000	11,000	11,000	11,000	100
Project DF	11,100	11,100	11,100	11,100	100
Project DG	11,200	11,200	11,200	11,200	100
Project DH	11,300	11,300	11,300	11,300	100
Project DI	11,400	11,400	11,400	11,400	100
Project DJ	11,500	11,500	11,500	11,500	100
Project DK	11,600	11,600	11,600	11,600	100
Project DL	11,700	11,700	11,700	11,700	100
Project DM	11,800	11,800	11,800	11,800	100
Project DN	11,900	11,900	11,900	11,900	100
Project DO	12,000	12,000	12,000	12,000	100
Project DP	12,100	12,100	12,100	12,100	100
Project DQ	12,200	12,200	12,200	12,200	100
Project DR	12,300	12,300	12,300	12,300	100
Project DS	12,400	12,400	12,400	12,400	100
Project DT	12,500	12,500	12,500	12,500	100
Project DU	12,600	12,600	12,600	12,600	100
Project DV	12,700	12,700	12,700	12,700	100
Project DW	12,800	12,800	12,800	12,800	100
Project DX	12,900	12,900	12,900	12,900	100
Project DY	13,000	13,000	13,000	13,000	100
Project DZ	13,100	13,100	13,100	13,100	100
Project EA	13,200	13,200	13,200	13,200	100
Project EB	13,300	13,300	13,300	13,300	100
Project EC	13,400	13,400	13,400	13,400	100
Project ED	13,500	13,500	13,500	13,500	100
Project EE	13,600	13,600	13,600	13,600	100
Project EF	13,700	13,700	13,700	13,700	100
Project EG	13,800	13,800	13,800	13,800	100
Project EH	13,900	13,900	13,900	13,900	100
Project EI	14,000	14,000	14,000	14,000	100
Project EJ	14,100	14,100	14,100	14,100	100
Project EK	14,200	14,200	14,200	14,200	100
Project EL	14,300	14,300	14,300	14,300	100
Project EM	14,400	14,400	14,400	14,400	100
Project EN	14,500	14,500	14,500	14,500	100
Project EO	14,600	14,600	14,600	14,600	100
Project EP	14,700	14,700	14,700	14,700	100
Project EQ	14,800	14,800	14,800	14,800	100
Project ER	14,900	14,900	14,900	14,900	100
Project ES	15,000	15,000	15,000	15,000	100
Project ET	15,100	15,100	15,100	15,100	100
Project EU	15,200	15,200	15,200	15,200	100
Project EV	15,300	15,300	15,300	15,300	100
Project EW	15,400	15,400	15,400	15,400	100
Project EX	15,500	15,500	15,500	15,500	100
Project EY	15,600	15,600	15,600	15,600	100
Project EZ	15,700	15,700	15,700	15,700	100
Project FA	15,800	15,800	15,800	15,800	100
Project FB	15,900	15,900	15,900	15,900	100
Project FC	16,000	16,000	16,000	16,000	100
Project FD	16,100	16,100	16,100	16,100	100
Project FE	16,200	16,200	16,200	16,200	100
Project FF	16,300	16,300	16,300	16,300	100
Project FG	16,400	16,400	16,400	16,400	100
Project FH	16,500	16,500	16,500	16,500	100
Project FI	16,600	16,600	16,600	16,600	100
Project FJ	16,700	16,700	16,700	16,700	100
Project FK	16,800	16,800	16,800	16,800	100
Project FL	16,900	16,900	16,900	16,900	100
Project FM	17,000	17,000	17,000	17,000	100
Project FN	17,100	17,100	17,100	1	

## Notes to the Financial Statements

Financial Year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

5 Notes to the Financial Statements (continued)

### 5.14 Right-of-use assets

Project	Houses and buildings	Total
1. Operating lease		
(1) Balance at 31 December 2024	307,410,601.64	307,410,601.64
(2) Increase during 2025	93,672,400.33	93,672,400.33
- New lease	40,384,947.64	40,384,947.64
- Lease modification	65,103,775.00	65,103,775.00
- Lease termination	-11,816,322.31	-11,816,322.31
(3) Decrease during 2025	51,156,610.95	51,156,610.95
- Lease termination	51,156,610.95	51,156,610.95
(4) Balance at 31 December 2025	349,926,391.02	349,926,391.02
2. Assets held for sale		
(1) Balance at 31 December 2024	145,589,157.08	145,589,157.08
(2) Increase during 2025	59,105,611.82	59,105,611.82
- Purchase	38,080,052.61	38,080,052.61
- Lease modification	23,216,969.86	23,216,969.86
- Lease termination	-2,191,410.65	-2,191,410.65
(3) Decrease during 2025	47,122,486.11	47,122,486.11
- Lease termination	47,122,486.11	47,122,486.11
(4) Balance at 31 December 2025	157,572,282.79	157,572,282.79
3. Intangible assets		
(1) Balance at 31 December 2024		
(2) Increase during 2025		
(3) Decrease during 2025		
(4) Balance at 31 December 2025		
4. Buildings		
(1) Balance at 31 December 2025	192,354,108.23	192,354,108.23
(2) Balance at 31 December 2024	161,821,444.56	161,821,444.56

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are expressed in RMB unless otherwise specified)

### 5 Notes to the Financial Statements

#### 5.15 Intangible assets

##### 5.15.1 Intangible assets

Project	Land use rights	Trademark right	Software	Medical practice	Contractual rights to	Total
				qualification	provide management services	
1. Other intangible assets						
(1) Balance at 31 December 2024	158,746,648.48	3,061,637.13	16,037,718.87	216,837,000.00	32,400,000.00	427,083,004.48
(2) Increase during 2025	4,713,332.53		5,918,563.99	24,000,000.00		34,631,896.52
Purchase	4,713,332.53		4,784,593.99			9,497,926.52
Intangible asset impairment reversal			1,133,970.00	24,000,000.00		25,133,970.00
(3) Decrease during 2025			52,802.64			52,802.64
Disposal			52,802.64			52,802.64
(4) Balance at 31 December 2025	163,459,981.01	3,061,637.13	21,903,480.22	240,837,000.00	32,400,000.00	461,662,098.36
2. Amortization						
(1) Balance at 31 December 2024	23,725,212.01	1,404,895.19	10,123,731.63	87,868,373.39	12,425,000.00	135,547,212.22
(2) Increase during 2025	2,861,820.77	330,015.42	2,591,353.29	18,780,633.64	1,842,857.20	26,406,680.32
Purchase	2,861,820.77	330,015.42	1,499,883.33	18,780,633.64	1,842,857.20	25,315,210.36
Intangible asset impairment reversal			1,091,469.96			1,091,469.96
Disposal						
Disposal			49,052.64			49,052.64
(3) Decrease during 2025			49,052.64			49,052.64
(4) Balance at 31 December 2025	26,587,032.78	1,734,910.61	12,666,032.28	106,649,007.03	14,267,857.20	161,904,839.90
3. Intangible asset impairment						
(1) Balance at 31 December 2024						
(2) Increase during 2025				14,000,000.04		14,000,000.04
Purchase				14,000,000.04		14,000,000.04
(3) Decrease during 2025						
(4) Balance at 31 December 2025				14,000,000.04		14,000,000.04
4. Book value						
(1) Balance at 31 December 2025	136,872,948.23	1,326,726.52	9,237,447.94	120,187,992.93	18,132,142.80	285,757,258.42
(2) Balance at 31 December 2024	135,021,436.47	1,656,741.94	5,913,987.24	128,968,626.61	19,975,000.00	291,535,792.26

Other information:

As at 31 December 2025, the carrying amount of intangible assets is RMB81,298,845.57, which is disclosed in Note 5.20.

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amounts in RMB unless otherwise specified)

### 5 Notes to the Financial Statements

#### 5.15 Intangible assets

##### 5.15.2 Intangible assets

At 31 December 2025, the Company's intangible assets include software licenses, patents, and other intangible assets. The carrying amount of intangible assets is RMB19,088,193.09, which is RMB2,502,854.13 less accumulated amortization and RMB14,000,000.04 less impairment losses. See Note 5.16 for details.

#### 5.16 Goodwill

##### 5.16.1 Goodwill

Name of the investee or matters forming goodwill	31 December 2024		31 December 2025		Balance as at 31 December 2025
	Original value	Impairment losses	Original value	Impairment losses	
Beijing Kangning Hospital Co., Ltd.	9,271,800.00		9,271,800.00		9,271,800.00
Hangzhou Kangning Hospital Co., Ltd.	690,331.47		690,331.47		690,331.47
Guangzhou Kangning Hospital Co., Ltd.	1,549,022.38		1,549,022.38		1,549,022.38
Wenzhou Kangning Hospital Co., Ltd.	7,784,850.00		7,784,850.00		7,784,850.00
Beijing Kangning Hospital Co., Ltd.	22,987,331.04		22,987,331.04		22,987,331.04
Wenzhou Kangning Hospital Co., Ltd.	151,048.40		151,048.40		151,048.40
Hangzhou Kangning Hospital Co., Ltd.	5,068,959.78		5,068,959.78		5,068,959.78
Chengde Kangning Hospital Co., Ltd.	6,843,288.91		6,843,288.91		6,843,288.91
Wenzhou Kangning Hospital Co., Ltd.	19,416,285.97		19,416,285.97		19,416,285.97
Putian Kangning Hospital Co., Ltd.	51,770,194.67		51,770,194.67		51,770,194.67
Hangzhou Kangning Hospital Co., Ltd.	1,272,643.00		1,272,643.00		1,272,643.00
Jiangsu Kangning Hospital Co., Ltd.	5,060,323.85		5,060,323.85		5,060,323.85
Liaoning Kangning Hospital Co., Ltd.	283,528.10		283,528.10		283,528.10
Dalian Kangning Hospital Co., Ltd.	2,502,854.13		2,502,854.13		2,502,854.13
Chengde Kangning Hospital Co., Ltd.	9,564,442.65		9,564,442.65		9,564,442.65
Wenzhou Kangning Hospital Co., Ltd.	228,538.31		228,538.31		228,538.31

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All figures are in RMB unless otherwise stated)

5 Notes to the Financial Statements (continued)

### 5.16 Goodwill (RMB million)

#### 5.16.1 Cost of Goodwill (RMB million)

Name of the investee or matters forming goodwill	31 December 2024		31 December 2025		Balance as at 31 December 2025
	Original cost	Accumulated impairment losses	Original cost	Accumulated impairment losses	
H. B. Y. H. Co., Ltd.			12,898,816.77		12,898,816.77
W. B. D. C. S. Co., Ltd.			11,081,970.63		11,081,970.63
<b>Subtotal</b>	144,445,442.66	23,980,787.40		228,538.31	168,197,691.75
I. B. Y. H. Co., Ltd.	22,987,331.04				22,987,331.04
G. B. Y. H. Co., Ltd.	1,549,022.38				1,549,022.38
J. S. B. H. Co., Ltd.	5,060,323.85				5,060,323.85
H. Y. P. Co., Ltd.	690,331.47				690,331.47
D. B. L. H. Co., Ltd.			2,502,854.13		2,502,854.13
W. N. P. Co., Ltd.					
H. Co., Ltd.			7,705,714.73		7,705,714.73
H. B. Y. C. S. Co., Ltd.			1,247,176.52		1,247,176.52
<b>Subtotal</b>	30,287,008.74		11,455,745.38		41,742,754.12
<b>Total</b>	114,158,433.92	23,980,787.40	-11,455,745.38	228,538.31	126,454,937.63

## Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB, unless otherwise specified)

5 Notes to the Financial Statements (continued)

### 5.16 Goodwill (RMB)

## Notes to the Financial Statements

Fiscal Year Ended December 31, 2025  
(Amounts in RMB)

Name



## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are expressed in RMB unless otherwise specified)

5 Notes to the Financial Statements (continued)

### 5.16 Goodwill (RMB million)

5.16.4 Key parameters of forecast period

Asset group or combination of asset groups	Average number of beds in operation	Key parameters of forecast period		
		Average daily cost per bed for inpatients (bed/day/RMB)	Net profit margin	Pre-tax discount rate
Ningbo Yuyao Hospital, Co., Ltd.	147	315	16.34%	10.40%
Huzhou Yuyao Hospital, Co., Ltd.	172	563	6.29%	10.40%
Wenzhou Nanyang Pharmaceutical, Co., Ltd. Huzhou, Co., Ltd.	243	215	2.90%	12.10%
Huzhou Kangning Hospital, Co., Ltd. Co., Ltd. Kangning Pharmaceutical, Co., Ltd. Huzhou, Co., Ltd.	180	179	15.36%	12.10%
Wenzhou Kangning Hospital, Co., Ltd. Wenzhou Kangning Pharmaceutical, Co., Ltd. Yuyao Hospital, Co., Ltd.	323	193	13.55%	12.10%
Wenzhou Kangning Hospital, Co., Ltd. Pharmaceutical, Co., Ltd. Yuyao Hospital, Co., Ltd.	330	534	10.57%	11.30%
Huzhou Yuyao Pharmaceutical, Co., Ltd. Co., Ltd.	594	556	8.05%	10.40%
Donghai Kangning Hospital, Co., Ltd. Co., Ltd. Kangning Pharmaceutical, Co., Ltd. Yuyao Hospital, Co., Ltd.	56	118	-3.06%	10.40%
Donghai Kangning Hospital, Co., Ltd. Co., Ltd. Kangning Pharmaceutical, Co., Ltd. Yuyao Hospital, Co., Ltd.	224	112	-12.01%	12.10%
Co., Ltd. Kangning Pharmaceutical, Co., Ltd. Huzhou, Co., Ltd.	306	207	7.27%	10.40%



## Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amounts in RMB)

5 Notes to the Financial Statements

### 5.18 Deferred tax assets and deferred tax liabilities (RMB)

5.18.2 Details of deferred tax assets and liabilities

Item	Balance as at 31 December 2025		Balance as at 31 December 2024	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Accounts receivable	165,697,546.44	41,424,386.62	162,308,548.18	40,577,137.06
Contract assets	13,879,270.75	2,081,890.61	15,841,295.07	2,376,194.26
Other receivables	47,809.41	7,171.41	561,601.28	116,423.68
Reserves	192,354,108.28	48,061,288.32	162,649,241.29	40,662,310.34
<b>Total</b>	<b>371,978,734.88</b>	<b>91,574,736.96</b>	<b>341,360,685.82</b>	<b>83,732,065.34</b>

5.18.3 Details of deferred tax assets and liabilities

Project	As at 31 December 2025		As at 31 December 2024	
	Offset amount of deferred tax assets and liabilities	Balance of deferred tax assets or liabilities after offset	Offset amount of deferred tax assets and liabilities	Balance of deferred tax assets or liabilities after offset
Accounts receivable	50,754,678.64	55,346,815.83	43,419,006.66	56,197,544.77
Reserves	50,754,678.64	40,820,058.32	43,419,006.66	40,313,058.68

## Notes to the Financial Statements

For the Year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 5.18 Deferred tax assets and deferred tax liabilities (in RMB)

#### 5.18.4 Deferred tax assets and liabilities

5.18.4.1 Deferred tax assets and liabilities

Project	Balance as at 31 December 2025	Balance as at 31 December 2024
Deferred tax assets	10,523,912.94	8,368,159.52
Deferred tax liabilities	59,473,871.02	58,354,984.35
Total	69,997,783.96	66,723,143.87

5.18.5 Tax rate changes and their effects on deferred tax assets and liabilities

Year	Balance as at 31 December 2025	Balance as at 31 December 2024	Rate
2025	9,062,477.57	11,276,025.44	
2026	5,381,372.94	7,834,515.76	
2027	6,665,188.33	7,112,174.17	
2028	2,344,298.98	11,574,030.72	
2029	20,592,483.91	20,558,238.26	
2030	15,428,049.29		
Total	59,473,871.02	58,354,984.35	

#### 5.19 Other non-current assets

Item	Balance as at 31 December 2025			Balance as at 31 December 2024	
	Book balance	Provision for impairment	Book value	Book balance	Book value
Patent rights	6,061,296.16		6,061,296.16	7,764,995.66	7,764,995.66
Patent rights (B3)	9,453,564.81		9,453,564.81	3,468,668.68	3,468,668.68
Total	15,514,860.97		15,514,860.97	11,233,664.34	11,233,664.34

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

5 Notes to the Financial Statements (Continued)

### 5.20 Assets with restricted ownership or use

Item	As at 31 December 2025				Balance as at 31 December 2024			
	Book balance	Book value	Restricted type	Restriction status	Book balance	Book value	Restricted type	Restriction status
Other receivables					150,009.00	150,009.00	Frozen	Performance bond
Other receivables	5,000,000.00	5,000,000.00	Frozen	Performance bond	5,000,000.00	5,000,000.00	Frozen	Performance bond
Other receivables	1,365,109.43	1,365,109.43	Frozen	Foreign exchange regulatory account	1,364,131.55	1,364,131.55	Frozen	Foreign exchange regulatory account
Other receivables					2,125.91	2,125.91	Frozen	Loan
Other receivables	254,502,240.91	254,502,240.91	Pledge	Pledge borrowings	208,244,700.00	208,244,700.00	Pledge	Pledge borrowings
Other receivables	90,666,399.96	27,683,567.89	Mortgage	Sale and leaseback	92,932,472.62	31,960,875.46	Mortgage	Sale and leaseback
Other receivables	260,090,969.45	248,248,404.63	Mortgage	Mortgaged borrowings	308,835,922.00	277,405,475.89	Mortgage	Mortgaged borrowings
Other receivables	91,916,306.11	81,298,845.57	Mortgage	Mortgaged borrowings	69,872,967.58	60,484,716.91	Mortgage	Mortgaged borrowings
Total	703,541,025.86	618,098,168.43	/	/	686,402,328.66	584,612,034.72	/	/

### 5.21 Short-term borrowings

Project	Balance as at 31 December 2025	Balance as at 31 December 2024
Mortgage	93,720,000.00	75,000,000.00
Other	15,523,676.71	16,000,000.00
Total	109,243,676.71	91,000,000.00

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

### 5 Notes to the Financial Statements (Continued)

#### 5.22 Financial liabilities held for trading

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Financial liabilities held for trading	1,805,503.25	14,000,000.00
Quoted	1,805,503.25	14,000,000.00
<b>Total</b>	<b>1,805,503.25</b>	<b>14,000,000.00</b>

For the Year Ended 31 December 2025, the Company's financial liabilities held for trading are as follows:

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Financial liabilities held for trading	1,805,503.25	14,000,000.00
Quoted	1,805,503.25	14,000,000.00
<b>Total</b>	<b>1,805,503.25</b>	<b>14,000,000.00</b>

The Company's financial liabilities held for trading are classified as financial liabilities held for trading because they are held for trading and are measured at fair value through profit or loss.

## Notes to the Financial Statements

Financial Year ended 31 December 2025

(Amounts in RMB)

5 Notes to the Financial Statements (continued)

### 5.23 Accounts payable

The accounts payable are analyzed by the aging on the date of entry as follows:

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Wages	156,277,714.53	127,861,415.20

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

5 Notes to the Financial Statements (continued)

### 5.25 Contract liabilities

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Revenue contract liabilities	161,104.98	49,771.35
<b>Total</b>	<b>161,104.98</b>	<b>49,771.35</b>

On 31 December 2025, the contract liabilities are expected to be recognized as revenue within the next 12 months.

### 5.26 Employee benefits payable

5.26.1 Pension and other long-term employee benefits

Item	Balance as at 31 December 2024	Increase in 2025	Decrease in 2025	Balance as at 31 December 2025
Short-term employee benefits	82,608,332.00	613,701,105.60	615,376,119.42	<b>80,933,318.18</b>
Long-term employee benefits	3,138,964.61	45,758,780.58	45,399,570.47	<b>3,498,174.72</b>
<b>Total</b>		<b>313,991.65</b>	<b>313,991.65</b>	
<b>Total</b>	<b>85,747,296.61</b>	<b>659,773,877.83</b>	<b>661,089,681.54</b>	<b>84,431,492.90</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are expressed in RMB unless otherwise stated)

5 Notes to the Financial Statements (continued)

### 5.26 Employee benefits payable (RMB)

#### 5.26.2 Pension and other employee benefits

Item	Balance at 31 December 2024	Income 2025	Decrease 2025	Balance as at 31 December 2025
(1) Welfare fund	80,188,073.48	544,324,112.27	546,082,627.19	78,429,558.56
(2) Employee benefits payable	459,887.66	21,364,687.28	21,365,740.40	458,834.54
(3) Short-term employee benefits	1,731,246.32	23,626,510.83	23,544,883.55	1,812,873.60
- Medical insurance	1,630,346.45	22,260,947.60	22,167,107.34	1,724,186.71
- Workers' compensation	100,899.87	1,311,987.95	1,324,200.93	88,686.89
- Maternity benefits		53,575.28	53,575.28	
(4) Housing fund	205,600.44	24,207,778.50	24,208,340.50	205,038.44
(5) Unemployment insurance	23,524.10	178,016.72	174,527.78	27,013.04
<b>Total</b>	<b>82,608,332.00</b>	<b>613,701,105.60</b>	<b>615,376,119.42</b>	<b>80,933,318.18</b>

#### 5.26.3 Deferred compensation

Item	Balance at 31 December 2024	Income 2025	Decrease 2025	Balance as at 31 December 2025
Deferred compensation	3,047,812.97	44,438,784.95	44,087,546.83	3,399,051.09
Unemployment insurance	91,151.64	1,319,995.63	1,312,023.64	99,123.63
<b>Total</b>	<b>3,138,964.61</b>	<b>45,758,780.58</b>	<b>45,399,570.47</b>	<b>3,498,174.72</b>

Other notes:

All amounts are expressed in RMB unless otherwise stated. The amounts are in thousands of RMB unless otherwise stated. The amounts are in thousands of RMB unless otherwise stated. The amounts are in thousands of RMB unless otherwise stated.

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

5 Notes to the Financial Statements (continued)

### 5.27 Taxes payable

Tax items	Balance as at 31 December 2025	Balance as at 31 December 2024
VAT	3,200,635.94	1,253,541.90
Enterprise Income Tax	23,316,162.83	28,623,585.71
Property Tax	1,539,654.76	1,280,818.51
Urban Maintenance and Construction Tax	193,472.11	128,273.19
Property Tax	6,403,954.93	6,799,424.03
Education Fee	139,810.92	65,721.04
Land Use Tax	940,760.98	778,342.55
Stamp Duty	69,573.69	195,717.23
Enterprise Income Tax	3,906.48	2,121.00
Withholding Tax	1,071.79	538.69
<b>Total</b>	<b>35,809,004.43</b>	<b>39,128,083.85</b>

### 5.28 Other payables

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Interest		1,919,729.45
Dividends	3,600,000.00	1,090,000.00
Others	88,259,119.30	78,277,703.70
<b>Total</b>	<b>91,859,119.30</b>	<b>81,287,433.15</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amounts in RMB)

5 Notes to the Financial Statements (continued)

### 5.28 Other payables (RMB)

5.28.1 Interest

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Interest		1,919,729.45
Total		1,919,729.45

5.28.2 Deposits

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Deposits	3,600,000.00	1,090,000.00
Total	3,600,000.00	1,090,000.00

5.28.3 Other

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Prepaid expenses	30,510,944.19	25,610,062.45
Prepaid insurance	1,313,457.77	1,313,457.77
Advance payments	2,228,893.61	6,681,680.88
Deposits	1,571,150.50	1,136,955.18
Interest	19,906,013.30	24,729,158.13
Balance	9,229,765.68	8,748,024.96
Prepaid expenses	23,467,735.12	9,416,830.18
Other	31,159.13	641,534.15
Total	88,259,119.30	78,277,703.70

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

5 Non-current liabilities due within one year

### 5.29 Non-current liabilities due within one year

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Long-term debt	132,990,000.00	164,170,000.00
Long-term debt	31,995,109.32	38,367,421.50
Long-term debt	36,422,400.23	26,733,022.63
<b>Total</b>	<b>201,407,509.55</b>	<b>229,270,444.13</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

5 Notes to the Financial Statements (continued)

### 5.31 Long-term borrowings (RMB million)

The following table shows the carrying amounts of long-term borrowings:

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
------	-----------------------------------	-----------------------------------

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise stated)

5 Notes to the Financial Statements (continued)

### 5.33 Long-term payables

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Long-term payables	47,419,832.76	71,916,878.60
Short-term payables		4,320,000.00

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

5 Notes to the Financial Statements (continued)

### 5.33 Long-term payables (in RMB)

5.33.2 Specific

Item	Balance as at	Increase in	Decrease in	Balance as at	Forming reason
	31 December 2024			2025	
Financial lease liabilities	4,320,000.00	5,760,000.00	10,080,000.00		Subsidiary Leasing Company Holding Leasing
Total	4,320,000.00	5,760,000.00	10,080,000.00		/

### 5.34 Deferred income

Item	Balance as at	Increase in	Decrease in	Balance as at	Formation cause
	31 December 2024			2025	
Accounts receivable	8,430,307.00	10,080,000.00	303,792.00	18,206,515.00	Accounts receivable
Total	8,430,307.00	10,080,000.00	303,792.00	18,206,515.00	/

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

### 5 Notes to the Financial Statements (Continued)

#### 5.36 Capital surplus

Item	Balance as at 31 December 2024	Increase in 2025	Decrease in 2025	Balance as at 31 December 2025
Capital surplus ( )	726,023,779.76		33,882,596.62	692,141,183.14
Other comprehensive income				
Share-based payments	48,854,883.98	4,503,685.30		53,358,569.28
Other	15,145,574.29			15,145,574.29
Total	790,024,238.03	4,503,685.30	33,882,596.62	760,645,326.71

Other comprehensive income for 2025:

- In 2025, Capital surplus increased by 26.67% due to the issuance of shares by Jinhua Kangning Hospital Co., Ltd. (the Company) in the first half of the year. The Company issued 10,000,000 shares at a price of RMB30,943,297.66 per share, resulting in an increase of RMB309,432,976.66 in capital surplus. The Company also issued 10,000,000 shares in the second half of the year, resulting in an increase of RMB4,503,685.30 in capital surplus.
- At the end of the year, the Company's share-based payments for 2025 were RMB4,503,685.30, which was recognized as an increase in capital surplus.
- At the end of the year, the Company's share-based payments for 2025 were RMB4,503,685.30, which was recognized as an increase in capital surplus. The Company also issued 10,000,000 shares in the second half of the year, resulting in an increase of RMB4,503,685.30 in capital surplus.

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are expressed in RMB unless otherwise stated)

### 5 Notes to the Financial Statements (Continued)

#### 5.37 Treasury share

Item	Balance as at		
	31 December 2024	1 January 2025	31 December 2025
Share repurchased	22,366,848.64	6,299,853.27	28,666,701.91
Treasury shares		22,399,322.22	3,250,398.96
<b>Total</b>	<b>22,366,848.64</b>	<b>28,699,175.49</b>	<b>47,815,625.17</b>

On 31 December 2025, the company's treasury shares are as follows:

- As at 31 December 2025, the company's share repurchase program has repurchased 3,419,975 shares of the company's ordinary shares with a total cost of RMB28,666,701.91.
- In 2025, the company's share repurchase program has repurchased 2,270,900 shares of the company's ordinary shares with a total cost of RMB22,399,322.22, and 311,100 shares of the company's ordinary shares with a total cost of RMB3,250,398.96.

#### 5.38 Surplus reserve

Item	Balance as at		
	31 December 2024	1 January 2025	31 December 2025
Surplus reserve	38,399,577.13		38,399,577.13
<b>Total</b>	<b>38,399,577.13</b>		<b>38,399,577.13</b>

On 31 December 2025, the company's surplus reserve is as follows:

- The company's surplus reserve is composed of the following items:
- 10% of the company's accumulated profits: 38,399,577.13
  - 50% of the company's accumulated profits: 0

## Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB)

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(Amounts in thousands of RMB)

5 Notes to the Financial Statements (continued)

### 5.40 Operating revenue and cost of sales

#### 5.40.1 Operating revenue and cost of sales

Item	Amount in 2025		Amount in 2024	
	Revenue	Cost	Revenue	Cost
Medical services	1,448,705,601.11	1,074,924,943.42	1,517,773,042.05	1,125,416,714.47
Others	171,078,809.67	125,790,274.94	136,516,371.18	90,468,771.15
<b>Total</b>	<b>1,619,784,410.78</b>	<b>1,200,715,218.36</b>	<b>1,654,289,413.23</b>	<b>1,215,885,485.62</b>

#### Breakdown of operating revenue and cost of sales

Item	Amount in 2025	Amount in 2024
Revenue from medical services	1,448,705,601.11	1,517,773,042.05
Revenue from medical services (excluding government subsidies)	1,448,705,601.11	1,517,773,042.05
Others	171,078,809.67	136,516,371.18
Cost of sales from medical services	1,074,924,943.42	90,137,875.17
Medical services (excluding government subsidies)	2,368,850.84	2,970,297.04
Others	2,577,689.05	595,122.46
Others	58,761,953.25	42,813,076.51
<b>Total</b>	<b>1,619,784,410.78</b>	<b>1,654,289,413.23</b>

#### 5.40.2 Breakdown of operating revenue and cost of sales

Category	Operating revenue	Cost of sales
Revenue from medical services	1,619,784,410.78	1,654,289,413.23
Others		
<b>Total</b>	<b>1,619,784,410.78</b>	<b>1,654,289,413.23</b>

# Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

5 Notes to the Financial Statements (continued)

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(Amount in RMB)

5 Notes to the Financial Statements (Continued)

### 5.42 Selling expenses

Item	Amount in 2025	Amount in 2024
Employee salaries	3,909,904.77	4,449,762.15
Debt interest	40,879.10	111,825.40
Advertising	143.40	39,170.69
Advertising agency fees	57,111.94	167,877.83
Business entertainment	161,500.16	226,399.54
Office expenses	368,183.04	107,665.73
Tax	166,678.33	261,675.25
Commission	211,731.35	114,413.65
Office equipment	100,494.55	96,046.80
Business travel	2,696,024.12	3,695,604.38
Marketing (including gifts)	13,793.21	3,584.20
Others	5,762.10	698,474.79
<b>Total</b>	<b>7,732,206.07</b>	<b>9,972,500.41</b>

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(Amounts in thousands of RMB)

5 Notes to the Financial Statements (continued)

### 5.43 Administrative expenses

Item	Amount in 2025	Amount in 2024
Employee salaries and wages	136,228,747.19	129,004,061.40
Depreciation	19,677,491.13	17,850,551.80
Amortization	2,887,520.62	4,190,150.74
Advertising and promotion	8,814,153.72	8,751,064.86
Debt interest	1,449,479.17	3,012,235.08
Health insurance	4,020,340.37	3,732,284.42
Employee housing fund	4,511,272.34	3,997,509.78
Office expenses	4,767,633.22	5,031,789.54
Taxes	4,660,700.77	4,977,716.48
Utilities	740,276.80	977,577.12
Professional fees	7,049,469.60	6,849,479.49
Consulting fees	2,497.76	349,803.81
Office rent	3,087,061.59	3,490,839.71
Contractual services	6,327,522.95	6,011,242.51
Advertising	3,095,200.00	3,025,987.32
Research and development	11,440,216.13	10,919,254.63
Business travel	4,126,304.84	5,713,396.43
Depreciation of equipment	4,063,064.84	3,316,647.39
Contractual services	3,957,287.08	3,084,988.50
Office	2,199,615.02	3,059,624.40
Total	233,105,855.14	227,346,205.41



## Notes to the Financial Statements

For the Year Ended December 31, 2025

(Amounts in thousands of RMB)

5 Notes to the Financial Statements (continued)

### 5.46 Other income

Item	Amount in 2025	Amount in 2024
Government grants	23,279,911.83	13,058,565.88
Others	12,999.21	45.41
<b>Total</b>	<b>260,965.81</b>	<b>195,207.54</b>
<b>Total</b>	<b>23,553,876.85</b>	<b>13,253,818.83</b>

### 5.47 Investment income

Item	Amount in 2025	Amount in 2024
Losses from disposal of financial assets	-1,463,514.07	-1,089,495.22
Income from financial assets	4,804,189.70	1,844,372.15
Income from disposal of financial assets	12,086.31	
<b>Total</b>	<b>3,352,761.94</b>	<b>754,876.93</b>

### 5.48 Gains from changes in fair value

Source of gains from changes in fair value	Amount in 2025	Amount in 2024
Equity instruments	745,794.27	588,023.88
Other financial assets	-1,962,024.32	742,239.73
Equity instruments	-1,805,503.25	-1,600,000.00
<b>Total</b>	<b>-3,021,733.30</b>	<b>-269,736.39</b>

## Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(Amounts in thousands of RMB)

5 Notes to the Financial Statements (continued)

### 5.49 Credit impairment losses

Item	Amount in 2025	Amount in 2024
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## Notes to the Financial Statements

For the Year Ended December 31, 2025

(Amounts in thousands of RMB)

### 5 Non-current assets and liabilities

#### 5.52 Non-operating revenue

Item	Amount in 2025	Amount in 2024	Amount in 2023
Government grants	35,042.85	157,773.18	35,042.85
Income tax	35,042.85	157,773.18	35,042.85
Others	267,263.75	46,960.37	267,263.75
Government grants		86,363.28	
Research grants	233,000.00		233,000.00
Others		89,700.00	
Patent	722,808.91	86,864.89	722,808.91
Others	63,472.78	1,061,239.31	63,472.78
<b>Total</b>	<b>1,321,588.29</b>	<b>1,528,901.03</b>	<b>1,321,588.29</b>

#### 5.53 Non-operating expenses

Item	Amount in 2025	Amount in 2024	Amount in 2023
Loss on disposal of non-current assets	1,372,524.38	1,117,414.85	1,372,524.38
Income tax	1,368,774.38	1,117,414.85	1,368,774.38
Others	3,750.00		3,750.00
Employee benefits	3,069,645.91	2,697,864.84	3,069,645.91
Employee benefits	5,483.03	20,094.09	5,483.03
Income	59,434.72	49,092.37	59,434.72
Finance	8,852,014.48	1,606,766.04	8,852,014.48
Cost	1,190,606.08	2,668,838.80	1,190,606.08
Others	2,347,434.42	622,957.51	2,347,434.42
<b>Total</b>	<b>16,935,849.67</b>	<b>8,783,028.50</b>	<b>16,935,849.67</b>

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(Amounts in RMB)

5 Notes to the Financial Statements (Continued)

### 5.54 Income tax expense

5.54.1 Income tax expense

Item	Amount in 2025	Amount in 2024
Current income tax expense	29,205,809.65	35,746,101.09
Deferred income tax expense	3,409,291.72	-18,044,325.80
Total	32,615,101.37	17,701,775.29

5.54.2 Analysis of income tax expense

Item	Amount in 2025
Total	69,219,024.60
Income tax expense	10,382,853.69
Income tax expense	7,485,629.71
Income tax expense	-1,844,265.75
Income tax expense	568,437.00
Income tax expense	3,163,934.54
Income tax expense	-7,294,444.71
Income tax expense	25,822,434.66
Income tax expense (R&D)	-4,497,890.11
Income tax expense	-1,171,587.66
Income tax expense	32,615,101.37

## Notes to the Financial Statements

Fiscal Year Ended 31 December 2025

(Amounts in RMB)

5 Notes to the Financial Statements (continued)

### 5.55 Earnings per share

5.55.1 Basic

Basic earnings per share is calculated as follows:

Item	Amount in 2025	Amount in 2024
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## Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

5 Notes to the Financial Statements (continued)

### 5.56 Items of statement of cash flows

5.56.1



## Notes to the Financial Statements

For the Year Ended December 31, 2025

(Amounts in thousands of RMB)

### 5 Notes to the Cash Flow Statement

#### 5.56 Items of statement of cash flows (Amounts in thousands of RMB)

##### 5.56.3 Cash flows from operating activities

##### (1) Cash flows from operating activities

Item	Amount in 2025	Amount in 2024
Cash received from patients	850,000.00	60,000,000.00
Total	850,000.00	60,000,000.00

##### (2) Cash flows from investing activities

Item	Amount in 2025	Amount in 2024
Cash paid for the purchase of property, plant and equipment	32,439,993.04	61,246,345.17
Cash received from the disposal of property, plant and equipment	88,603,663.62	31,637,451.28
Cash received from the disposal of financial assets	28,448,175.99	48,214,658.67
Cash received from the disposal of intangible assets		9,821,161.72
Cash received from the disposal of other long-term assets	27,000,000.00	
Total	176,491,832.65	150,919,616.84

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(Amounts in RMB)

5 Notes to the Financial Statements

### 5.57 Supplementary information to the statement of cash flows

5.57.1 Supplementary information to the statement of cash flows

Supplementary information	Amount in 2025	Amount in 2024
1. Net cash and cash equivalents	36,603,923.23	50,397,711.37
Assets:	6,584,873.28	26,454,997.91
A. Cash and cash equivalents	25,455,745.42	16,495,929.58
D. Other receivables	59,277,046.66	49,240,319.63
D. Prepaid expenses		
D. Other assets	38,080,052.61	36,130,781.58
A. Other receivables	25,315,210.36	40,516,786.29
A. Other assets	38,081,274.32	28,899,252.81
L. Other liabilities		
L. Other liabilities	-2,384,033.43	69,932.29
L. Other liabilities	1,337,481.53	959,641.67
F. Other financial assets	3,021,733.30	269,736.39
E. Other equity investments	39,088,809.56	42,602,761.73
I. Other intangible assets	-3,352,761.94	-754,876.93
D. Other non-current assets	2,901,611.52	-11,051,274.17
D. Other non-current assets	506,999.64	-6,992,997.53
I. Other intangible assets	5,469,515.35	9,971,048.87
O. Other non-current assets	65,949,382.96	-66,194,329.87
O. Other non-current assets	93,546,438.19	-121,374,427.72
O. Other non-current assets	4,486,255.36	3,997,509.78
N. Other non-current assets	439,969,557.92	99,638,503.68

## Notes to the Financial Statements

Financial Year ended 31 December 2025

(Amounts in RMB)

5 Notes to the Financial Statements

### 5.57 Supplementary information to the statement of cash flows

5.57.1 Supplementary information to the statement of cash flows

Supplementary information	Amount in 2025	Amount in 2024
2. M		
D		
C		
A		
3. N		
E	287,674,751.45	255,232,744.16
L	255,232,744.16	404,723,339.37
P		
L		
N	32,442,007.29	-149,490,595.21

5.57.2 Supplementary information to the statement of cash flows

Item	Amount
C	44,000,000.00
I : H W D C S C L	28,000,000.00
L : I : H W D C S C L	16,000,000.00
L : I : H W D C S C L	16,098,096.99
I : H W D C S C L	10,683,725.70
P : I : H W D C S C L	5,414,371.29
N	27,901,903.01

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amounts in RMB)

### 5 Notes to the Cash Flow Statement

#### 5.57 Supplementary information to the statement of cash flows (Amounts in RMB)

5.57.3 Net change in cash and cash equivalents

Item	Amount
Change in cash and cash equivalents, 2025	
Initial balance: Year-end, 2024	29,192.78
Less: Change in cash and cash equivalents, 2025	29,192.78
Final balance: Year-end, 2025	-
Period: 2025	2024
Net change in cash and cash equivalents	-29,192.78

5.57.4 Balance of cash and cash equivalents

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Initial balance	287,674,751.45	255,232,744.16
Less: Change in cash and cash equivalents	231,487.96	192,804.35

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

5.57 Supplementary information to the statement of cash flows (in RMB)

### 5.57 Supplementary information to the statement of cash flows (in RMB)

5.57.5 Supplementary information to the statement of cash flows

(1) The following table provides supplementary information to the statement of cash flows:

Item	2025	2024
Supplementary information to the statement of cash flows		
1. Cash flows from operating activities		
2. Cash flows from investing activities		
3. Cash flows from financing activities		



## Notes to the Financial Statements

For the Year Ended December 31, 2025

(Amounts in thousands of RMB)

5 Notes to the Financial Statements (continued)

### 5.60 Lease

#### 5.60.1 Assets

Item	Amount in 2025	Amount in 2024
Intangible assets	11,522,064.22	8,458,214.13
Total	121,043,656.66	92,883,796.45
Goodwill	94,791,044.13	

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are expressed in RMB unless otherwise specified)

### 6 Business combinations

#### 6.1 Business combination not under common control

##### 6.1.1 Business combinations completed in 2025

Name of the acquiree	Business combination date	Consideration transferred	Percentage of ownership interest acquired	Business combination type	RMB		
					Identifiable Intangible Assets	Goodwill	Minority Interest
Huayu Hospital (31 March 2025)	31 March 2025	35,600,000.00	65.00%	Control	19,744,154.59	-4,258,984.02	-4,140,576.81
Wendong Hospital (31 August 2025)	31 August 2025	16,000,000.00	100.00%	Control	11,889,168.62	526,879.67	-658,162.01

##### 6.1.2 Business combinations in progress

Name of the acquiree	Business combination date	Consideration transferred	Percentage of ownership interest acquired	Business combination type	RMB	
					Identifiable Intangible Assets	Goodwill
Chengde Hospital		28,000,000.00		Control		16,000,000.00
Fuzhou Hospital		7,600,000.00		Control		
Fuzhou Hospital				Control		
Fuzhou Hospital				Control		
Fuzhou Hospital				Control		
Other				Control		
<b>Total</b>		<b>35,600,000.00</b>				<b>16,000,000.00</b>
Liabilities assumed					22,701,183.23	4,918,029.37
Trade receivables					2,898,8160.70	1,081,9170630

## Notes to the Financial Statements

Financial Year ended 31 December 2025

(All amounts in RMB unless otherwise specified)

### 6 Consolidated Financial Statements

#### 6.1 Business combination not under common control

##### 6.1.3 Investment in subsidiaries

	Balance at the beginning of the year	Change during the year	Balance at the end of the year	Share of profit/loss
Assets:				
Cost of investment	88,586,325.58	70,800,279.48	10,080,947.55	10,080,947.55
Reserve for impairment of financial assets	10,683,725.70	10,683,725.70	5,414,371.29	5,414,371.29
Other receivables	5,611,315.68	5,611,315.68	4,640,769.51	4,640,769.51
Other financial assets	11,966.69	11,966.69	24,750.00	24,750.00
Intangible assets	872,927.05	872,927.05		
Financial assets at fair value through profit or loss	1,598,098.97	484,744.28		
Investment property	24,042,500.04	1,091,469.96		
Receivables	41,886,805.14	41,886,805.14		
Long-term equity investments	1,828,479.92	1,828,479.92		
Other assets	2,050,506.39	8,328,845.06	1,056.75	1,056.75
Liabilities:				
Payables	57,753,735.99	57,753,735.99	5,162,918.18	5,162,918.18
Contract liabilities	2,819,655.50	2,819,655.50	750,490.02	750,490.02
Other payables	923,339.06	923,339.06	725,473.00	725,473.00
Equity	1,472,442.86	1,472,442.86	3,509,669.27	3,509,669.27
Other liabilities	31,295.32	31,295.32	177,285.89	177,285.89
Other financial liabilities	52,507,003.25	52,507,003.25		
Non-current assets held for sale	30,832,589.59	13,046,543.49	4,918,029.37	4,918,029.37
Long-term equity investments	8,131,406.36	4,566,290.22		
Other financial assets	22,701,183.23	8,480,253.27	4,918,029.37	4,918,029.37

# Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

## 6.2 Disposal of subsidiaries

### 6.2.1 Disposal of subsidiaries

Name of subsidiary	Disposal price at the time of loss of control	Proportion of disposal at the time of loss of control (%)	Disposal method at the time of loss of control	Time point of loss of control	Judgment basis for the time point of losing the control	Difference between the disposal price and the share of net assets of the subsidiary enjoyed by the disposal investment at the consolidated financial statement level	Proportion of residual equity of loss of control	Book value of the remaining equity at the level of consolidated financial statements on the date of loss of control	Fair value of the remaining equity on the date of loss of control in consolidated financial statements	Gain or loss from remeasurement of the remaining equity at fair value	Method and key assumptions for determining fair value of remaining equity on the date of loss of control in consolidated financial statements	Amount of other comprehensive income related to original subsidiary equity transferred to investment earnings
H. B. Y. M. E. B. R. D. C. L.	30,000.00	100.00	S	12 JB	E. B.	807.22						

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are expressed in RMB unless otherwise specified)

### 7 Interests in subsidiaries

#### 7.1 Interests in subsidiaries

##### 7.1.1 Consolidated subsidiaries

Name of Subsidiary	Type of Subsidiary	Registered Capital (RMB)	Company Type	Registered Office	Shareholding Percentage (%)	Control
Wenzhou Kangning Hospital (Shanghai) Co., Ltd.	Wholly-owned subsidiary	33,000.00	Wholly-owned subsidiary	Shanghai	100.00	Control
Wenzhou Kangning Hospital (Ningbo) Co., Ltd.	Wholly-owned subsidiary	1,000.00	Wholly-owned subsidiary	Ningbo	100.00	Control
Wenzhou Kangning Hospital (Wenzhou) Co., Ltd.	Wholly-owned subsidiary	1,000.00	Wholly-owned subsidiary	Wenzhou	65.00	Control
Wenzhou Kangning Hospital (Chengde) Co., Ltd.	Wholly-owned subsidiary	2,585.98	Wholly-owned subsidiary	Chengde	100.00	Control
Wenzhou Kangning Hospital (Chengde) Co., Ltd.	Wholly-owned subsidiary	3,057.47	Wholly-owned subsidiary	Chengde	100.00	Control
Wenzhou Kangning Hospital (Yongjia) Co., Ltd.	Wholly-owned subsidiary	9,800.00	Wholly-owned subsidiary	Yongjia	100.00	Control
Wenzhou Kangning Hospital (Ningbo) Co., Ltd.	Wholly-owned subsidiary	500.00	Wholly-owned subsidiary	Ningbo	100.00	Control
Wenzhou Kangning Hospital (Huzhou) Co., Ltd.	Wholly-owned subsidiary	5,000.00	Wholly-owned subsidiary	Huzhou	65.00	Control
Wenzhou Kangning Hospital (Chengde) Co., Ltd.	Wholly-owned subsidiary	200.00	Wholly-owned subsidiary	Chengde	100.00	Control
Wenzhou Kangning Hospital (Ningbo) Co., Ltd.	Wholly-owned subsidiary	100.00	Wholly-owned subsidiary	Ningbo	100.00	Control
Wenzhou Kangning Hospital (Yongjia) Co., Ltd.	Wholly-owned subsidiary	1,000.00	Wholly-owned subsidiary	Yongjia	100.00	Control
Wenzhou Kangning Hospital (Kangning) Co., Ltd.	Wholly-owned subsidiary	20,000.00	Wholly-owned subsidiary	Kangning	100.00	Control
Wenzhou Kangning Hospital (Kangning) Co., Ltd.	Wholly-owned subsidiary	600.00	Wholly-owned subsidiary	Kangning	100.00	Control

# Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(Amounts in RMB)

Number	Chinese	English	Unit	Percentage (%)
W. BY G. H. L.	6,000.00	W. B W. B		
C. L.				

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are expressed in RMB unless otherwise specified)

Number	Company Name	Registered Capital (RMB)	Shareholder	Shareholding Percentage (%)	Share Type
01	Wenzhou Kangning Hospital Co., Ltd.	2,040.82	Hospital	98.00	Equity
02	Wenzhou Kangning Hospital Co., Ltd.	50.00	Wenzhou Kangning Hospital Co., Ltd.	100.00	Equity
03	Wenzhou Kangning Hospital Co., Ltd.	500.00	Wenzhou Kangning Hospital Co., Ltd.	100.00	Equity
04	Wenzhou Kangning Hospital Co., Ltd.	1,000.00	Wenzhou Kangning Hospital Co., Ltd.	80.00	Equity
05	Wenzhou Kangning Hospital Co., Ltd.	1,000.00	Wenzhou Kangning Hospital Co., Ltd.	64.55	Equity
06	Wenzhou Kangning Hospital Co., Ltd.	100.00	Hospital	100.00	Equity
07	Wenzhou Kangning Hospital Co., Ltd.	5,000.00	Tianjin Kangning Hospital Co., Ltd.	100.00	Equity
08	Wenzhou Kangning Hospital Co., Ltd.	6,000.00	Suzhou Kangning Hospital Co., Ltd.	55.00	Equity
09	Wenzhou Kangning Hospital Co., Ltd.	1,400.00	Jiangsu Kangning Hospital Co., Ltd.	95.00	Equity
Capital Reserve: 5,000,000.00 (RMB) (18,359,000.00 TWD) (1,000,000,000.00 JPY) (110,000,000.00 USD) (17,967,556.00 TWD) (80.00 TWD) (3,762.00 TWD) (E, -- p, --) JT-74					



## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are expressed in RMB unless otherwise stated)

### 7 Interests in subsidiaries

#### 7.1 Interests in subsidiaries

##### 7.1.2 Subsidiaries

Subsidiary name	Shareholding ratio of minority shareholders (%)	Profit or loss attributable to minority shareholders in 2025	Dividends declared for distribution to minority shareholders in 2025	Balance of minority equity as at 31 December 2025
Wenzhou Kangning Hospital, Ltd.	40.00	-556,708.88		37,565,639.83
Jiangsu Kangning Hospital, Ltd.	45.00	-2,030,443.47		13,278,391.92
Shanghai Kangning Hospital, Ltd.	20.00	47,364.17	401,123.89	21,104,045.97
Hubei Kangning Hospital, Ltd.	35.00	-1,508,199.09		6,623,207.27

##### 7.1.3 Key figures

Subsidiary name	Balance as at 31 December 2025					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Wenzhou Kangning Hospital, Ltd.	17,496,897.22	252,013,016.41	269,509,913.63	63,628,434.03	111,967,380.00	175,595,814.03
Jiangsu Kangning Hospital, Ltd.	11,524,763.22	66,782,837.21	78,307,600.43	10,076,431.15	37,468,468.46	47,544,899.61
Shanghai Kangning Hospital, Ltd.	172,867,810.34	853,963.27	173,721,773.61	112,153,608.69		112,153,608.69
Hubei Kangning Hospital, Ltd.	13,183,362.26	72,877,579.64	86,060,941.90	16,371,612.88	50,765,879.69	67,137,492.57

Subsidiary name	Balance as at 31 December 2024					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Wenzhou Kangning Hospital, Ltd.	11,954,272.04	184,644,954.86	196,599,226.90	699,355.11	115,594,000.00	116,293,355.11
Jiangsu Kangning Hospital, Ltd.	12,386,739.26	70,370,750.35	82,757,489.61	19,680,759.72	27,801,932.47	47,482,692.19
Shanghai Kangning Hospital, Ltd.	182,793,237.29	1,120,808.89	183,914,046.18	63,460,532.96	571,689.49	64,032,222.45
Hubei Kangning Hospital, Ltd.	16,256,911.21	54,152,590.34	70,409,501.55	21,396,266.69	45,532,814.70	66,929,081.39

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(Amounts in RMB)

### 7 Interests in subsidiaries

#### 7.1 Interests in subsidiaries

##### 7.1.3 Key subsidiaries

Subsidiary	Amount in 2025				Amount in 2024			
	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities
Wenzhou Kangning Hospital Co., Ltd.	13,761.47	-1,391,772.19	-1,391,772.19	44,202,706.15	-	-	-	-
Jiangsu Hengsheng Hospital Co., Ltd.	23,791,240.26	-4,512,096.60	-4,512,096.60	-914,868.71	21,628,716.48	-5,283,243.08	-5,283,243.08	-2,089,467.09
Wenzhou Kangning Hospital Co., Ltd. (P.R.C.)	254,846,253.81	50,397,069.25	50,397,069.25	60,475,851.58	259,009,014.12	61,228,047.65	61,228,047.65	13,240,617.58
Hengsheng Hospital Co., Ltd. (P.R.C.)	19,744,154.59	-4,309,140.26	-4,309,140.26	1,902,046.12	37,733,719.76	448,425.16	448,425.16	5,714,546.37

#### 7.2 Transactions where ownership interest in a subsidiary changes but control is retained

##### 7.2.1 Non-current assets held for sale

In January 2025, the Company held 11.73% and 14.93% of the shares of Jiangsu Hengsheng Hospital Co., Ltd. (P.R.C.) and Wenzhou Kangning Hospital Co., Ltd. (P.R.C.) respectively. The Company has entered into a share purchase agreement with Jiangsu Hengsheng Hospital Co., Ltd. (P.R.C.) and Wenzhou Kangning Hospital Co., Ltd. (P.R.C.) to purchase the shares of Jiangsu Hengsheng Hospital Co., Ltd. (P.R.C.) and Wenzhou Kangning Hospital Co., Ltd. (P.R.C.) for a total amount of RMB27,000,000.00.

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

### 7. Investments

#### 7.2 Transactions where ownership interest in a subsidiary changes but control is retained

(All amounts in RMB)

7.2.2 Investment in Chengdu Yining

	Chengdu Yining
Initial investment	27,000,000.00
Change in ownership interest	27,000,000.00
Transfer of ownership interest	27,000,000.00
Loss on disposal of ownership interest	-3,943,297.66
Dividend received	30,943,297.66
Investment in Chengdu Yining	30,943,297.66
Change in ownership interest	
Change in ownership interest	

#### 7.3 Equity in joint venture arrangements or associates

7.3.1 Significant joint venture arrangements or associates

Name of the joint venture arrangement or associate	Main business	Principal place of business	Shareholding percentage (%)	Shareholding percentage	
				Direct	Indirect
Suzhou Shenghe Hospital Management Consulting Co., Ltd.	X-ray	X-ray	30.00	0.00	0.00
Wenzhou Yuhong Hospital Management Consulting Co., Ltd.	Medical equipment	Medical equipment	45.00	0.00	0.00

## Notes to the Financial Statements

Financial Statements as at 31 December 2025

(Amounts in RMB)

7.3.2

### 7.3 Equity in joint venture arrangements or associates (RMB)

7.3.2 K

	Balance as at 31 December 2025/Amount in 2025		Balance as at 31 December 2024/Amount in 2024	
	Shanxi Shanda	Longwan Yining	Shanxi Shanda	Longwan Yining
Cost	52,325,788.02	1,862,472.90	48,352,443.86	196,852.44
Non-current assets	121,989,736.52	255,093,748.77	120,536,919.01	219,142,045.33
Total	174,315,524.54	256,956,221.67	168,889,362.87	219,338,897.77
Cost	98,820,684.44	41,510,269.10	90,135,768.43	38,926,869.26
Non-current assets	15,000,000.00	90,995,141.93	15,000,000.00	55,023,631.60
Total	113,820,684.44	132,505,411.03	105,135,768.43	93,950,500.86
Minority interest	19,373,422.12		19,872,251.77	
Equity	41,121,417.98	124,450,810.64	43,881,342.67	125,388,396.91
Non-current assets	12,336,425.39	56,002,864.79	13,164,402.80	56,424,778.61
Accumulated losses	8,555,233.95		8,825,233.95	
Goodwill	8,825,233.95		8,825,233.95	
Unrealized gains				
Other	-270,000.00	56,002,864.79	46,420,269.60	219,142,455.77

## Notes to the Financial Statements

For the Year Ended December 31, 2025  
(Amounts in RMB)

### 8 Government Grants

#### 8.1 Government grants included in the current profit or loss

Type	Amount in 2025	Amount in 2024
Accounts receivable	303,792.00	303,792.00
Income	22,976,119.83	12,841,137.16

Total: 9,449,012.16 (12,841,137.16 - 108,127,911,119.83) / Total: 9,449,012.16 (3,144,661,137.16)

# Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

## 9 Risks

### 9.1 Various risks arising from financial instruments (in RMB)

#### 9.1.1 Credit risk

Credit risk is the risk that one or more counterparties will fail to meet their contractual obligations, resulting in financial loss to the Company. Credit risk is primarily associated with the Company's receivables and other financial assets.

The Company's credit risk is primarily associated with its receivables. The Company's receivables are primarily from its customers, and the Company has established a credit management system to assess the creditworthiness of its customers and to monitor their payment performance.

The Company's credit risk is also associated with its investments in financial assets. The Company's investments are primarily in government bonds, corporate bonds, and other fixed-income securities. The Company has established a credit management system to assess the creditworthiness of the issuers of these securities and to monitor their credit ratings.

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are expressed in RMB unless otherwise stated)

### 9 Risks

#### 9.1 Various risks arising from financial instruments (in RMB)

##### 9.1.2 Loans receivable (in RMB)

The following table shows the maturity of loans receivable as at 31 December 2025:

Item	Balance as at 31 December 2025					Total undiscounted contract amount	Book value
	Immediate repayment	Within 1 year	1-2 years	2-5 years	More than 5 years		
Bank deposits		242,233,676.71	206,799,626.30	261,353,295.70	389,749,543.45	1,100,136,142.16	989,186,634.18
Prepaid expenses		36,422,400.23	26,754,091.69	87,529,357.31	48,765,941.63	199,471,790.86	184,898,051.41
Loans receivable		31,995,109.32	29,568,765.29	25,332,759.87		86,896,634.48	79,414,942.08
Accounts receivable		156,277,714.53	2,848,066.71	1,229,010.41		160,354,791.65	160,354,791.65
Other receivables		327,949.30	49,230,863.16	38,700,306.84		88,259,119.30	88,259,119.30
<b>Total</b>		<b>467,256,850.09</b>	<b>315,201,413.15</b>	<b>414,144,730.13</b>	<b>438,515,485.08</b>	<b>1,635,118,478.45</b>	<b>1,502,113,538.62</b>

Balance as at 31 December 2024

Item	Balance as at 31 December 2024					Total undiscounted contract amount	Book value
	Immediate repayment	Within 1 year	1-2 years	2-5 years	More than 5 years		
Bank deposits		295,897,567.90	231,446,702.05	332,391,684.58	258,553,226.86	1,118,289,181.39	946,187,337.44
Prepaid expenses		26,733,022.63	45,988,901.90	58,725,671.39	86,707,676.25	218,155,272.17	178,033,085.43
Loans receivable		38,367,421.50	30,877,984.00	57,282,769.00		126,528,174.50	110,284,300.10
Accounts receivable		127,861,415.20	3,124,361.77	950,603.01		131,936,379.98	131,936,379.98
Other receivables		33,007,700.14	29,568,765.29	18,710,967.72		81,287,433.15	81,287,433.15
<b>Total</b>		<b>521,867,127.37</b>	<b>341,006,715.01</b>	<b>468,061,695.70</b>	<b>345,260,903.11</b>	<b>1,676,196,441.19</b>	<b>1,447,728,536.10</b>

# Notes to the Financial Statements

Fiscal Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

## 9 Risks

### 9.1 Various risks arising from financial instruments (in RMB million)

#### 9.1.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes foreign exchange risk, interest rate risk and commodity price risk.

#### (1) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Company's financial instruments are primarily denominated in RMB and are not subject to significant interest rate risk.

Financial instruments that are sensitive to the changes in interest rates are primarily term deposits. The Company's term deposits are primarily denominated in RMB and are not subject to significant interest rate risk. The Company's term deposits are primarily denominated in RMB and are not subject to significant interest rate risk.

As at 31 December 2025, the Company's term deposits are primarily denominated in RMB and are not subject to significant interest rate risk.

#### (2) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's financial instruments are primarily denominated in RMB and are not subject to significant foreign exchange risk.

The Company's financial instruments are primarily denominated in RMB and are not subject to significant foreign exchange risk. The Company's financial instruments are primarily denominated in RMB and are not subject to significant foreign exchange risk.

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

9 Risks (in RMB million)

### 9.1 Various risks arising from financial instruments (in RMB million)

9.1.3 Market risks (in RMB million)

(2) Exchange rate risks (in RMB million)

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

### 10 Derivatives

The Company has entered into derivatives contracts to hedge its foreign exchange risk.

Level 1 fair value measurement: Derivatives measured at fair value using quoted prices in active markets for identical assets or liabilities.

Level 2 fair value measurement: Derivatives measured at fair value using quoted prices for similar assets or liabilities in active markets, or using other observable market data.

Level 3 fair value measurement: Derivatives measured at fair value using unobservable market data.

The Company's derivatives are classified as Level 2 fair value measurements.

#### 10.1 Fair value of assets and liabilities as at 31 December 2025

Item	Fair value as at 31 December 2025			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
<b>I. Continuous fair value measurement</b>				
Financial assets			8,573,388.20	8,573,388.20
1. Financial assets measured at fair value			8,573,388.20	8,573,388.20
(1) Derivatives			8,573,388.20	8,573,388.20
(2) Equity instruments				
(3) Debt instruments				
(4) Other				
2. Debt instruments measured at fair value				
(1) Debt instruments				
(2) Other				
Financial liabilities				
Other				

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amounts in RMB)

10.1 Fair value of assets and liabilities as at 31 December 2025 (in RMB)

### 10.1 Fair value of assets and liabilities as at 31 December 2025 (in RMB)

Item	Fair value as at 31 December 2025			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
1. Financial assets			28,123,065.82	28,123,065.82
(1) Derivatives			28,123,065.82	28,123,065.82
(2) Equity instruments			28,123,065.82	28,123,065.82
(3) Debt instruments				
(4) Other				
2. Financial liabilities				
(1) Derivatives				
(2) Other				
Totals			36,696,454.02	36,696,454.02
1. Financial assets			1,805,503.25	1,805,503.25
(1) Equity instruments			1,805,503.25	1,805,503.25
(2) Debt instruments				
(3) Other			1,805,503.25	1,805,503.25
2. Financial liabilities				
Totals			1,805,503.25	1,805,503.25
II. Non-current assets				
A. Intangible assets				
T. Other intangible assets				
L. Other				
Totals				

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amounts in RMB)

10.2 Qualitative and quantitative information on the valuation techniques and significant parameters used for items measured at Level 3 of the continuous and non-continuous fair value hierarchy

Item	Fair value as at 31 December 2025	Valuation technique	Significant parameters	Weighted average cost of capital
Equity investments	8,573,388.20	Discounted cash flow	Weighted average cost of capital	8%

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

### 11 Related Party Relationships (Continued)

#### 11.4 Other related parties

Name of other related parties	Relationship between other related parties and the Company
YIM, H, C,	N, C
LS, R, H, C, L,	SB, C
TE, C, C, L,	M, C
Y, P, M, C, L,	M, C
W, D, P, M, C, L,	M, C
C, W,	M, C
C, G,	M, C
J, D,	M, C
W, L,	M, C
W, X, X,	M, C
X, X, X,	M, C
W, C,	M, C
Q, K,	M, C
Y, L,	R, C
W, H,	Q, C
X, Y,	S, C

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(Amounts in RMB)

### 11 Related-party transactions (Continued)

#### 11.5 Related-party transaction

11.5.1 Related-party transactions involving the Company and its subsidiaries

Related party	Related-party transaction content	Amount in 2025	Amount in 2024
Wenzhou Kangning Hospital Co., Ltd.	Share-based payment	447,789.38	117,517.37
Yanling Hospital	Share-based payment	627,851.53	933,864.76
Huashan Hospital	Share-based payment		300,000.00

Total

Related party	Related-party transaction content	Amount in 2025	Amount in 2024
Yanling Hospital	Medical services	2,227,722.78	2,970,297.04
	Share-based payment	487,044.25	

## Notes to the Financial Statements

Financial Year ended 31 December 2025

(Amounts in RMB)

### 11 Related Party Transactions (Continued)

#### 11.5 Related-party transaction (Continued)

##### 11.5.2 Guarantees

The following table shows the details of the guarantees provided by the Company:

The guaranteed	Guarantee amount	Starting date of guarantee	Maturity date of guarantee	Whether the guarantee has been performed
Qinghai Yuhua Hospital Co., Ltd.	60,000,000.00	2023/10/9	2034/10/9	N
Yunnan Kangning Hospital Co., Ltd.	60,000,000.00	2019/8/20	2031/8/21	N
Luzhou City Hospital Co., Ltd.	68,440,000.00	2023/4/3	2032/3/2	N
Hubei Aima Medical Technology Co., Ltd.	32,400,000.00	2024/7/1	2027/6/30	N
Wenzhou Libin Yuhua Hospital Co., Ltd.	8,400,000.00	2024/3/31	2027/3/31	N
Wenzhou Libin Yuhua Hospital Co., Ltd.	103,000,000.00	2023/10/12	2034/10/9	N
Yunnan Kangning Hospital Co., Ltd.	12,000,000.00	2024/7/18	2029/6/18	N
Yunnan Yuhua Medical Technology Co., Ltd.	8,000,000.00	2024/7/18	2029/6/18	N
Qinghai Kangning Hospital Co., Ltd.	5,300,780.00	2024/1/1	2028/12/31	N
Wenzhou Yuhua Guang Hospital Co., Ltd.	4,337,088.00	2024/1/25	2028/12/25	N
Pei County Yuhua Hospital Co., Ltd.	26,000,000.00	2023/12/20	2031/12/20	N

# Notes to the Financial Statements

For the Year Ended December 31, 2025

(Amounts in RMB)

## 11 Related Party Transactions (Continued)

### 11.5 Related-party transaction (Continued)

#### 11.5.2 Guarantees (Continued)

The following table provides details of the guarantees provided by the Company:

Guarantor	Guarantee amount	Starting date of guarantee	Maturity date of guarantee	Whether the guarantee has been fulfilled
Yanhuo Kangning Hospital, Co., Ltd.	200,000,000.00	2021/12/24	2026/12/24	N
Yanhuo Kangning Hospital, Co., Ltd.	200,000,000.00	2021/12/24	2026/12/24	N
Chengde Kangning Hospital, Co., Ltd.	200,000,000.00	2021/12/24	2026/12/24	N
Wenzhou Yuhong Hospital, Co., Ltd.	200,000,000.00	2021/12/24	2026/12/24	N
Pingyang Kangning Hospital, Co., Ltd.	200,000,000.00	2021/12/24	2026/12/24	N
Wenzhou Libin Hospital, Co., Ltd.	200,000,000.00	2021/12/24	2026/12/24	N
Wenzhou Chengde Hospital, Co., Ltd.	200,000,000.00	2021/12/24	2026/12/24	N
Chengde Kangning Hospital, Co., Ltd.	66,474,000.00	2021/12/24	2026/12/10	N
GB Wenzhou Wenzhou Lianhua	24,000,000.00	2020/6/30	2027/6/30	N
GB Wenzhou Wenzhou Huanhua Wenzhou Lianhua	79,642,127.25	2021/11/29	2028/11/29	N
GB Wenzhou Wenzhou Huanhua Wenzhou Lianhua, Xingyuan	180,950,000.00	2020/10/26	2026/10/25	N
GB Wenzhou	70,000,000.00	2023/11/8	2026/11/15	N
GB Wenzhou Wenzhou Lianhua Wenzhou Huanhua	14,660,000.00	2019/9/10	2029/8/20	N
GB Wenzhou Wenzhou Lianhua Wenzhou Huanhua	10,280,000.00	2020/1/1	2029/8/20	N
GB Wenzhou Wenzhou Lianhua Wenzhou Huanhua	3,320,000.00	2020/12/22	2029/8/20	N
GB Wenzhou Wenzhou Lianhua Wenzhou Huanhua	2,200,000.00	2020/9/27	2029/8/20	N
GB Wenzhou Wenzhou Lianhua Wenzhou Huanhua	2,200,000.00	2020/9/27	2029/8/20	N
GB Wenzhou Wenzhou Lianhua Wenzhou Huanhua	3,050,000.00	2021/3/1	2029/8/20	N
GB Wenzhou Wenzhou Lianhua Wenzhou Huanhua	3,050,000.00	2021/3/1	2029/8/20	N
GB Wenzhou Wenzhou Lianhua Wenzhou Huanhua	45,000,000.00	2023/7/3	2037/12/31	N
GB Wenzhou Wenzhou Lianhua Wenzhou Huanhua	15,000,000.00	2023/7/31	2037/12/31	N
GB Wenzhou Wenzhou Lianhua Wenzhou Huanhua	10,116,550.00	2023/10/25	2037/12/31	N
GB Wenzhou Wenzhou Lianhua Wenzhou Huanhua	5,007,200.00	2023/11/24	2037/12/31	N
GB Wenzhou Wenzhou Tiantian Chengde Kangning Hospital, Co., Ltd., Yuhong Hospital, Pingyang Hospital, Mianyang Hospital, Co., Ltd.	60,000,000.00	2023/10/9	2031/10/9	N
Wenzhou Lianhua	18,312,000.00	2023/12/20	2028/12/25	N
GB Wenzhou Wenzhou Lianhua	25,000,000.00	2024/12/10	2027/12/10	N
GB Wenzhou Wenzhou Lianhua	120,000,000.00	2024/3/27	2027/3/26	N

## Notes to the Financial Statements

For the Year Ended December 31, 2025

(Amounts in thousands of RMB)

### 11 Related Party Transactions (Continued)

#### 11.5 Related-party transaction (Continued)

##### 11.5.3 Lending/borrowing

Related party	Lending/borrowing amount	Start date	Maturity date	Description
B... ..				
LE... S... R... .. H... C., L... ..	1,095,000.00	2023/9/29		☑ N... ..
Y... P... M... .. C., L... ..	2,508,250.00	2022/6/13		☑ N... ..
L... ..				
W... BL... Y... H... C., L... ..	13,500,000.00	2023/1/10	2026/1/9	
S... H... P... .. C., L... ..	10,204,311.69	2015/6/1		☑
W... C... ..	3,490,447.08	2015/9/1		N...

##### 11.5.4 Receivables

Item	Amount in 2025	Amount in 2024
S... ..	10,661,260.51	8,625,385.30
S... ..	1,851,645.21	1,863,108.72

## Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(Amounts in RMB)

11 Receivables (Continued)

### 11.6 Unsettled items such as receivables and payables of related parties

11.6.1 Receivables

Item name	Related party
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## Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are expressed in RMB Yuan)

11 R (Continued)

### 11.7 Director interests and rights

Refer to the notes on page 11.7 for details of the 2025 data.

Name	Remuneration	Salary and subsidies	Social insurance plan contributions	Performance bonus	Other allowances and benefits	Equity incentives	Total
<b>Executive directors</b>							
Ge W	200,000.00	404,160.00	84,787.98	89,108.80	1,700.00		779,756.78
W L	150,000.00	492,132.00		158,099.94	26,200.00	542,692.81	1,369,124.75
W J	150,000.00	600,000.00	80,200.80		27,050.00		857,250.80
<b>Independent director</b>							
J L	70,000.00						70,000.00
Z W	70,000.00						70,000.00
C S	70,000.00						70,000.00
<b>Supervisor</b>							
X N	196,628.42	269,954.00	70,680.00	23,240.00		134,425.34	694,927.76
X T	79,867.00	95,400.00	48,927.98	4,480.00		56,484.31	285,159.29
<b>Total</b>	<b>986,495.42</b>	<b>1,861,646.00</b>	<b>284,596.76</b>	<b>274,928.74</b>	<b>54,950.00</b>	<b>733,602.46</b>	<b>4,196,219.38</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

### 11 Remuneration (Continued)

#### 11.7 Director interests and rights (Continued)

The following table shows the remuneration of the directors for the year ended 31 December 2024:

Name	Remuneration	Salary and allowance	Social insurance plan contribution	Performance bonus	Other allowances and benefits	Equity incentives	Total
<b>Executive directors</b>							
Ge W	100,000.00	404,160.00	82,725.65				



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts are in RMB unless otherwise stated)

### 12 Share options

As at 31 December 2023, the Company has granted 27,300 share options to employees of the Company. The share options are exercisable from 1 January 2024 to 31 December 2025. The exercise price of the share options is RMB7.00. The share options are subject to a vesting schedule of 25% per year. As at 31 December 2023, the Company has 3,730,015 share options outstanding.

On 12 August 2024, the Board of Directors has granted 363,100 share options to employees of the Company. The exercise price of the share options is RMB0. The share options are subject to a vesting schedule of 35% per year.

On 23 August 2024, the Board of Directors has granted 555,000 share options to employees of the Company. The exercise price of the share options is RMB7.00. The share options are subject to a vesting schedule of 32% per year.

On 18 July 2024, the Board of Directors has granted 322,000 share options to employees of the Company. The exercise price of the share options is RMB7.00. The share options are subject to a vesting schedule of 50% per year.

As at 31 December 2025, the Company has 4,365,115 share options outstanding.

Vesting period	Vesting schedule	Vesting ratio
For the year ended 31 December 2024	For the year ended 31 December 2024	25%
For the year ended 31 December 2025	For the year ended 31 December 2025	25%
For the year ended 31 December 2026	For the year ended 31 December 2026	25%
For the year ended 31 December 2027	For the year ended 31 December 2027	25%

## Notes to the Financial Statements

Financial Year ended 31 December 2025  
(Amounts in RMB)

### 12 Share-based payments (Continued)

#### 12.1 Equity-settled share-based payments

Determination method of the fair value of equity instruments on the date of grant	Market method
Initial fair value of equity instruments granted	Carrying amount of equity instruments granted
Revised fair value of equity instruments granted	
Amount of equity instruments granted	53,358,569.28

#### 12.2 Share-based payment expenses

Grant object	Amount in 2025		Amount in 2024	
	Equity-settled share-based payments	Cash-settled share-based payments	Total	Total
Share-based payments to employees	4,503,685.30	4,503,685.30	767,673.68	767,673.68
Total	4,503,685.30	4,503,685.30	767,673.68	767,673.68

### 13 Contingencies

#### 13.1 Significant commitments

##### 13.1.1 Contingent liabilities

Item	31 December 2025	31 December 2024
Contingent liabilities	25,533,926.00	122,040,000.00
Total	25,533,926.00	122,040,000.00

#### 13.2 Contingencies

Contingent liabilities



# Notes to the Financial Statements

Fiscal Year Ended December 31, 2025  
(Amounts in RMB)

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amounts in RMB)

### 16 Notes

#### 16.1 Accounts receivable

##### 16.1.1 Aging

Aging	Balance as at 31 December 2025	Balance as at 31 December 2024
Within 1 year (including 1 year)	42,090,776.46	74,677,055.21
1-2 years	4,493,170.46	6,288,695.61
2-3 years	2,644,852.66	257,315.13
3 years or more	49,228,799.58	81,223,065.95
Loss provision	12,544,534.74	11,526,313.86
<b>Total</b>	<b>36,684,264.84</b>	<b>69,696,752.09</b>

The carrying amount of accounts receivable is RMB 36,684,264.84 as at 31 December 2025, of which RMB 12,544,534.74 is loss provision.

##### 16.1.2 Details of accounts receivable

Category	Balance as at 31 December 2025				Book value	Balance as at 31 December 2024				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Partly settled	11,916,666.11	24.21	11,916,666.11	100.00	10,763,194.65	13.25	10,725,880.17	99.65	37,314.48	
Written off	11,916,666.11	24.21	11,916,666.11	100.00	10,763,194.65		10,725,880.17		37,314.48	
Partly settled	37,312,133.47	75.79	627,868.63	1.68	36,684,264.84	70.459,871.30	86.75	800,433.69	1.14	69,659,437.61
Loss provision	37,312,133.47	75.79	627,868.63	1.68	36,684,264.84	70,459,871.30	86.75	800,433.69	1.14	69,659,437.61
<b>Total</b>	<b>49,228,799.58</b>	<b>100.00</b>	<b>12,544,534.74</b>		<b>36,684,264.84</b>	<b>81,223,065.95</b>	<b>100.00</b>	<b>11,526,313.86</b>		<b>69,696,752.09</b>



## Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amounts in thousands of RMB)

16 Notes to the Financial Statements (Continued)

### 16.1 Accounts receivable (Continued)

16.1.3 Provisions for impairment losses on accounts receivable 2025

Category	Balance as at 31 December 2024		Change during 2025		Balance as at 31 December 2025
	Balance	Provision	Balance	Provision	
Provision for impairment losses on accounts receivable	10,725,880.17	4,405,824.83	3,215,038.89	-	11,916,666.11
Provision for impairment losses on other receivables	800,433.69	-	172,565.06	-	627,868.63
Total	11,526,313.86	4,405,824.83	3,387,603.95	-	12,544,534.74

16.1.4 Accounts receivable 2025

Item	Balance as at 31 December 2025
Accounts receivable	3,215,038.89

### 16.2 Other receivables

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Interest receivable	787,500.00	787,500.00
Dividend receivable	68,400,000.00	43,400,000.00
Others	481,675,800.90	572,688,222.47
Total	550,863,300.90	616,875,722.47

## Notes to the Financial Statements

Financial Year ended 31 December 2025

(Amounts in thousands of RMB)

16 Non-current assets (CNY)

### 16.2 Other receivables (CNY)

#### 16.2.1 Intangible assets

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Trademark	787,500.00	787,500.00
Software	787,500.00	787,500.00
License		
<b>Total</b>	<b>787,500.00</b>	<b>787,500.00</b>

#### 16.2.2 Development costs

Project (or investee)	Balance as at 31 December 2025	Balance as at 31 December 2024
Chengde Kangning Hospital, Chengde, China	12,400,000.00	4,400,000.00
Yongkang Hospital, Yongkang, China	7,000,000.00	7,000,000.00
Qidong Kangning Hospital, Qidong, China	5,300,000.00	16,000,000.00

## Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amounts in RMB)

16 Notes to Other Receivables (Continued)

### 16.2 Other receivables (Continued)

#### 16.2.3 Other receivables

(1) Debtors

Aging	Balance as at 31 December 2025	Balance as at 31 December 2024
Within 1 year (Less than 1 year)	129,893,005.85	532,356,857.00
1 to 2 years	189,701,628.70	32,666,417.15
2 to 3 years	109,787,806.90	8,304,612.39
3 to 4 years	52,311,522.50	496,167.22
4 to 5 years	496,167.22	706,350.52
More than 5 years	702,979.96	
Subtotal	482,893,111.13	574,530,404.28
Less: Impairment loss	1,217,310.23	1,842,181.81
Total	481,675,800.90	572,688,222.47

(2) Debtors with significant amounts of impairment loss

Category	Balance as at 31 December 2025				Book value	Balance as at 31 December 2024				
	Book balance Amount	Proportion (%)	Provision for bad debts Amount	Provision ratio (%)		Book balance Amount	Proportion (%)	Provision for bad debts Amount	Provision ratio (%)	Book value Amount
Partly impaired										
Partly impaired	482,893,111.13	100.00	1,217,310.23	0.25	481,675,800.90	574,530,404.28	100.00	1,842,181.81	0.32	572,688,222.47
Not impaired	54,961,446.39	11.38	1,217,310.23	2.21	53,744,136.16	65,297,554.50	11.37	1,842,181.81	2.82	63,455,372.69
Receivables	427,931,664.74	88.62			427,931,664.74	509,232,849.78	88.63			509,232,849.78
Total	482,893,111.13	100.00	1,217,310.23		481,675,800.90	574,530,404.28	100.00	1,842,181.81		572,688,222.47

## Notes to the Financial Statements

Financial Year Ended 31 December 2025

(Amounts in RMB)

16 Non-current assets (CNY)

### 16.2 Other receivables (CNY)

16.2.3 Other receivables (CNY)

(2) Details of other receivables (CNY)

Particulars

Particulars

Balance as at 31 December 2025

Name	Other receivables	Provision for bad debts	Proportion of provision (%)
•	54,961,446.39	1,217,310.23	2.21
R	427,931,664.74		
T	482,893,111.13	1,217,310.23	

(3) Particulars

Provision for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit losses for the next 12 months	Expected credit loss throughout the duration (no credit impairment has occurred)	Expected credit loss throughout the duration (credit impairment has occurred)	
B	1,842,181.81			1,842,181.81
I 2025, B				
- T				
- T				
- R				
- R				
P				
R	624,871.58			624,871.58
W				
W				
O				
B	1,217,310.23			1,217,310.23

## Notes to the Financial Statements

Financial Year ended 31 December 2025

(Amounts in RMB)

### 16 Non-current assets

#### 16.2 Other receivables

##### 16.2.3 Other receivables

(4) Payment receivables

Category	Balance as at 31 December 2024	Provision for impairment	Balance as at 31 December 2025	
	RMB		RMB	Weighted average
Accounts receivable	1,842,181.81		624,871.58	1,217,310.23
<b>Total</b>	<b>1,842,181.81</b>		<b>624,871.58</b>	<b>1,217,310.23</b>

(5) Contract receivables

Nature of payment	Book balance as at 31 December 2025	Balance as at 31 December 2024
Revenue	427,931,664.74	509,232,849.78
Employee benefits	34,457,000.00	38,067,000.00
Contract receivables	2,216,316.97	1,354,960.78
Debt	1,937,991.24	2,487,401.88
Other	677,919.00	1,075,972.66
Revenue	15,672,219.18	22,312,219.18
<b>Total</b>	<b>482,893,111.13</b>	<b>574,530,404.28</b>

#### 16.3 Long-term equity investments

Project	Balance as at 31 December 2025		Balance as at 31 December 2024	
	Book balance	Provision for impairment	Book value	Book value
Investment in equity instruments	793,352,571.90	793,352,571.90	771,544,043.35	771,544,043.35
Investment in debt instruments	65,319,529.44	65,319,529.44	63,293,944.52	63,293,944.52
<b>Total</b>	<b>858,672,101.34</b>	<b>858,672,101.34</b>	<b>834,837,987.87</b>	<b>834,837,987.87</b>





## Notes to the Financial Statements

For the Year Ended December 31, 2025

(Amounts in thousands of RMB)

16 Notes to the Financial Statements (Continued)

### 16.4 Operating revenue and cost of sales (Continued)

16.4.3 Details of operating revenue and cost of sales

Item	Time to fulfill the performance obligation	Important payment terms	Nature of goods promised to be transferred by the Company	Whether to be the principal responsible person	Amounts expected to be returned to customers that the Company has assumed	Type of quality assurance provided by the Company and related obligations
Directly provided services	Time to fulfill the performance obligation	Important payment terms	Detailed description of goods	Yes/No	Yes/No	Yes/No
Services provided through intermediaries	Time to fulfill the performance obligation	Important payment terms	Detailed description of goods	Yes/No	Yes/No	Yes/No

### 16.5 Investment income

Item	Amount in 2025	Amount in 2024
Interest income from bank deposits	25,000,000.00	47,438,461.27
Interest income from other financial assets	2,025,584.92	1,695,251.38
<b>Total</b>	<b>27,025,584.92</b>	<b>49,133,712.65</b>

Wen Zhou Kang Ning Hospital Co., Ltd.  
(Weiss, in thousands)  
23 March 2026

## Definitions

. AGM	Annual General Meeting of the Company, 2025
. A	Articles of Association of the Company
. A, C	Articles of Association of the Company
. B Y H	Beijing Yinan Hospital Co., Ltd. (北京怡寧醫院有限公司), PRC, A, 17, 2015, C
. B D B	Beijing Dabao Hospital Co., Ltd.
. C K H	Cangnan Kangning Hospital Co., Ltd. (蒼南康寧醫院有限公司), PRC, J, 15, 2012, C
. CGC	China General Chamber of Commerce (CGCC), HK, L, R
. C K P H	Changchun Kanglin Psychological Hospital Co., Ltd. (長春康林心理醫院有限公司), PRC, F, 16, 2016, C
. C J Y P H	Changjiaying Psychological Hospital Co., Ltd. (長吉映心理醫院有限公司), PRC, J, 29, 2010, C
. C K H	Chuan'an Kangning Huangfeng Hospital Co., Ltd. (淳安康寧黃鋒醫院有限公司), PRC, A, 16, 2020, C
. C W K H	Wenzhou Kangning Hospital Co., Ltd., PRC, HS, MB, HK, SE, (S, C, :2120)
. C S	Chuan'an Kangning Hospital Co., Ltd. (淳安康寧醫院有限公司), M. GUAN W, M. WANG L





## Definitions

<p>L. C. H. . . .</p>	<p>L. C. H. C., L. (臨海慈寧醫院有限公司), PRC D. 11, 2020, C . . .</p>
<p>M. B</p>	<p>M. S. A. R. PRC</p>
<p>M. C. . . .</p>	<p>M. C. S. T. D. L. I. B. A. C3. H. K. L. RB</p>
<p>N. C. . . .</p>	<p>. . . . B . . . .</p>
<p>N. . . . A . . . .</p>	<p>. . . . M 11, 2015 . . . . C . . . . S . . . .</p>
<p>P. C. Y. H. . . .</p>	<p>P. C. Y. H. C., L., . . . . C. J. B 14, 2021, . . . . B . . . .</p>
<p>PB. Y. H. . . .</p>	<p>PB. Y. HB. H. C., L. (浦江怡寧黃鋒醫院有限公司), PRC S. 3, 2018, . . . . C . . . . B . . . .</p>
<p>PRC . C. . . .</p>	<p>. P. R. B. C. . . . B . . . . B . . . . H. K. , M. B. T . . . .</p>
<p>PRC C. L. . . .</p>	<p>. C. L. P. R. B. C. (中華人民共和國公司法), . . . . S. C. T. N. P. C. PRC D. 29, 2023 . . . . JB 1, 2024 (. . . . B . . . . )</p>
<p>P. . . . F. D. . . . .</p>	<p>. . . . RMB3.2 . . . . S . . . . ( . . . . ) . . . . D. 31, 2025 . . . . S . . . . AGM . . . . B . . . . P . . . . F. D . . . . B . . . .</p>
<p>P . . . . B . . . .</p>	<p>. . . . B . . . . C . . . . N . . . . 10, 2015</p>



## Definitions

• T _ B _ _ .	H _ _ _ _ _ . H _ K _ L _ R _ .
• W _ B C _ H _ .	W _ B C _ H _ . C ., L . (溫州慈寧醫院有限公司), PRC J _ B 25, 2006, C _ _ _ _ _ .
• W _ B O B Y _ E , H _ .	W _ B O B Y _ E , H _ . C ., L . (溫州甌海怡寧老年醫院有限公司), C _ _ _ _ _ M _ 8, 2021, C _ _ _ _ _ .
• Y _ P , I _ _ , H _ .	Y _ P , I _ _ , H _ . (W _ B C ., L . (怡寧心理互聯網醫院(溫州)有限公司), PRC M _ 10, 2020, C _ _ _ _ _ .
• Y _ K _ H _ .	Y _ K _ H _ . C ., L . (永嘉康寧醫院有限公司), PRC D _ 12, 2012, C _ _ _ _ _ .
• Y B _ K _ H _ .	Y B _ K _ H _ . C ., L . (樂清康寧醫院有限公司), PRC S _ 3, 2013, C _ _ _ _ _ .
• Y B _ Y _ H _ .	Y B _ Y _ I _ T _ C _ _ _ W _ M _ H _ . C ., L . (樂清怡寧中西醫結合醫院有限公司), PRC A B B 4, 2006, C _ _ _ _ _ . Y B _ B _ C _ & W _ M _ H _ . L _ (樂清邦爾中西醫結合醫院有限公司)
• %	• _ _ _ _ _ .

温州康 院