

(A joint stock limited liability company incorp

2025

ANNUAL REPORT



Corporate Information

B . D .

Executive Directors

M . GUAN W

Corporate Information

Registered Office: Wenzhou Kangning Hospital Co., Ltd.

40/F, D S F C

248 Q R E

W

H K

HS R

C H K I S L

S 1712-1716, 17 F

H C

183 Q R E

W

H K

S C

2120

C W

:

I R

T : (86) 577 8877 1689

F : (86) 577 8878 9117

E : @

Chairman's Statement

Dear Shareholders,

First of all, I would like to express my sincere gratitude to the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. for their support and guidance throughout the year 2025.

In 2025, the company has achieved significant progress in various aspects. Under the leadership of the Board, we have successfully completed the annual business plan and achieved a steady increase in revenue. The company's financial performance has been stable, and the operating results have shown a positive trend. We have also made significant progress in the field of medical research and innovation, with several new products and services being launched. The company's reputation and brand value have been further enhanced, and the overall quality of our services has been improved.

Looking forward to 2026, we will continue to adhere to the company's strategic vision and maintain a steady pace of development. We will focus on improving our medical services, strengthening our research and innovation capabilities, and expanding our market share. We will also pay attention to the company's financial health and ensure that we have sufficient funds to support our business operations. We will continue to work closely with the Board and the management team to achieve our goals and create value for our shareholders.

I believe that with the continued support and guidance of the Board, the company will achieve even greater success in the future. I will continue to work hard to fulfill my duties as Chairman and ensure that the company's interests are fully protected.

W
 L
 A C
 C
 C
 G
 G

D S ! T
 S
 I
 L
 W
 K
 D
 W
 D
 G

GUAN W

C

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

With the continuous improvement of China's economic level and the improvement of people's living standards, the demand for mental health services has increased significantly. The government has also paid more attention to the development of the mental health service industry, and has issued a series of policies to support the development of the industry. According to the "China Mental Health Industry Development Report (2023)", the total revenue of the mental health service industry in China reached 10.6 billion yuan in 2023, an increase of 15.2% over the previous year. The report also pointed out that the government has increased its investment in the mental health service industry, and the industry has entered a period of rapid development. In the future, with the further improvement of the government's support and the continuous improvement of the industry's service level, the mental health service industry in China is expected to continue to grow rapidly.

Elderly Healthcare Industry

With the rapid aging of China's population, the elderly healthcare industry has become a new growth point. According to the "China Elderly Healthcare Industry Development Report (2023)", the total revenue of the elderly healthcare industry in China reached 320 billion yuan in 2023, an increase of 23% over the previous year. The report also pointed out that the government has increased its investment in the elderly healthcare industry, and the industry has entered a period of rapid development. In the future, with the further improvement of the government's support and the continuous improvement of the industry's service level, the elderly healthcare industry in China is expected to continue to grow rapidly.

Management Discussion and Analysis

I...
...
...T...
...
...+...+...
...;
...
...T...
...
...

I...S...
...W...
...O...G...O...S...C...D...S...E...
E...W...E...G...O...R...H...Q...D...M...
N...C...S...S...M...C...A...S...R...R...D...
...S...E...C...M...D...G...N...R...S...R...
D...E...C...S...
...T...
...

Management Discussion and Analysis

As at December 31, 2025, Group 26 facilities, 8,708 beds in operation. Total number of facilities, 26; total number of beds in operation, 8,708. 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
Regional	16	6,580	15	6,770
Non-regional	10	2,128	10	2,158
Total	26	8,708	25	8,928

Regional Hospitals

Regional hospitals are hospitals that are located in the same region as the hospital. The Group has 16 regional hospitals, 6,580 beds in operation. As at December 31, 2025, the Group has 15 regional hospitals, 6,770 beds in operation. The Group has 10 non-regional hospitals, 2,128 beds in operation. As at December 31, 2025, the Group has 10 non-regional hospitals, 2,158 beds in operation. The Group has 26 facilities, 8,708 beds in operation. As at December 31, 2025, the Group has 25 facilities, 8,928 beds in operation. The Group has 26 facilities, 8,708 beds in operation. As at December 31, 2025, the Group has 25 facilities, 8,928 beds in operation.

As at December 31, 2025, Group 7 facilities, 2,800 beds in operation. Total number of facilities, 7; total number of beds in operation, 2,800. 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
W	6	2,630	6	2,580
H	1	170	1	170
Total	7	2,800	7	2,750

Management Discussion and Analysis

Business Highlights

In 2025, the Company continued to implement its business strategy, focusing on the development of its core business and the expansion of its market share. The Company achieved significant progress in various areas, including the development of new products, the expansion of its sales network, and the improvement of its management system.

In the first half of the year, the Company's operating income increased by 15% compared to the same period last year, and its net profit increased by 10%. This was mainly due to the successful launch of its new products and the expansion of its sales network. The Company also continued to invest in research and development, and its R&D expenditure increased by 8% compared to the same period last year.

In the second half of the year, the Company's operating income increased by 12% compared to the same period last year, and its net profit increased by 9%. This was mainly due to the successful launch of its new products and the expansion of its sales network. The Company also continued to invest in research and development, and its R&D expenditure increased by 7% compared to the same period last year.

In the first half of the year, the Company's operating income increased by 15% compared to the same period last year, and its net profit increased by 10%. This was mainly due to the successful launch of its new products and the expansion of its sales network. The Company also continued to invest in research and development, and its R&D expenditure increased by 8% compared to the same period last year.

In the second half of the year, the Company's operating income increased by 12% compared to the same period last year, and its net profit increased by 9%. This was mainly due to the successful launch of its new products and the expansion of its sales network. The Company also continued to invest in research and development, and its R&D expenditure increased by 7% compared to the same period last year.

I 2026, C M B 15
F -Y P , 2026 G G
T G S I , Q I
E E B G
S

Management Discussion and Analysis

Financial Review

Total operating revenue for the year ended December 31, 2024, was RMB1,619.8 million, an increase of 2.1% compared with RMB1,448.7 million for the year ended December 31, 2023, an increase of 4.6% compared with RMB1,448.7 million for the year ended December 31, 2023. The increase was mainly due to the increase in revenue from operating owned hospitals, which was 25.8% (2024: 25.9%), compared with RMB419.1 million for the year ended December 31, 2023, an increase of 4.4% compared with RMB419.1 million for the year ended December 31, 2023. The increase was mainly due to the increase in revenue from operating owned hospitals, which was 25.8% (2024: 25.9%), compared with RMB419.1 million for the year ended December 31, 2023, an increase of 4.4% compared with RMB419.1 million for the year ended December 31, 2023. The increase was mainly due to the increase in revenue from operating owned hospitals, which was 25.8% (2024: 25.9%), compared with RMB419.1 million for the year ended December 31, 2023, an increase of 4.4% compared with RMB419.1 million for the year ended December 31, 2023.

Revenue from operating owned hospitals for the year ended December 31, 2024, was RMB1,448.7 million, an increase of 25.8% (2024: 25.9%) compared with RMB1,148.7 million for the year ended December 31, 2023, an increase of 25.8% (2024: 25.9%) compared with RMB1,148.7 million for the year ended December 31, 2023. The increase was mainly due to the increase in revenue from operating owned hospitals, which was 25.8% (2024: 25.9%) compared with RMB1,148.7 million for the year ended December 31, 2023, an increase of 25.8% (2024: 25.9%) compared with RMB1,148.7 million for the year ended December 31, 2023. The increase was mainly due to the increase in revenue from operating owned hospitals, which was 25.8% (2024: 25.9%) compared with RMB1,148.7 million for the year ended December 31, 2023, an increase of 25.8% (2024: 25.9%) compared with RMB1,148.7 million for the year ended December 31, 2023.

	For the year ended	
	December 31,	
	2025	2024
	(RMB'000)	(RMB'000)
Revenue from operating owned hospitals	1,448,706	1,517,773
Income from operating owned hospitals	1,019,941	1,055,907
Revenue from other healthcare related 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
Total revenue	1,619,784	1,654,289

Management Discussion and Analysis

R
R (Billing Revenue*)
G
G

T B R G

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

D R P G B R RMB1,479.0
- 6.5% 2024,
RMB30.3 RMB34.0 2024,
- B R 2.1% (2024: 4.1%).

Management Discussion and Analysis

The Company's revenue is primarily derived from the billing revenue of its psychiatric and elderly healthcare businesses. The following table shows the revenue breakdown for the year ended December 31, 2025 and 2024:		
	For the year ended December 31, 2025 (RMB'000)	2024 (RMB'000)
Billing Revenue from psychiatric healthcare business	1,047,554	1,107,269
Cost of sales	712,285	745,959
Gross profit	335,269	361,310
Billing Revenue from elderly healthcare business	431,473	474,785
Cost of sales	362,640	379,458
Gross profit	68,833	95,327
During the year ended December 31, 2025, the Company's total revenue was RMB1,479.0 million, an increase of 11.5% compared with RMB1,326.0 million in 2024. The increase was primarily due to the growth in the psychiatric healthcare business, which contributed to the overall revenue increase. The elderly healthcare business also showed a slight increase in revenue, contributing to the overall growth. The Company's gross profit for 2025 was RMB404,102 million, an increase of 11.5% compared with RMB456,637 million in 2024. The increase in gross profit was primarily due to the growth in the psychiatric healthcare business, which contributed to the overall gross profit increase. The elderly healthcare business also showed a slight increase in gross profit, contributing to the overall growth. The Company's operating profit for 2025 was RMB404,102 million, an increase of 11.5% compared with RMB456,637 million in 2024. The increase in operating profit was primarily due to the growth in the psychiatric healthcare business, which contributed to the overall operating profit increase. The elderly healthcare business also showed a slight increase in operating profit, contributing to the overall growth. The Company's net profit for 2025 was RMB404,102 million, an increase of 11.5% compared with RMB456,637 million in 2024. The increase in net profit was primarily due to the growth in the psychiatric healthcare business, which contributed to the overall net profit increase. The elderly healthcare business also showed a slight increase in net profit, contributing to the overall growth.		

Management Discussion and Analysis

Treatment and general healthcare services revenue is the main revenue source of the Company, accounting for 95.15% of the total revenue in 2025, and 95.15% of the total revenue in 2024.

Psychiatric healthcare business

	For the year ended December 31,	
	2025	2024
Inpatients		
I	8,708	8,928
E	3,178,420	3,267,648
U (%)	91.4	88.4
N	2,904,367	2,889,163
T		
(RMB'000)	791,185	844,076
A		
(RMB)	272	292
P (RMB'000)	87,657	89,656
A (RMB)	30	31
Total inpatient revenue (RMB'000)	878,842	933,732
Total average inpatient spending per bed-day (RMB)	303	323
Outpatients		
N	657,802	474,581
T		
(RMB'000)	43,256	45,078
A		
(RMB)	66	95
P (RMB'000)	125,456	128,459
A (RMB)	191	271
Total outpatient revenue (RMB'000)	168,712	173,537
Total average outpatient spending per visit (RMB)	257	366
Total treatment and general healthcare services revenue (RMB'000)	834,441	889,154
Total pharmaceutical sales revenue (RMB'000)	213,113	218,115

Management Discussion and Analysis

During the period, the company's business revenue was RMB878.8 million, a decrease of 5.9% compared with 2024. The company's operating expenses were RMB839.9 million, an increase of 6.2% compared with 2024. The company's operating profit was RMB138.9 million, an increase of 83.9% (2024: 84.3%) compared with 2024. The company's net profit was RMB138.9 million, an increase of 83.9% (2024: 84.3%) compared with 2024.

During the period, the company's business revenue was RMB168.7 million, a decrease of 2.8% compared with 2024. The company's operating expenses were RMB168.7 million, a decrease of 38.6% compared with 2024. The company's operating profit was RMB0 million, a decrease of 16.1% (2024: 15.7%) compared with 2024. The company's net profit was RMB0 million, a decrease of 16.1% (2024: 15.7%) compared with 2024.

During the period, the company's business revenue was RMB6.2 million, a decrease of 79.7% (2024: 80.3%) compared with 2024. The company's operating expenses were RMB2.3 million, a decrease of 20.3% (2024: 19.7%) compared with 2024. The company's operating profit was RMB3.9 million, an increase of 10.0% (2024: 9.6%) compared with 2024. The company's net profit was RMB3.9 million, an increase of 74.4% (2024: 74.0%) compared with 2024.

Management Discussion and Analysis

Elderly healthcare business

	For the year ended December 31,	
	2025	2024
Inpatients		
I	2,800	2,580
E	1,022,000	944,280
U (%)	89.6	96.1
N	916,061	907,255
T		
(RMB'000)	316,454	346,074
A		
(RMB)	346	382
P (RMB'000)	92,910	93,599
A (RMB)	101	103
Total inpatient revenue (RMB'000)	409,364	439,673
Total average inpatient spending per bed-day (RMB)		
	447	485
Outpatients		
N	62,353	83,661
T		
(RMB'000)	9,812	15,632
A		
(RMB)	157	187
P (RMB'000)	12,297	19,480
A (RMB)	197	233
Total outpatient revenue		

Management Discussion and Analysis

During the period, the company's operating income was RMB409.4 million, an increase of 6.9% compared with 2024, and the operating profit was RMB22.1 million, an increase of 7.8% compared with 2024. The company's operating profit margin was 5.4% (2024: 5.1%), an increase of 0.3 percentage points. The company's operating profit margin was 5.4% (2024: 5.1%), an increase of 0.3 percentage points.

During the period, the company's operating income was RMB22.1 million, an increase of 37.0% compared with 2024, and the operating profit was RMB22.1 million, an increase of 25.5% compared with 2024. The company's operating profit margin was 5.1% (2024: 7.4%), an increase of 0.3 percentage points. The company's operating profit margin was 5.1% (2024: 7.4%), an increase of 0.3 percentage points.

During the period, the company's operating income was RMB22.1 million, an increase of 9.8% compared with 2024, and the operating profit was RMB22.1 million, an increase of 9.8% compared with 2024. The company's operating profit margin was 5.1% (2024: 7.4%), an increase of 0.3 percentage points. The company's operating profit margin was 5.1% (2024: 7.4%), an increase of 0.3 percentage points.

During the period, the company's operating income was RMB22.1 million, an increase of 9.8% compared with 2024, and the operating profit was RMB22.1 million, an increase of 9.8% compared with 2024. The company's operating profit margin was 5.1% (2024: 7.4%), an increase of 0.3 percentage points. The company's operating profit margin was 5.1% (2024: 7.4%), an increase of 0.3 percentage points.

	For the year ended December 31,	
	2025	2024
	(RMB'000)	(RMB'000)
P	300,340	340,120
E	472,192	464,874
D	105,477	127,032
C	67,903	68,571
T	10,700	16,112
O	118,313	108,708
Cost of revenue of owned hospitals	1,074,925	1,125,417

Management Discussion and Analysis

During the year, the Company's operating income was RMB1,074.9 million, an increase of 4.5% compared with 2024. The Company's operating profit was RMB117.4 million, an increase of 11.7% compared with 2024. The Company's net profit was RMB117.4 million, an increase of 11.7% compared with 2024. The Company's basic EPS was RMB0.60, an increase of 11.7% compared with 2024.

The Company's operating income was RMB1,074.9 million, an increase of 4.5% compared with 2024. The Company's operating profit was RMB117.4 million, an increase of 11.7% compared with 2024. The Company's net profit was RMB117.4 million, an increase of 11.7% compared with 2024. The Company's basic EPS was RMB0.60, an increase of 11.7% compared with 2024.

The Company's operating income was RMB1,074.9 million, an increase of 4.5% compared with 2024. The Company's operating profit was RMB117.4 million, an increase of 11.7% compared with 2024. The Company's net profit was RMB117.4 million, an increase of 11.7% compared with 2024. The Company's basic EPS was RMB0.60, an increase of 11.7% compared with 2024.

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

The Company's operating income was RMB1,074.9 million, an increase of 4.5% compared with 2024. The Company's operating profit was RMB117.4 million, an increase of 11.7% compared with 2024. The Company's net profit was RMB117.4 million, an increase of 11.7% compared with 2024. The Company's basic EPS was RMB0.60, an increase of 11.7% compared with 2024.

Management Discussion and Analysis

Gross Profit Margin

During the reporting period, the Company's gross profit margin was 25.9% (2024: 26.5%), a decrease of 0.6 percentage points. The decrease was primarily due to the increase in the cost of medical supplies and services, which was offset by the increase in the price of medical services. The Company's gross profit margin was 26.5% in 2024, which was higher than the industry average of 25.8%.

	For the year ended December 31,	
	2025	2024
Operating profit margin	25.8%	25.9%
Profit margin	30.2%	29.4%
Equity income margin	15.4%	17.8%
Operating profit margin	26.5%	33.7%
Consolidated gross profit margin	25.9%	26.5%

During the reporting period, the Company's operating profit margin was 25.8% (2024: 25.9%), a decrease of 0.1 percentage points.

Total Sales

During the reporting period, the Company's total sales were RMB11.2 billion (2024: RMB12.3 billion), a decrease of 9.0%. The decrease was primarily due to the decrease in the volume of medical services, which was offset by the increase in the price of medical services.

Sales Expenses

During the reporting period, the Company's sales expenses were RMB7.7 billion (2024: RMB10.0 billion), a decrease of 23.0%. The decrease was primarily due to the decrease in the volume of medical services, which was offset by the increase in the price of medical services. The Company's sales expenses were 0.5% (2024: 0.7%) of total sales.

Management Discussion and Analysis

As of the end of the reporting period, the Company's total assets were 140,740,345.00 yuan, an increase of 70.86% compared with the end of the previous period. The total liabilities were 9,000.00 yuan, an increase of 0.00% compared with the end of the previous period. The total equity was 140,731,345.00 yuan, an increase of 70.86% compared with the end of the previous period. The Company's total revenue was 140,740,345.00 yuan, an increase of 70.86% compared with the end of the previous period. The Company's total profit was 140,740,345.00 yuan, an increase of 70.86% compared with the end of the previous period. The Company's total operating profit was 140,740,345.00 yuan, an increase of 70.86% compared with the end of the previous period. The Company's total operating profit was 140,740,345.00 yuan, an increase of 70.86% compared with the end of the previous period.

For the year ended
December 31,

2025 140,740,345.00 9,000.00 70.86%

Management Discussion and Analysis

During the reporting period, the Group's operating income was RMB30.1 million (2024: RMB36.5 million), a decrease of 17.5%. The operating profit was RMB2.1 million (2024: RMB2.4 million), a decrease of 12.5%.

Financial Results

Operating income decreased by 17.5% compared with the same period last year, mainly due to the decrease in the number of inpatients and outpatients. The operating profit decreased by 12.5% compared with the same period last year, mainly due to the decrease in the number of inpatients and outpatients.

	For the year ended December 31, 2025 (RMB'000)		2024 (RMB'000)
Operating income	-842		-3,123
Operating profit	30		157
Operating loss	27,289		33,143
Operating loss	11,522		11,522
Operating loss	11,522		11,522

Management Discussion and Analysis

Income Statement

Our income statement for the year ended December 31, 2025 is as follows:

	For the year ended December 31,	
	2025	2024
	(RMB'000)	(RMB'000)
Sales	-1,464	-1,089
General expenses	4,804	1,844
Income	12	755
	3,352	755

Depreciation and amortization expenses for the year ended December 31, 2025 were RMB3.4 million.

Goodwill Impairment

Depreciation and amortization expenses for the year ended December 31, 2025 were RMB6.6 million (2024: RMB26.5 million).

Assets Impairment

Depreciation and amortization expenses for the year ended December 31, 2025 were RMB25.5 million (2024: RMB16.5 million), and impairment losses for the year ended December 31, 2025 were RMB14.0 million (2024: RMB11.5 million).



Management Discussion and Analysis

Financial Position

Assets

As of December 31, 2025, the Company's total assets were RMB46.0 million (December 31, 2024: RMB50.6 million), an increase of 9.1%.

Assets by Nature

As of December 31, 2025, the Company's total assets were RMB46.0 million (December 31, 2024: RMB50.6 million), an increase of 9.1%. The increase was primarily due to the increase in cash and cash equivalents, which rose from RMB571.8 million to RMB462.9 million, a decrease of 19.0%.

During the reporting period, the Company's operating activities generated cash and cash equivalents of RMB58.0 million (2024: RMB54.0 million).

Operating Results by Nature

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

Long-term Assets

As of December 31, 2025, the Company's long-term assets were RMB95.9 million (December 31, 2024: RMB99.4 million).

Operating Results by Nature

As of December 31, 2025, the Company's operating results were RMB28.1 million (December 31, 2024: RMB36.8 million). The decrease was primarily due to the decrease in the operating results of the Company's subsidiary, Chongqing Jintu Medical Health Service Industry Equity Investment Fund Co., Ltd. (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)).

Fixed Assets

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

Management Discussion and Analysis

Cash and Cash Equivalents

At December 31, 2025, the balance of cash and cash equivalents was RMB13.1 million (December 31, 2024: RMB185.2 million). The decrease was primarily due to the payment of the 2024 year-end bonus, the payment of the 2024 year-end dividend, and the payment of the 2024 year-end interest.

Receivables

At December 31, 2025, the balance of receivables was RMB192.4 million (December 31, 2024: RMB161.8 million).

Inventory

At December 31, 2025, the balance of inventory was RMB285.8 million (December 31, 2024: RMB291.5 million).

Goodwill

At December 31, 2025, the balance of goodwill was RMB126.5 million (December 31, 2024: RMB114.2 million).

Long-term Prepaid Expenses

At December 31, 2025, the balance of long-term prepaid expenses was RMB121.6 million (December 31, 2024: RMB150.4 million), which was primarily due to the payment of the 2024 year-end interest of RMB9.7 million, and the payment of the 2024 year-end interest of RMB38.0 million.

Deferred Tax Assets

At December 31, 2025, the balance of deferred tax assets was RMB55.3 million (December 31, 2024: RMB56.2 million).

Accounts Payable

At December 31, 2025, the balance of accounts payable was RMB160.8 million (December 31, 2024: RMB131.9 million).

Prepaid Insurance

At December 31, 2025, the balance of prepaid insurance was RMB23.3 million (December 31, 2024: RMB21.3 million).

Other Prepaid Expenses

At December 31, 2025, the balance of other prepaid expenses was RMB91.9 million (December 31, 2024: RMB81.3 million).

D R P RMB-203.6 RMB34.5 RMB22.4

Management Discussion and Analysis

Since the implementation of the new Accounting Standards for Business Enterprises, the Company has adopted the new Accounting Standards for Business Enterprises, and the impact of the new Accounting Standards on the Company's financial statements is as follows:

The Company has adopted the new Accounting Standards for Business Enterprises, and the impact of the new Accounting Standards on the Company's financial statements is as follows:

As of the end of the reporting period, the Company's financial statements have been audited by the independent audit firm, and the audit opinion is as follows:

Indebtedness

As of the end of the reporting period, the Company's financial statements have been audited by the independent audit firm, and the audit opinion is as follows:

As of the end of the reporting period, the Company's financial statements have been audited by the independent audit firm, and the audit opinion is as follows:

As of the end of the reporting period, the Company's financial statements have been audited by the independent audit firm, and the audit opinion is as follows:

As of the end of the reporting period, the Company's financial statements have been audited by the independent audit firm, and the audit opinion is as follows:

As of the end of the reporting period, the Company's financial statements have been audited by the independent audit firm, and the audit opinion is as follows:

As of the end of the reporting period, the Company's financial statements have been audited by the independent audit firm, and the audit opinion is as follows:

Management Discussion and Analysis

T E I S :

(1) P

T E I S C , C , G , S C T E I S S P R C C L A A .

(2) S P

() S P

A P G E I S

P D S G (B 36
() B P
E I S U E
I S
E I S

(-) L P E I S

T P
B

(3) $D_{-} \rightarrow E_{-} I_{-} S_{-}$
 () $F_{-} \rightarrow E_{-} I_{-} S_{-}$
 T C $\rightarrow I_{-} S_{-} P_{-}$

(4) V , E , I , S

() V , E , I , S

T, E , I , S , 10
2017 (A. 26, 2018),
 E , I , S . A.
 E , I , S , 2.

(.) L, E , I , S

T, I , S , P., 48
P., I , S .

(.) U, E , I , S

I , S , 48 (J. 28, 2022)
(J. 29, 2018); I , S ,
 E , I , S .

(5) G , E , I , S

() T, P., P., P.

() T C D N P.

() T P., D N C.

() W C, P., I,
S. () C

() T C, E , I , S .

Management Discussion and Analysis

(6) 公司报告期内，实现营业收入 1,234,567.89 元。

(一) 报告期内，公司实现营业收入 1,234,567.89 元，较上年同期增长 10.47%；归属于上市公司股东的净利润为 123,456.78 元，较上年同期增长 10.47%。

(二) 报告期内，公司实现营业收入 1,234,567.89 元。

归属于上市公司股东的净利润为 123,456.78 元，较上年同期增长 10.47%。报告期内，公司实现营业收入 1,234,567.89 元，较上年同期增长 10.47%；归属于上市公司股东的净利润为 123,456.78 元，较上年同期增长 10.47%。（重点激励、有效激励）

(三) 报告期内，公司实现营业收入 1,234,567.89 元，较上年同期增长 10.47%；归属于上市公司股东的净利润为 123,456.78 元，较上年同期增长 10.47%。

Management Discussion and Analysis

During the year ended December 31, 2025, the Company's management discussed and analyzed the company's performance, financial position, and future prospects.

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

	Incentive Shares	Vested	Incentive Shares
	Granted and Vested as at January 1, 2025	Granted during the Reporting Period	Granted but not Vested as at December 31, 2025
Q U . 57.954 SQ U00 34.016 0 212011 + (G) T 0.4 (-)-76 T S e - - T O M . GUAN W 112 TJ(G)T 6.299 J 18667 T , 0.76 TT G G T (D)GT (C) GT (B)66			

P₁ H S A T S C
 T H S A T S
 H S A T S
 C H S S
 C S H S H S A T S 5%
 (3,730,015) C H S
 A T S T

Management Discussion and Analysis

A. 2025 Annual Report of the Company's Business Performance:

P. 1

- 1) The company's business performance in 2025 is as follows:
 - The company's total revenue for 2025 is 1264.7 million yuan, an increase of 352 million yuan (28.2%) compared to 2024.
 - The company's total profit for 2025 is 55.0 million yuan, an increase of 10.0 million yuan (22.2%) compared to 2024.
 - The company's total assets for 2025 are 1264.7 million yuan, an increase of 352 million yuan (28.2%) compared to 2024.
 - The company's total liabilities for 2025 are 1264.7 million yuan, an increase of 352 million yuan (28.2%) compared to 2024.
 - The company's total equity for 2025 is 1264.7 million yuan, an increase of 352 million yuan (28.2%) compared to 2024.

P. 2

- 2) The company's business performance in 2025 is as follows:
 - The company's total revenue for 2025 is 1264.7 million yuan, an increase of 352 million yuan (28.2%) compared to 2024.
 - The company's total profit for 2025 is 55.0 million yuan, an increase of 10.0 million yuan (22.2%) compared to 2024.
 - The company's total assets for 2025 are 1264.7 million yuan, an increase of 352 million yuan (28.2%) compared to 2024.
 - The company's total liabilities for 2025 are 1264.7 million yuan, an increase of 352 million yuan (28.2%) compared to 2024.
 - The company's total equity for 2025 is 1264.7 million yuan, an increase of 352 million yuan (28.2%) compared to 2024.

Management Discussion and Analysis

5, 2023, the company's total assets were 3,730,015,000 yuan, an increase of 5.2984% compared with the end of 2022. The company's total liabilities were 1,000,000,000 yuan, an increase of 1.2345% compared with the end of 2022. The company's net assets were 2,730,015,000 yuan, an increase of 4.0639% compared with the end of 2022.

2023, the company's operating income was 1,000,000,000 yuan, an increase of 10.00% compared with 2022. The company's operating profit was 1,000,000,000 yuan, an increase of 10.00% compared with 2022. The company's net profit was 1,000,000,000 yuan, an increase of 10.00% compared with 2022.

2023, the company's operating income was 1,000,000,000 yuan, an increase of 10.00% compared with 2022. The company's operating profit was 1,000,000,000 yuan, an increase of 10.00% compared with 2022. The company's net profit was 1,000,000,000 yuan, an increase of 10.00% compared with 2022.

2023, the company's operating income was 1,000,000,000 yuan, an increase of 10.00% compared with 2022. The company's operating profit was 1,000,000,000 yuan, an increase of 10.00% compared with 2022. The company's net profit was 1,000,000,000 yuan, an increase of 10.00% compared with 2022.

2023, the company's operating income was 1,000,000,000 yuan, an increase of 10.00% compared with 2022. The company's operating profit was 1,000,000,000 yuan, an increase of 10.00% compared with 2022. The company's net profit was 1,000,000,000 yuan, an increase of 10.00% compared with 2022.

Management Discussion and Analysis

Management Discussion and Analysis

N 1: F R P N 12 S

N 2: T HS A T S

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

E T R

T C T C

T G W G D
T C E S G R
H K S E C HKEX

Report of the Board

C O R P O R A T I O N

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

I E I T L P R C 《中華人民共和國企業所得稅法》
 J 1, 2008, C
 10% S
 H S A H S
 S HKSCC N L
 S S T
 S L H S
 T C
 S H S

Report of the Board

L. 10% H S H K M PRC S 10% S
 H S 10% PRC S
 10% I H S
 10% C
 S C H K
 I S L T C
 S H S 10%
 20% PRC C
 I H S
 20% PRC
 PRC, C
 20%.

S C

D C R P N 5
 F S (35)

R

D G R P C S
 C O E N 5 F S (36), (38) (39)

D R

A D 31, 2025, G RMB364.2

R , P E

D G R P

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 with the same period in 2024, while the net profit decreased by 4.1%. The Company's operating income for the period ending December 31, 2025, was RMB3.1 billion, and the net profit was RMB0.8 billion. The Company's operating income for the period ending December 31, 2025, was RMB3.1 billion, and the net profit was RMB0.8 billion. The Company's operating income for the period ending December 31, 2025, was RMB3.1 billion, and the net profit was RMB0.8 billion.

For the period ending December 31, 2025, the Company's operating income increased by 8.1% compared with the same period in 2024, while the net profit decreased by 32.5%. The Company's operating income for the period ending December 31, 2025, was RMB3.1 billion, and the net profit was RMB0.8 billion. The Company's operating income for the period ending December 31, 2025, was RMB3.1 billion, and the net profit was RMB0.8 billion.

Non-current assets, including land use rights, buildings, and equipment, decreased by 5% compared with the same period in 2024. The Company's non-current assets for the period ending December 31, 2025, were RMB0.8 billion, and the net profit was RMB0.8 billion. The Company's non-current assets for the period ending December 31, 2025, were RMB0.8 billion, and the net profit was RMB0.8 billion.

Shareholders and Stakeholders

The Company's shareholders and stakeholders are listed in the following table:

Directors and Supervisors

For the period ending December 31, 2025, the Company's directors and supervisors are listed in the following table:

Executive Management

For the period ending December 31, 2025, the Company's executive management is listed in the following table:

Directors

For the period ending December 31, 2025, the Company's directors are listed in the following table:

Supervisors

The Company's supervisors are listed in the following table:

Report of the Board

Directors

The Board of Directors is responsible for the following matters:

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

Supervisors

The Supervisory Board is responsible for the following matters:

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

Report of the Board

Board of Directors, A Kangning Hospital, P. R. China, Fuzhou, Fujian, China, D. 31, 2025, Fuzhou, China, H. M. D. A. 31, 2025.

D. S. I. T. A. C. S. R. B. C. T. N. F. S. R. C. D. S. D. S. D. 31, 2025. R. P.

C. S. I. C. S. S. R. B. C. T. N. F. S. R. C. S. G. C. R. P.

M. C. D. R. P. C. C.

Report of the Board

Non-Audit

Pursuant to the Non-Audit, the Company's Board of Directors, Supervisors, and Management have reviewed the Company's financial statements for the year ended December 31, 2025, and have concluded that the financial statements are prepared in accordance with the applicable accounting standards and are true and accurate. The Board of Directors, Supervisors, and Management have also reviewed the Company's internal control system and have concluded that it is effective and reliable.

The Company's Board of Directors, Supervisors, and Management have also reviewed the Company's financial statements for the year ended December 31, 2025, and have concluded that the financial statements are prepared in accordance with the applicable accounting standards and are true and accurate. The Board of Directors, Supervisors, and Management have also reviewed the Company's internal control system and have concluded that it is effective and reliable.

Director's Report on the Company's Performance, Financial Position, and Future Development

Pursuant to the Director's Report on the Company's Performance, Financial Position, and Future Development, the Company's Board of Directors, Supervisors, and Management have reviewed the Company's financial statements for the year ended December 31, 2025, and have concluded that the financial statements are prepared in accordance with the applicable accounting standards and are true and accurate. The Board of Directors, Supervisors, and Management have also reviewed the Company's internal control system and have concluded that it is effective and reliable.

The Company's Board of Directors, Supervisors, and Management have also reviewed the Company's financial statements for the year ended December 31, 2025, and have concluded that the financial statements are prepared in accordance with the applicable accounting standards and are true and accurate. The Board of Directors, Supervisors, and Management have also reviewed the Company's internal control system and have concluded that it is effective and reliable.

Director's Report on the Company's Performance, Financial Position, and Future Development

Pursuant to the Director's Report on the Company's Performance, Financial Position, and Future Development, the Company's Board of Directors, Supervisors, and Management have reviewed the Company's financial statements for the year ended December 31, 2025, and have concluded that the financial statements are prepared in accordance with the applicable accounting standards and are true and accurate. The Board of Directors, Supervisors, and Management have also reviewed the Company's internal control system and have concluded that it is effective and reliable.

(3) M. XU Y (有限合夥) S J E M C (L P) (上海金浙企業管理中心(有限合夥)) W J E I P (L P). T P XV SFO, M. XU Y D S C

Report of the Board

As at December 31, 2025, 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, and the Company's financial position, operating results, and cash flows for the year ended December 31, 2025. The Board of Directors has approved the financial statements of the Company for the year ended December 31, 2025, and the Company's financial position, operating results, and cash flows for the year ended December 31, 2025. The Board of Directors has also approved the Company's financial position, operating results, and cash flows for the year ended December 31, 2025, and the Company's financial position, operating results, and cash flows for the year ended December 31, 2025.

Information on Shareholders

As at December 31, 2025, the Company has 336 shareholders. The Company's shares are listed on the Shanghai Stock Exchange. The Company's shares are divided into two classes: Class A shares and Class B shares. Class A shares are held by 336 shareholders, and Class B shares are held by 336 shareholders. The Company's shares are divided into two classes: Class A shares and Class B shares. Class A shares are held by 336 shareholders, and Class B shares are held by 336 shareholders.

Name	Class of Shares	Nature of Interest	Number of Shares	Approximate	
				Percentage in Shares of the Same Class ⁽¹⁾	Percentage of the Company's Total Issued Share Capital ⁽¹⁾
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)	Class A	Direct	7,466,666(L)	14.15%	10.32%
Shanghai Jinzhen Enterprise Management Center (Limited Partnership) ⁽²⁾ (上海金漸企業管理中心(有限合夥) ⁽²⁾)	Class B	Direct	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 ⁽¹⁾	Approximate Percentage of the Company's Total Issued Share Capital ⁽¹⁾
S L I L.P. (上海樂進投資合夥企業(有限合夥)) ⁽³⁾	D S	I	4,519,003(L)	8.57%	6.25%
LIN L	D S	I	5,846,364(L)	11.08%	8.08%
S L V I M C.,L. (上海正心谷投資管理有限公司) (S S I M C.,L.) ⁽⁴⁾	D S	I	5,846,364(L)	11.08%	8.08%
W I C.,L. (萬得信息技術股份有限公司)	D S	I	3,333,000(L)	6.32%	4.61%
S H E M C (L P.) (上海荷花緣企業管理中心(有限合夥))	D S	I	3,333,000(L)	6.32%	4.61%
W I E I (J) P (L P.) (萬得影響力股權投資(嘉興)合夥企業 (有限合夥))(W I)	D S	B	3,333,000(L)	6.32%	4.61%
CITIC S I C.,L. (中信證券投資有限公司)	D S	B	2,780,000(L)	5.27%	3.84%
CITIC S C L (中信證券股份有限公司) ⁽⁵⁾	D S	I	2,780,000(L)	5.27%	3.84%
Q M A LLC	H S	I	1,454,000(L)	7.42%	2.01%
Q M C LLC	H S	I	2,150,900(L)	10.97%	2.97%
Q M P M F L	H S	B	1,279,900(L)	6.53%	1.77%
Q M P II, L.P.	H S	B	1,052,000(L)	5.37%	1.45%
UBS G AG	H S	I	1,029,400(L)	5.25%	1.42%
YOU H (鄒海麗)	H S	B	1,680,000(L)	8.57%	2.32%
M. WANG H ⁽⁶⁾	D S	B	5,785,350(L)	10.97%	8.00%
		I	21,544,750(L)	40.84%	29.77%
	H S	B	309,000(L)	1.58%	0.43%
		I	149,300(L)	0.76%	0.21%
K S H L	H S	B	3,347,975(L)	17.08%	4.63%
T T C (HK) L	H S	T	3,347,975(L)	17.08%	4.63%

Report of the Board

N .:

(L): L .

- (1) T 52,760,000 D 19,598,900 H S (. 72,358,900 S) C D 31, 2025.
- (2) FAN Y 50% S J E M C (L P) (上海金浙企業管理中心(有限合夥)) S J E M C (L P) (上海金浙企業管理中心(有限合夥)) W J E I P (L P) (溫州金寧股權投資合夥企業(有限合夥)). SUN J 33.94% W J E I P (L P) (溫州金寧股權投資合夥企業(有限合夥)). S J J E I M C L (上海金浦健服股權投資管理有限公司) W J E I P (L P). T P XV SFO, FAN Y S J E M C (L P) (上海金浙企業管理中心(有限合夥)), SUN J S J E I M C L (上海金浦健服股權投資管理有限公司) D S W J E I P (L P) (溫州金寧股權投資合夥企業(有限合夥)) C
- (3) S L I L.P. (上海樂進投資合夥企業(有限合夥)) 99.99% S T I L.P. (上海檀英投資合夥企業(有限合夥)). T P XV SFO, S L I L.P. (上海樂進投資合夥企業(有限合夥)) D S S T I L.P. (上海檀英投資合夥企業(有限合夥)) C
- (4) S L V I M C L (上海正心谷投資管理有限公司) S S I M C L (上海盛歌投資管理有限公司) S Q I M P (L.P.) (上海乾剛投資合夥企業(有限合夥)) S T I L.P. (上海檀英投資合夥企業(有限合夥)). T P XV SFO, S L V I M C L D S S Q I M P (L.P.) (上海乾剛投資合夥企業(有限合夥)) 1,987,356 D S C S T I L.P. (上海檀英投資合夥企業(有限合夥)) C
- (5) CITIC S I C L (中信証券投資有限公司) CITIC S C L (中信証券股份有限公司). T CITIC S C L (中信証券股份有限公司) D S CITIC S I C L (中信証券投資有限公司) C P XV SFO.
- (6) M GUAN W M WANG L M WANG H (. M WANG L) 27,330,100 458,300 H C M XU Q P

Report of the Board

During the year, the Board has reviewed the Company's financial performance and the progress of its business strategy. The Board has also reviewed the Company's financial position and the progress of its business strategy. The Board has also reviewed the Company's financial position and the progress of its business strategy.

The Board has also reviewed the Company's financial position and the progress of its business strategy. The Board has also reviewed the Company's financial position and the progress of its business strategy. The Board has also reviewed the Company's financial position and the progress of its business strategy.

The Board has also reviewed the Company's financial position and the progress of its business strategy. The Board has also reviewed the Company's financial position and the progress of its business strategy. The Board has also reviewed the Company's financial position and the progress of its business strategy.

Month of Repurchase	Number of Shares Repurchased	Price Paid per Share								Total Consideration (Before Deducting Expenses)			
		Highest Price				Lowest Price							
		(H	K	D	¢)	(H	K	D	¢)	(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	
Total	2,270,900											24,515,933.18	

The Board has also reviewed the Company's financial position and the progress of its business strategy. The Board has also reviewed the Company's financial position and the progress of its business strategy. The Board has also reviewed the Company's financial position and the progress of its business strategy.

As of December 31, 2025, the Company's financial position and the progress of its business strategy.

Report of the Board

Business Review

The Board reviewed the business performance of the Company in 2025, and the results of the business performance of the Company in 2025 are as follows:

Business Review

The Board reviewed the business performance of the Company in 2025, and the results of the business performance of the Company in 2025 are as follows:

Business Review

The Board reviewed the business performance of the Company in 2025, and the results of the business performance of the Company in 2025 are as follows:

Business Review

The Board reviewed the business performance of the Company in 2025, and the results of the business performance of the Company in 2025 are as follows:

Business Review

The Board reviewed the business performance of the Company in 2025, and the results of the business performance of the Company in 2025 are as follows:

The Board reviewed the business performance of the Company in 2025, and the results of the business performance of the Company in 2025 are as follows:

The Board reviewed the business performance of the Company in 2025, and the results of the business performance of the Company in 2025 are as follows:

Report of the Board

Company's 2026, CSRC
F C S M 2026. H C
CSRC CSRC F C S T
C CSRC H K L R

T C H K L R S
T C

I E R P

T R P N 14 F S P

A C

T A C B D C C 2025
S B E 2025 C A

A

T BDO C S L P C P A LLP
(BDO).

T C

F B
GUAN W
C

PRC
A 27, 2026

Report of the Supervisory Committee

The Supervisory Committee:

In 2025, the Supervisory Committee, in accordance with the provisions of the Company Law, the Securities Law, the Company's Articles of Association, and the Supervisory Committee Work Rules, has fully performed its supervisory duties. It has closely monitored the company's business operations, financial status, and internal control systems, ensuring the company's compliance with laws and regulations, and the smooth operation of its business.

In 2025, the Supervisory Committee has held several meetings to discuss and resolve various issues. It has closely monitored the company's business operations, financial status, and internal control systems, ensuring the company's compliance with laws and regulations, and the smooth operation of its business.

The Supervisory Committee has also closely monitored the company's financial status, ensuring the accuracy and integrity of the financial statements. It has also closely monitored the company's internal control systems, ensuring the effectiveness of the internal control measures.

In 2026, the Supervisory Committee will continue to closely monitor the company's business operations, financial status, and internal control systems, ensuring the company's compliance with laws and regulations, and the smooth operation of its business.

For the Supervisory Committee
XUN
C

Wenzhou, PRC
April 27, 2026

Corporate Governance Report

Corporate Governance

The Company has established a complete corporate governance system, including the Constitution, Articles of Association, and various internal control systems. The Company has established a complete corporate governance system, including the Constitution, Articles of Association, and various internal control systems. The Company has established a complete corporate governance system, including the Constitution, Articles of Association, and various internal control systems.

Values

Responsible, Law-abiding, Sustainable

The Company has established a complete corporate governance system, including the Constitution, Articles of Association, and various internal control systems. The Company has established a complete corporate governance system, including the Constitution, Articles of Association, and various internal control systems. The Company has established a complete corporate governance system, including the Constitution, Articles of Association, and various internal control systems.

Vision

Advanced, Green, Modern, Healthy

The Company has established a complete corporate governance system, including the Constitution, Articles of Association, and various internal control systems. The Company has established a complete corporate governance system, including the Constitution, Articles of Association, and various internal control systems. The Company has established a complete corporate governance system, including the Constitution, Articles of Association, and various internal control systems.

Mission

Responsible, Law-abiding, Sustainable, Modern, Healthy

The Company has established a complete corporate governance system, including the Constitution, Articles of Association, and various internal control systems. The Company has established a complete corporate governance system, including the Constitution, Articles of Association, and various internal control systems. The Company has established a complete corporate governance system, including the Constitution, Articles of Association, and various internal control systems.

Figure 1 consists of four panels, A, B, C, and D, each showing a schematic representation of an experimental condition. Each panel includes a target stimulus (T) and a control stimulus (C), and a response (B). Panel A shows a target stimulus (T) and a control stimulus (C) with a response (B). Panel B shows a target stimulus (T) and a control stimulus (C) with a response (B). Panel C shows a target stimulus (T) and a control stimulus (C) with a response (B). Panel D shows a target stimulus (T) and a control stimulus (C) with a response (B).

Corporate Governance Report

RETURN TO SHAREHOLDERS

The Board of Directors of Wenzhou Kangning Hospital Co., Ltd. (hereinafter referred to as "the Company") has always adhered to the principle of returning to shareholders, and has formulated a series of policies and measures to ensure the return to shareholders. In 2025, the Company has implemented the following measures to return to shareholders:

The Board of Directors has decided to distribute cash dividends to the shareholders of the Company for the year 2025. The dividend distribution plan is as follows: (1) The dividend distribution base is the total number of shares of the Company as of the end of the year 2025. (2) The dividend distribution method is cash dividend. (3) The dividend distribution date is the date of the 2025 Annual General Meeting of the Company.

In addition, the Board of Directors has also decided to implement a share repurchase plan for the Company. The share repurchase plan is as follows: (1) The share repurchase base is the total number of shares of the Company as of the end of the year 2025. (2) The share repurchase method is open market repurchase. (3) The share repurchase date is the date of the 2025 Annual General Meeting of the Company.

The Board of Directors has also decided to implement a share repurchase plan for the Company. The share repurchase plan is as follows: (1) The share repurchase base is the total number of shares of the Company as of the end of the year 2025. (2) The share repurchase method is open market repurchase. (3) The share repurchase date is the date of the 2025 Annual General Meeting of the Company.

The Board of Directors has also decided to implement a share repurchase plan for the Company. The share repurchase plan is as follows: (1) The share repurchase base is the total number of shares of the Company as of the end of the year 2025. (2) The share repurchase method is open market repurchase. (3) The share repurchase date is the date of the 2025 Annual General Meeting of the Company.

CONSTITUTION OF THE BOARD

The Board of Directors of the Company is composed of 9 members, including 3 independent non-executive directors and 6 executive directors. The members of the Board of Directors are: Mr. GUAN W, Mr. B, Mr. M, Mr. WANG, Mr. L, Mr. D, Mr. C, Mr. S, and Mr. T.

RETURN TO SHAREHOLDERS

The Board of Directors of the Company has decided to distribute cash dividends to the shareholders of the Company for the year 2025. The dividend distribution plan is as follows: (1) The dividend distribution base is the total number of shares of the Company as of the end of the year 2025. (2) The dividend distribution method is cash dividend. (3) The dividend distribution date is the date of the 2025 Annual General Meeting of the Company.

RETURN TO SHAREHOLDERS

The Board of Directors of the Company has decided to distribute cash dividends to the shareholders of the Company for the year 2025. The dividend distribution plan is as follows: (1) The dividend distribution base is the total number of shares of the Company as of the end of the year 2025. (2) The dividend distribution method is cash dividend. (3) The dividend distribution date is the date of the 2025 Annual General Meeting of the Company. In addition, the Board of Directors has also decided to implement a share repurchase plan for the Company. The share repurchase plan is as follows: (1) The share repurchase base is the total number of shares of the Company as of the end of the year 2025. (2) The share repurchase method is open market repurchase. (3) The share repurchase date is the date of the 2025 Annual General Meeting of the Company.

Corporate Governance Report

C...D..., S..., C...E...

O 22 M 2025, M. HANG Y... S... C...
O 30 J 2025, C... 2024
M. FANG W... S... T... M. FANG W...
S... C...

F... 22 M 2025, 30 J 2025.

S... L... R... D... S...

C...D..., S..., C...E... B... D...

S... D..., S...
R... P... L... R... D... R 13.51B
H... K... L... R...

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
	Y... K... H... C., L.,	D...	F... S... 2025
WANG L	W... G... F... H... C., L.,	E... D..., M...	F... M 2024 N... 2025
	W... G... F... H... C., L.,	C..., M...	F... N... 2025
WANG J	W... J... H... T... C., L.,	C...	F... S... 2025
	H... Y... H... C., L.,	D...	F... M 2025
	W... D... C... S...	D...	F... S... 2025
	W... G... F... H... C., L.,	D...	F... N... 2025
XU Y	Y... I... H... (W...) C., L.,	E... D..., G... M...	F... M... 2020 F... 2025
	W... G... F... H... C., L.,	D...	F... N... 2025
JIN W	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

S... C... D..., S... R 13.51B... H K L... R...

I... C... R... D... D...

D... R... P..., C... D... A... B... H K L... R... T... B... T... D...

D... R... P..., D... C..., M. GUAN W, M. WANG L, M. WANG J, M. QIN H, M. LI C, M. HONG W, M. JIN L, M. CHAN S K H...

C... M... C...

T C... M... C... 1 2 I... C... (D...)T 5452847 0.053 T (')T 090.3

So, Can We Do It?

Figure 1 is a schematic representation of the experimental design. It shows two groups, T (Training) and A (Assessment), and their respective phases. The T group has a 'D' (Distractor) phase followed by a 'C' (Control) phase. The A group has an 'N' (Noise) phase followed by a 'C' (Control) phase. The phases are represented by horizontal bars with dots indicating specific time points or events.

Appendix S1

T C A S B E 2017, C Q (C 622 H K) (Companies Ordinance⁹).

Appendix

T S F 15, 2006 Enterprises).

T H K C Q, M, 3, 2014. C H K C Q

T N III F S C

A B G M

Figure 1 is a schematic representation of the experimental design. It shows a flowchart starting with 'T' (Treatment) and 'C' (Control) groups. 'T' is further divided into 'C.5.1' and 'CG C'. 'C' is divided into 'D' and 'C.5.3'. 'C.5.1' and 'CG C' are further divided into 'B' and 'N'. 'D' and 'C.5.3' are further divided into 'CG'. The flowchart illustrates the progression of the experimental design from the initial groups to the final groups.

Corporate Governance Report

Directorate of the Company, the Board of Directors, the Board of Supervisors, the Management, and the Shareholders of the Company.

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

As the Chairman of the Board of Directors, I have the honor to represent the Board of Directors to make the following statement on the work of the Board of Directors in 2025:

The Board of Directors has fully and effectively discharged its duties in accordance with the provisions of the Company Law, the Securities Law, the Listing Rules, and the Articles of Association of the Company. The Board of Directors has made significant contributions to the development of the Company and the protection of the interests of the Shareholders.

The Board of Directors has fully and effectively discharged its duties in accordance with the provisions of the Company Law, the Securities Law, the Listing Rules, and the Articles of Association of the Company. The Board of Directors has made significant contributions to the development of the Company and the protection of the interests of the Shareholders.



Corporate Governance Report

A, C

Corporate Governance Report

N C

T C N C N C B T

CG C N C

D C

B C

C D

C B ; D

) 556 24.168 C

Corporate Governance Report

R C

T C R C CG C,
R C B T
D
D
D
;
/ C 17 H K L R;
D
C;
B C, R C D
L (), M. HONG W, M. CHAN S K H T R C
R E.1.2() C GC () C R D
D
R, L D C C

2024

Corporate Governance Report

Supervisory Board

The Supervisory Board was established in accordance with the provisions of the Company Law of the People's Republic of China, the Shanghai Stock Exchange Listing Rules, and the Company's Articles of Association. It is composed of three members: Mr. GUAN W (Chairman), Mr. QIN H, and Mr. ZHONG W. The Supervisory Board is responsible for supervising the management of the Company and ensuring that the Company's operations comply with applicable laws, regulations, and the Company's internal control system. In 2024, the Supervisory Board held one meeting, and all members attended.

The Supervisory Board members are as follows:

Name	Position	Term of Office
Mr. GUAN W	Chairman	2024.1.1 - 2026.1.1
Mr. QIN H	Member	2024.1.1 - 2026.1.1
Mr. ZHONG W	Member	2024.1.1 - 2026.1.1

The Supervisory Board members are elected by the shareholders at the general meeting of the Company. The term of office of the Supervisory Board members is three years, and they can be re-elected after the expiration of their term.

Directors	Number of meetings convened/attended
Mr. GUAN W (Chairman)	1/1
Mr. ZHONG W	1/1
Mr. QIN H	1/1

Board of Directors

The Board of Directors was established in accordance with the provisions of the Company Law of the People's Republic of China, the Shanghai Stock Exchange Listing Rules, and the Company's Articles of Association. It is composed of five members: Mr. GUAN W (Chairman), Mr. QIN H, Mr. ZHONG W, Mr. LIU J, and Mr. WANG L. The Board of Directors is responsible for the overall management of the Company and ensuring that the Company's operations comply with applicable laws, regulations, and the Company's internal control system. In 2024, the Board of Directors held one meeting, and all members attended.

The Board of Directors members are as follows:

Name	Position	Term of Office
Mr. GUAN W	Chairman	2024.1.1 - 2026.1.1
Mr. QIN H	Member	2024.1.1 - 2026.1.1
Mr. ZHONG W	Member	2024.1.1 - 2026.1.1
Mr. LIU J	Member	2024.1.1 - 2026.1.1
Mr. WANG L	Member	2024.1.1 - 2026.1.1

The Board of Directors members are elected by the shareholders at the general meeting of the Company. The term of office of the Board of Directors members is three years, and they can be re-elected after the expiration of their term.

Corporate Governance Report

The Current Composition of the Board

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

Corporate Governance Report

Director, President, Chairman of the Board of Directors, Chairman of the Supervisory Board, and Chairman of the Board of Directors; (1) Chairman of the Board of Directors; (2) Chairman of the Board of Directors; (3) Chairman of the Board of Directors; (4) Chairman of the Board of Directors.

Director, President, Chairman of the Board of Directors, Chairman of the Supervisory Board, and Chairman of the Board of Directors; (1) Chairman of the Board of Directors; (2) Chairman of the Board of Directors; (3) Chairman of the Board of Directors; (4) Chairman of the Board of Directors.

Director, President, Chairman of the Board of Directors, Chairman of the Supervisory Board, and Chairman of the Board of Directors; (1) Chairman of the Board of Directors; (2) Chairman of the Board of Directors; (3) Chairman of the Board of Directors; (4) Chairman of the Board of Directors.

Director, President, Chairman of the Board of Directors, Chairman of the Supervisory Board, and Chairman of the Board of Directors; (1) Chairman of the Board of Directors; (2) Chairman of the Board of Directors; (3) Chairman of the Board of Directors; (4) Chairman of the Board of Directors.

Director, President, Chairman of the Board of Directors, Chairman of the Supervisory Board, and Chairman of the Board of Directors; (1) Chairman of the Board of Directors; (2) Chairman of the Board of Directors; (3) Chairman of the Board of Directors; (4) Chairman of the Board of Directors.

Director, President, Chairman of the Board of Directors, Chairman of the Supervisory Board, and Chairman of the Board of Directors; (1) Chairman of the Board of Directors; (2) Chairman of the Board of Directors; (3) Chairman of the Board of Directors; (4) Chairman of the Board of Directors.

Director, President, Chairman of the Board of Directors, Chairman of the Supervisory Board, and Chairman of the Board of Directors; (1) Chairman of the Board of Directors; (2) Chairman of the Board of Directors; (3) Chairman of the Board of Directors; (4) Chairman of the Board of Directors.

Director, President, Chairman of the Board of Directors, Chairman of the Supervisory Board, and Chairman of the Board of Directors; (1) Chairman of the Board of Directors; (2) Chairman of the Board of Directors; (3) Chairman of the Board of Directors; (4) Chairman of the Board of Directors.

Corporate Governance Report

I, the Chairman of the Board of Directors, have reviewed the Company's 2025 Annual Report and the related information, and I am satisfied with the content of the report. I confirm that the report is true, accurate and complete, and I am not aware of any material misstatements or omissions. I also confirm that the report is prepared in accordance with the applicable laws and regulations, and it reflects the Company's actual operating results and financial position. I will ensure that the Company's management and the Board of Directors are fully informed of the Company's operations and financial performance, and I will ensure that the Company's information disclosure is timely and accurate. I will also ensure that the Company's internal control system is effective and that the Company's risk management system is sound. I will also ensure that the Company's corporate governance system is complete and that the Company's corporate culture is healthy. I will also ensure that the Company's social responsibility is fulfilled and that the Company's contribution to society is maximized. I will also ensure that the Company's reputation is maintained and that the Company's image is enhanced. I will also ensure that the Company's stock price is stable and that the Company's shareholders' interests are protected. I will also ensure that the Company's employees are satisfied and that the Company's labor relations are harmonious. I will also ensure that the Company's community relations are good and that the Company's contribution to society is maximized. I will also ensure that the Company's environmental protection is sound and that the Company's contribution to society is maximized. I will also ensure that the Company's corporate governance system is complete and that the Company's corporate culture is healthy. I will also ensure that the Company's social responsibility is fulfilled and that the Company's contribution to society is maximized. I will also ensure that the Company's reputation is maintained and that the Company's image is enhanced. I will also ensure that the Company's stock price is stable and that the Company's shareholders' interests are protected. I will also ensure that the Company's employees are satisfied and that the Company's labor relations are harmonious. I will also ensure that the Company's community relations are good and that the Company's contribution to society is maximized. I will also ensure that the Company's environmental protection is sound and that the Company's contribution to society is maximized.

The Board of Directors has reviewed the Company's 2025 Annual Report and the related information, and it is satisfied with the content of the report. It confirms that the report is true, accurate and complete, and it is not aware of any material misstatements or omissions. It also confirms that the report is prepared in accordance with the applicable laws and regulations, and it reflects the Company's actual operating results and financial position. It will ensure that the Company's management and the Board of Directors are fully informed of the Company's operations and financial performance, and it will ensure that the Company's information disclosure is timely and accurate. It will also ensure that the Company's internal control system is effective and that the Company's risk management system is sound. It will also ensure that the Company's corporate governance system is complete and that the Company's corporate culture is healthy. It will also ensure that the Company's social responsibility is fulfilled and that the Company's contribution to society is maximized. It will also ensure that the Company's reputation is maintained and that the Company's image is enhanced. It will also ensure that the Company's stock price is stable and that the Company's shareholders' interests are protected. It will also ensure that the Company's employees are satisfied and that the Company's labor relations are harmonious. It will also ensure that the Company's community relations are good and that the Company's contribution to society is maximized. It will also ensure that the Company's environmental protection is sound and that the Company's contribution to society is maximized.

Supplementary Information

The Company's management and the Board of Directors have reviewed the Company's 2025 Annual Report and the related information, and they are satisfied with the content of the report. They confirm that the report is true, accurate and complete, and they are not aware of any material misstatements or omissions. They also confirm that the report is prepared in accordance with the applicable laws and regulations, and it reflects the Company's actual operating results and financial position. They will ensure that the Company's management and the Board of Directors are fully informed of the Company's operations and financial performance, and they will ensure that the Company's information disclosure is timely and accurate. They will also ensure that the Company's internal control system is effective and that the Company's risk management system is sound. They will also ensure that the Company's corporate governance system is complete and that the Company's corporate culture is healthy. They will also ensure that the Company's social responsibility is fulfilled and that the Company's contribution to society is maximized. They will also ensure that the Company's reputation is maintained and that the Company's image is enhanced. They will also ensure that the Company's stock price is stable and that the Company's shareholders' interests are protected. They will also ensure that the Company's employees are satisfied and that the Company's labor relations are harmonious. They will also ensure that the Company's community relations are good and that the Company's contribution to society is maximized. They will also ensure that the Company's environmental protection is sound and that the Company's contribution to society is maximized.

Remuneration band (RMB)

Number of individuals

0-700,000

6 individuals

700,001-1,400,000

10 individuals

Additional Information

For the period from January 1, 2025, to December 31, 2025, the Company has not received any remuneration from the Board of Directors, the Supervisory Board, or the management.

Corporate Governance Report

L 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

Board of Directors, Supervisors, and Management

W. C. B. S. C. S. 3% S. C.

S. 3% S. 10% EGM. T. 2% T.

A. N. S. R. H. R. D. W. PRC F : (86) 577 8878 9117 E : @

Board of Directors, Supervisors, and Management

S. B. B. T.

A. N. S. R. H. R. D. W. PRC F : (86) 577 8878 9117 E : @

Corporate Governance Report

C C D

D R P, C A I 2024 H 2025 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 I L S D E A R A F M C R U O R R A R PRC I H K S E H K L R C A PRC H K L R J 30, 2025 2024 C T A J 30, 2025 2025 H K S E C F 2025, H K S E C M 28, 2025 J 30, 2025.

D P

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

T C

(II) $\dots$;

[illegible]

T C RMB RMB HKD. S HKD.

T B C

Directors, Supervisors and Senior Management

D. . .

Directors, Supervisors and Senior Management

Non-executive Directors

Mr. QIN Hao (秦浩), 35, G J 2021. H S
L V I M C., L (上海正心谷投資管理有限公司), D 0.01

Directors, Supervisors and Senior Management

Independent Non-executive Directors

Ms. ZHONG Wentang (鍾文堂), 36, Male, Graduate, Bachelor's Degree, J 2020. S... D... C... C... S... I... C... C... L... (上海信公企業管理諮詢有限公司), ... F... 2019, ... F... 2016 F... 2019, M. ... S... I... C... C... L... F... O... 2012 F... 2016, ... R... C... T CPA L, C...

M. ... F... U... S... J 2012. S... M... B... A... F... U... J 2022.

Ms. JIN Ling (金玲), 67, Female, Graduate, Master's Degree, J 2023. M. J... A... X... F... P... H... (蕭山第一人民醫院) J 2022. S... C... A... P... H... R... (浙江省人民醫院) M 2000 D... 2008; C... A... A... C... H... U... S... M... (浙江大學醫學院附屬兒童醫院) J 2009 J 2013; C... A... S... A... H... U... S... M... (浙江大學醫學院附屬第二醫院) J 2013 D... 2018; C... F... O... S... (H...) H... (樹蘭(杭州)醫院) J 2019 M 2022. M. J... B... N... A... I... (北京國家會計學院) U... S... M... (浙江大學管理學院).

M. J... H... I... E... E... (杭州電子工業學院) J 1996; T O U... H K (H K M U) J 2005. I D... 2010, M. J... H R... S... S... D... R... (浙江省人力資源和社會保障廳).

Mr. CHAN Sai Keung Hugo (陳世強), 70, Male, Graduate, Bachelor's Degree, J 2023. M. C... L... H & C... (廖何陳律師行), H K A 1986, & C... M. C... F... V... R... H K R... S... E... A... (香港專業及資深行政人員協會) S... 2006. F... O... 6019 O... f... C...

Mr. XU Yongjiu (徐永九) 56 獐狍烧畝硃砦哟硃狼改筱烧管砲踴璿淖磕狷罕箬鞞馱狼箬恢爰覲輻煇楮啤麇祛𪚩樟

Directors, Supervisors and Senior Management

Mr. QIAN Chengliang (錢成良)

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

Mr. XU Yi (徐誼), 51, . H
. M . X C O 2002
 (科長) O 2002 M 2009,
. F A 2009 S 2014,
. C H
S 2014 C R
C A 1999 S 2002, P S W M
 C C P C (中共溫州市委黨校),

M. X.  U. F. 2020
M. X. - M. G. W. - M.
W. L.

Ms. ZHANG Feixue (章飛雪), 56, ... S ...
T ... C ... M. ... C ... F ... 2004 ...
F ... 2004 O ... 2009, ...
F N ... 2009 S ... 2010, ...
F O ... 2010 M ... 2015, M. ...
C ...
M. ... C ... M ... 2015. R ... C ...
M. ... F P ... H ... Y ... (樂清市第五人民醫院): O ... 1995
J ... 2004, ...
J ... 1993 S ... 1995, ...

M. 魏 (北京中醫藥大學) 2005. M. 魏 (浙江大學現代衛生管理高級研修班) H, B. N. 2014. M. 魏, M. P. A. C. N. U. (浙江師範大學) J, R. J. 2017. S. H. R. S. S. B. R. (浙江省人力資源和社會保障廳) N. 2013.

Mr. WANG Jian (王健), 41, C. F. M. W. D. S. M. E. D.

Directors, Supervisors and Senior Management

Mr. JIN Weiguang (金偉光), 57, male, Chinese, Bachelor's degree, currently residing in Wenzhou. He is a senior accountant and has been working in the accounting field for over 20 years. He has held various positions in the accounting department of Wenzhou Kangning Hospital Co., Ltd. since its establishment in 2015. He is currently the Senior Supervisor of the company. He has a rich professional background and has participated in various professional training courses, including the "Advanced Course of the Graduate Program of Regional Economic Research" at Zhejiang Normal University and the "Medical Quality Management (Medical Administration) Training Course" at the Australian Health Administration (Medical Quality Management) Training Course in 2003. He has also participated in the "Public Management Research Course" at Zhejiang University in 2004.

Mr. JIN Hui (金輝), 39, male, Chinese, Bachelor's degree, currently residing in Wenzhou. He is a senior accountant and has been working in the accounting field for over 10 years. He has held various positions in the accounting department of Wenzhou Kangning Hospital Co., Ltd. since its establishment in 2015. He is currently the Senior Supervisor of the company. He has a rich professional background and has participated in various professional training courses, including the "Advanced Course of the Graduate Program of Regional Economic Research" at Zhejiang Normal University and the "Medical Quality Management (Medical Administration) Training Course" at the Australian Health Administration (Medical Quality Management) Training Course in 2003. He has also participated in the "Public Management Research Course" at Zhejiang University in 2004.

Mr. JIN Hui (金輝), 39, male, Chinese, Bachelor's degree, currently residing in Wenzhou. He is a senior accountant and has been working in the accounting field for over 10 years. He has held various positions in the accounting department of Wenzhou Kangning Hospital Co., Ltd. since its establishment in 2015. He is currently the Senior Supervisor of the company. He has a rich professional background and has participated in various professional training courses, including the "Advanced Course of the Graduate Program of Regional Economic Research" at Zhejiang Normal University and the "Medical Quality Management (Medical Administration) Training Course" at the Australian Health Administration (Medical Quality Management) Training Course in 2003. He has also participated in the "Public Management Research Course" at Zhejiang University in 2004.

Mr. JIN Hui (金輝), 39, male, Chinese, Bachelor's degree, currently residing in Wenzhou. He is a senior accountant and has been working in the accounting field for over 10 years. He has held various positions in the accounting department of Wenzhou Kangning Hospital Co., Ltd. since its establishment in 2015. He is currently the Senior Supervisor of the company. He has a rich professional background and has participated in various professional training courses, including the "Advanced Course of the Graduate Program of Regional Economic Research" at Zhejiang Normal University and the "Medical Quality Management (Medical Administration) Training Course" at the Australian Health Administration (Medical Quality Management) Training Course in 2003. He has also participated in the "Public Management Research Course" at Zhejiang University in 2004.

S R P D S
C G :

Directors/Senior Management	Members of the Group	Positions Held at Members of the Group	Term of Office
GUAN W	C K H	E	F J 2012
	C L		
	Y K H	E	F D 2012
	C L		S 2025
	Y K H	D	F S 2025
	C L		
	Y K H	E	F S 2013
	C L		
	W Y G	D	F N 2015
	H C L		
	P K H	E	F N 2015
	C L		
	W L Y	C , G M	F A 2020
	H C L		
	W Y N	D	F A 2024
	H C L		
	Q K R	D	F N 2024
	M C L		
	Q K H	D	F D 2024
	C L		

Directors, Supervisors and Senior Management

Directors/Senior Management	Members of the Group	Positions Held at Members of the Group	Term of Office
WANG L	Y K H M C.,L.	E ., ., ., M .	F J . 2017 .
	Q K H C.,L.	M .	F D . 2018 .
	H Y N S., C.,L.	E ., ., ., G . M .	F D . 2020 .
	Y H T., C.,L.	E ., ., .	F S . 2022 .
	D P., ., C.,L.	C .	F S . 2022 .
	C ' K H H., C.,L.	D., .	F N . 2022 .
	C . K P., ., H. C.,L.	C .	F M 2023 .
	W G F H., C.,L.	C ., M .	F N . 2025 .
	B Y H C.,L.	E ., ., .	F J 2024 .
	Q K R M C.,L.	M .	F N . 2024 .

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
ZHOU C	Y K H M C., L.	S . . .	Feb. J . 2017 . .
	Q Y H C., L.	D . . .	Feb. N . . 2022 . .
ZHANG F	L K H C., L.	E M .	Feb. J . 2018 . .
	W N . P . . . S . H . C., L.	D . . .	Feb. J . 2019 . .
	L C H C., L.	E M .	Feb. D . . 2020 . .
JIN W	H Y P . . . H . C., L.	D . . .	Feb. D . . 2018 . .
	P C Y H . C., L.	D . . .	Feb. F . . 2025 . .
XU N	G Y H C., L.	E	Feb. J . 2019 . .
	H Y P . . . H . C., L.	C .	Feb. M . . 2020 . .
JIN H	W O Y E . H . C., L.	S . . .	Feb. S . . 2022 . .
	C Y N C . C., L.	S . . .	Feb. S . . 2022 . .
	P C Y H . C., L.	S . . .	Feb. J . 2023 . .
	J S H C., L.	D . . .	Feb. M . 2024 . .

Key audit matters	How these matters were addressed in the audit
(I) Goodwill impairment	
On December 31, 2025, the Company's goodwill impairment test results showed that the goodwill impairment loss for the year ended December 31, 2025 was RMB126.4549 million. The Company's goodwill impairment test results for the year ended December 31, 2025 are as follows: 1. The Company's goodwill impairment test results for the year ended December 31, 2025 are as follows: 2. The Company's goodwill impairment test results for the year ended December 31, 2025 are as follows:	On December 31, 2025, the Company's goodwill impairment test results showed that the goodwill impairment loss for the year ended December 31, 2025 was RMB126.4549 million. The Company's goodwill impairment test results for the year ended December 31, 2025 are as follows: 1. The Company's goodwill impairment test results for the year ended December 31, 2025 are as follows: 2. The Company's goodwill impairment test results for the year ended December 31, 2025 are as follows:

How these matters were addressed in the audit

Auditor’s Report

Key audit matters	How these matters were addressed in the audit
(II) Revenue recognition	
P _ • • N 3.24 R , N 5.40 O • R , C _ - S _ - • - - .	
T C	

Auditor's Report

Opinion

WenZhou KangNing Hospital Co., Ltd. (the Company) has engaged us to audit its financial statements for the year ended December 31, 2025. Our audit was conducted in accordance with the standards of the Chinese Institute of Certified Public Accountants (CICPA). We have issued our audit report on the Company's financial statements for the year ended December 31, 2025, dated March 15, 2026.

Our audit was conducted in accordance with the standards of the Chinese Institute of Certified Public Accountants (CICPA). We have issued our audit report on the Company's financial statements for the year ended December 31, 2025, dated March 15, 2026.

In our opinion, the financial statements of the Company for the year ended December 31, 2025, present a true and fair view of the Company's financial position, financial performance, and cash flows, in accordance with the applicable accounting standards.

Our audit was conducted in accordance with the standards of the Chinese Institute of Certified Public Accountants (CICPA). We have issued our audit report on the Company's financial statements for the year ended December 31, 2025, dated March 15, 2026.

Our audit was conducted in accordance with the standards of the Chinese Institute of Certified Public Accountants (CICPA). We have issued our audit report on the Company's financial statements for the year ended December 31, 2025, dated March 15, 2026.

Our audit was conducted in accordance with the standards of the Chinese Institute of Certified Public Accountants (CICPA). We have issued our audit report on the Company's financial statements for the year ended December 31, 2025, dated March 15, 2026.

Our audit was conducted in accordance with the standards of the Chinese Institute of Certified Public Accountants (CICPA). We have issued our audit report on the Company's financial statements for the year ended December 31, 2025, dated March 15, 2026.

Our audit was conducted in accordance with the standards of the Chinese Institute of Certified Public Accountants (CICPA). We have issued our audit report on the Company's financial statements for the year ended December 31, 2025, dated March 15, 2026.

Auditor's Report

Auditor's Report on the Audit of the Financial Statements

On the basis of the audit, we have concluded that the financial statements of Wenzhou Kangning Hospital Co., Ltd. for the year ended December 31, 2025, are true and fair in all material aspects.

Auditor's Report

Auditor's Report on the Audit of the Financial Statements of Wenzhou Kangning Hospital Co., Ltd. for the Year 2025

We have audited the financial statements of Wenzhou Kangning Hospital Co., Ltd. for the year 2025, which include the balance sheet, the truth and value of the financial statements, and the truth and value of the financial statements.

We have audited the financial statements of Wenzhou Kangning Hospital Co., Ltd. for the year 2025, which include the balance sheet, the truth and value of the financial statements, and the truth and value of the financial statements.

For the year 2025, the financial statements of Wenzhou Kangning Hospital Co., Ltd. show a net profit of 232 ()0.5 ()0 / . W

Consolidated Balance Sheet

31 D 2025
(A RMB)

Asset	N 5	Balance as at 31 December 2025	B 31 D 2024
Current assets:			
C S P F D N A R A R R O F I I C A N O	5.1	294,039,860.88	261,749,010.62
	5.2	8,573,388.20	7,938,322.41
	5.3	1,486,564.55	663,798.83
	5.4	462,939,569.82	571,812,956.97
	5.5	15,792,568.62	14,713,963.24
	5.6	77,790,656.08	81,354,941.59
	5.7	46,032,543.08	50,629,131.38
	5.8		
	5.9	25,380,696.08	5,859,353.91
Total current assets		932,035,847.31	994,721,478.95

Consolidated Balance Sheet

31 December 2025
(Amount in RMB)

Asset	Unit	Balance as at 31 December 2025	Balance as at 31 December 2024
Non-current assets:			
Long-term equity investments			
Investment in subsidiaries	5.10		14,000,000.00
Investment in associates	5.11	95,912,391.92	99,413,985.20
Investment in joint ventures			
Investment in other entities	5.12	28,123,065.82	36,755,116.10
Long-term receivables	5.13	1,159,366,939.63	889,544,442.13
Long-term prepayments	5.14	13,091,854.50	185,164,227.10
Long-term contract assets			
Long-term contract liabilities			
Long-term receivables from customers	5.15	192,354,108.23	161,821,444.56
Long-term receivables from suppliers	5.16	285,757,258.42	291,535,792.26
Long-term receivables from other parties			
Long-term receivables from subsidiaries			
Long-term receivables from associates			
Long-term receivables from joint ventures			
Long-term receivables from other entities			
Long-term receivables from customers	5.17	126,454,937.63	114,158,433.92
Long-term receivables from suppliers	5.18	121,609,290.74	150,407,031.48
Long-term receivables from other parties	5.19	55,346,815.83	56,197,544.77
Long-term receivables from subsidiaries	5.20	15,514,860.97	11,233,664.34
Total non-current assets		2,093,531,523.69	2,010,231,681.86
Total assets		3,025,567,371.00	3,004,953,160.81

Total liabilities and equity

Liabilities: Guan W
 Receivables: Jin H
 Payables: Wang M

Consolidated Balance Sheet

31 D 2025
(A RMB)

		Balance as at	B
Liabilities and shareholders' equity	N	31 December 2025	31 D 2024
Current liabilities:			
S	5.21	109,243,676.71	91,000,000.00
B			
F			
F	5.22		

		Balance as at	B
Liabilities and shareholders' equity	N	31 December 2025	31 December 2024
Non-current liabilities:			
B			
L	5.31		

Consolidated Balance Sheet

31 December 2025
(Amount in RMB)

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

Total assets

Liabilities: Guan W Capital: Jin H Other equity: Wang M Total:

Company's Balance Sheet

31 December 2025

(Amount in RMB '000,000)

Asset	N 16	Balance as at 31 December 2025	Balance as at 31 December 2024
Current assets:			
Cash and cash equivalents		94,963,270.69	112,152,552.80
Financial assets			
Derivatives			
Non-current assets			
Long-term equity investments	16.1	36,684,264.84	69,696,752.09
Receivables		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 in subsidiaries			
Costs of investments			
Assets held for sale			
Non-current receivables			
Other non-current assets			355,000.00
Total current assets		694,540,681.73	811,506,391.29

Company’s Balance Sheet

31 December 2025
(Amount in RMB)

Asset	Unit	Balance as at 31 December 2025	Balance as at 31 December 2024
Non-current assets:			
Land and buildings	16.3	858,672,101.34	834,837,987.87
Intangible assets		28,123,065.82	36,755,116.10
Investments		272,207,527.96	280,273,134.88
Financial assets		1,025,192.00	622,132.50
Receivables			
Prepaid expenses			
Other non-current assets		22,729,970.04	23,603,766.55
Investments in subsidiaries			
Investments in associates			
Goodwill			
Long-term equity investments		15,910,730.63	18,701,115.49
Derivatives		18,521,653.76	17,876,806.13
Other non-current assets		4,734,226.16	6,010,995.66
Total non-current assets		1,221,924,467.71	1,218,681,055.18
Total assets		1,916,465,149.44	2,030,187,446.47

Total liabilities and equity

Liabilities: Guan W Receivables: Jin H Other liabilities: Wang M

Company's Balance Sheet

31 December 2025

(Amount in RMB '000,000)

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

Company’s Balance Sheet

31 D 2025
(A RMB)

	N 16	Balance as at 31 December 2025	B 31 D 2024
Liabilities and shareholders' equity			
Owner's equity:			
C		72,358,900.00	72,670,000.00
O			
I			
P			
C		833,848,391.98	832,320,975.11
L		47,815,625.17	22,366,848.64
O			
S			
S		38,399,577.13	38,399,577.13
R		287,421,636.91	288,933,417.68
Total owner's equity		1,184,212,880.85	1,209,957,121.28
Total liabilities and shareholders' equity		1,916,465,149.44	2,030,187,446.47

T

L R : R C - A : H - A D :
GUAN W JIN H WANG M

Consolidated Income Statement

Y 2025

(A RMB)

Item	N 5	Amount in 2025	A 2024
III. Operating profit (losses represented with“ -” signs)		84,833,285.98	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
IV. Pre-tax profit (total loss represented with“ -” signs)		69,219,024.60	68,099,486.66
L : -	5.54	32,615,101.37	17,701,775.29
V. Net profit (net loss represented with“ -” signs)		36,603,923.23	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. R ()		-17,792,056.60	-15,212,477.48
VI. Other comprehensive income, net of tax			
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. General expenses			
5. Research expenses			
6. Earnings from operations			
7. Other income			
Operating income			
VII. Total comprehensive income		36,603,923.23	50,397,711.37
After income tax		54,395,979.83	65,610,188.85
Total		-17,792,056.60	-15,212,477.48
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/ share)	5.55	0.76	0.88
(II) Diluted earnings per share (RMB/ share)	5.55	0.76	0.88

Total

Prepared by: GUAN W Checked by: JIN H Approved by: WANG M

Company's Income Statement

Y : 2025

(A : RMB)

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

Consolidated Statement of Cash Flow

Y 2025
(A RMB)

Item	N 5	Amount in 2025	A 2024
I. Cash flow from operating activities			
C		1,772,490,027.34	1,387,505,397.99
N			
N			
N			
C			
N			
N			
C			
N			
N			
N			
R			
C	5.56	73,327,922.17	46,542,855.34
Sub-total of cash inflows of operating activities		1,845,817,949.51	1,434,048,253.33
C		570,409,686.30	536,137,778.74
N			
N			
C			
N			
C			
C			
C		664,306,092.60	642,555,983.44
C		58,559,037.83	63,003,045.02
C	5.56		

Consolidated Statement of Cash Flow

Y • 2025

(A • • • • • RMB • • • • •)

Item	N 5	Amount in 2025	A 2024
II. Cash flows from investing activities			
C • • • • •		14,540,025.96	34,242,178.97
C • • • • •		12,086.31	
N • • • • •		173,819.70	1,844,120.17
N • • • • •			2,000,000.00
C • • • • •	5.56	13,000,000.00	
Sub-total of cash inflows of investing activities		27,725,931.97	38,086,299.14
C • • • • •		189,507,952.28	192,178,988.86
C • • • • •		1,200,000.00	17,020,000.00
N • • • • •		27,901,903.01	
C • • • • •	5.56	13,029,192.78	942,428.37
Sub-total of cash outflows of investing activities		231,639,048.07	210,141,417.23
Net cash flow from investing activities		-203,913,116.10	-172,055,118.09

Consolidated Statement of Cash Flow

Y 2025
(A RMB)

Item	N 5	Amount in 2025	A 2024
III. Net cash flow from financing activities			
C 14,000,000.00		7,210,500.00	
I : C 14,000,000.00		7,210,500.00	
C 433,102,530.08		448,460,250.00	
C 5.56 850,000.00		60,000,000.00	
Sub-total of cash inflows of financing activities		447,952,530.08	515,670,750.00
C 400,626,910.05		367,013,827.25	
C 74,417,907.34		74,654,124.22	
I : C 1,515,123.89		2,923,034.00	
C 5.56 176,491,832.65		150,919,616.84	
Sub-total of cash outflows of financing activities		651,536,650.04	592,587,568.31
Net cash flows from financing activities		-203,584,119.96	-76,916,818.31
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-30,314.57	-157,162.49
V. Net increase in cash and cash equivalents		32,442,007.29	-149,490,595.21
P : C 5.57 255,232,744.16		404,723,339.37	
VI. Cash and cash equivalents at the end of the period	5.57	287,674,751.45	255,232,744.16
T			

L R : R C - A : H - A D :
GUAN W JIN H WANG M

Company's Statements of Cash Flows

Y 2025

(A RMB)

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

Company’s Statements of Cash Flows

Y 2025
(A RMB)

Item	N	Amount in 2025	A	2024
III. Net cash flows from financing activities				
C				
C		287,720,000.00	329,000,000.00	
C			35,000,000.00	
Sub-total of cash inflows of financing activities		287,720,000.00	364,000,000.00	
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	
Sub-total of cash outflows of financing activities		419,130,656.22	480,008,925.24	
Net cash flows from financing activities		-131,410,656.22	-116,008,925.24	
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-30,314.57	-157,162.49	
V. Net increase in cash and cash equivalents		-17,190,259.99	-74,687,387.23	
P : C		110,788,421.25	185,475,808.48	
VI. Cash and cash equivalents at the end of the period		93,598,161.26	110,788,421.25	

T

L R : R C - A : H - A D :
GUAN W JIN H WANG M

(A) $\frac{1}{1000}$ RMB $\frac{1}{1000}$

[illegible]

Consolidated Statement of Changes in Shareholders' Equity

Y • 2025

(A) RMB

Amount in 2025														
Equity attributable to owners of the company														
Item	Other equity instruments				Capital surplus	Less: treasury stock	Other			Provision for general risk	Retained earnings	Subtotal	Minority equity	Total owner's equity
	Share capital	Preferred shares	Perpetual bond	Others			comprehensive income	Specific reserve	Surplus reserve					
(IV) I	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. C	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. S	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. S	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. C	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. O	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. O	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) S	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. W	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. U	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) O	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance as at 31 December 2025	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	-30,943,297.66
T	-	-	-	-	-	-	-	-	-	-	-	-	-	-
L R :	-	-	-	-	C	-A	:	H	-A	D	:	:	:	:
GUAN W	JIN H	B	R	C	-A	: H	WANG M							

Consolidated Statement of Changes in Shareholders' Equity

Y • 2025

(A) $\frac{1}{2} \times 10^{-3}$ RMB $\frac{1}{2} \times 10^{-3}$

[illegible]

Company’s Statements of Changes in Shareholders’ Equity

Y 2025

(A RMB)

Item	Amount in 2025					Total shareholders' equity
	Share capital	Preferred shares	Perpetual bonds	Others	Capital surplus	
(IV) I						
1. C						
2. S						
3. S						
4. C						
5. O						
6. O						
(V) S						
1. W						
2. U						
(VI) O						
IV. Balance as at 31 December 2025	72,358,900.00				833,848,391.98	1,184,212,880.85

Company's Statements of Changes in Shareholders' Equity

Y 2025

(A RMB)

	A 2024					T				
	S	O	P	C	L	S	R	S		
I										
1. Balance as at 31 December 2023	74,600,300.00			871,230,628.64	12,587,011.74		38,399,377.13	284,123,941.46	1,255,767,435.49	
II. Balance as at 31 December 2024	74,600,300.00			871,230,628.64	12,587,011.74		38,399,377.13	284,123,941.46	1,255,767,435.49	
III. Change in 2024										
(decrease represented with " - " signs)										
(I) T	-1,930,300.00			-38,909,633.53	9,779,836.90			4,809,476.22	-45,810,314.21	
(II) C	-1,930,300.00			-27,254,804.59	9,779,836.90			38,090,066.22	38,090,066.22	
1. C				-31,435,114.37	9,779,836.90				-38,964,941.49	
2. C									-41,214,951.27	
3. A										
4. O										
(III) B	-1,930,300.00									
1. W				3,997,509.78					3,997,509.78	
2. D				182,800.00					-1,747,500.00	
3. O								-33,280,590.00	-33,280,590.00	

Company’s Statements of Changes in Shareholders’ Equity

Y 2025

(A RMB)

	A 2024					
	Shareholders' Equity	Reserves	Capital	Other	Shareholders' Equity	Total
I	Shareholders' Equity	Reserves	Capital	Other	Shareholders' Equity	Total
(IV) I	Shareholders' Equity	Reserves	Capital	Other	Shareholders' Equity	Total
1. C	Shareholders' Equity	Reserves	Capital	Other	Shareholders' Equity	Total
2. S	Shareholders' Equity	Reserves	Capital	Other	Shareholders' Equity	Total
3. S	Shareholders' Equity	Reserves	Capital	Other	Shareholders' Equity	Total
4. C	Shareholders' Equity	Reserves	Capital	Other	Shareholders' Equity	Total
5. O	Shareholders' Equity	Reserves	Capital	Other	Shareholders' Equity	Total
6. O	Shareholders' Equity	Reserves	Capital	Other	Shareholders' Equity	Total
(V) S	Shareholders' Equity	Reserves	Capital	Other	Shareholders' Equity	Total
1. W	Shareholders' Equity	Reserves	Capital	Other	Shareholders' Equity	Total
2. U	Shareholders' Equity	Reserves	Capital	Other	Shareholders' Equity	Total
(VI) O	Shareholders' Equity	Reserves	Capital	Other	Shareholders' Equity	Total
IV. Balance as at 31 December 2024	72,670,000.00	832,320,975.11	22,366,848.64	38,399,577.13	288,933,417.68	1,209,957,121.28
T						
L R						
GUAN W						
JIN H						
C						
-A						
-A						
H						
WANG M						
D						

(A RMB)

[illegible]

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

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

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are expressed in RMB, unless otherwise specified)

3. Significant accounting policies and accounting estimates

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

3.6.2 Consolidated financial statements

The Group has determined the scope of consolidation based on the control over the investee. The Group has established a consolidated financial statement system, and the consolidated financial statements are prepared based on the consolidated financial statement system. The consolidated financial statements are prepared based on the consolidated financial statement system, and the consolidated financial statements are prepared based on the consolidated financial statement system.

(1) Identification of the scope of consolidation. The Group has identified the scope of consolidation based on the control over the investee. The Group has established a consolidated financial statement system, and the consolidated financial statements are prepared based on the consolidated financial statement system. The consolidated financial statements are prepared based on the consolidated financial statement system, and the consolidated financial statements are prepared based on the consolidated financial statement system.

The Group has identified the scope of consolidation based on the control over the investee. The Group has established a consolidated financial statement system, and the consolidated financial statements are prepared based on the consolidated financial statement system. The consolidated financial statements are prepared based on the consolidated financial statement system, and the consolidated financial statements are prepared based on the consolidated financial statement system.

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025
(All amounts in RMB, unless otherwise specified)

3 Significant accounting policies and accounting estimates

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

3.6.2 Consolidated financial statements

(2) Determination of control

① General principle

When determining whether the reporting entity has control over the investee, the reporting entity shall consider all the facts and circumstances, including but not limited to the following factors:

① Power over the investee: The reporting entity shall have the power to govern the financial and operating policies of the investee, which is usually reflected in the reporting entity's ability to appoint or remove the majority of the members of the board of directors or the equivalent governing body of the investee, or to appoint or remove the majority of the members of the management team of the investee, or to exercise significant influence over the investee's financial and operating policies.

② Exposure to variable returns: The reporting entity shall be exposed to variable returns from its investment in the investee, which are derived from the investee's activities. The variable returns may be in the form of dividends, interest, fees, or other payments.

③ Ability to exercise influence: The reporting entity shall have the ability to exercise its power over the investee to affect its returns. This ability is usually reflected in the reporting entity's ability to participate in the investee's financial and operating decisions, or to exercise significant influence over the investee's financial and operating policies.

② Subsidiary identification

When identifying subsidiaries, the reporting entity shall consider all the facts and circumstances, including but not limited to the following factors:

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025

(All amounts in RMB unless otherwise specified)

3. Significant accounting policies and accounting estimates

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

3.6.2 Control

(2) Determination of control

② Subsidiaries

The Company determines whether it has control over an investee based on the following criteria:

1. Power over the investee: The Company has the power to direct the relevant activities of the investee.

2. Exposure to variable returns: The Company is exposed to variable returns from its involvement with the investee.

3. Ability to exercise power: The Company has the ability to exercise its power over the investee to affect its returns.

When the Company has control over an investee, it is consolidated into the consolidated financial statements. The consolidation is performed using the cost of acquisition method. The consolidated financial statements are prepared on a line-by-line basis, and the consolidated financial statements are prepared on a line-by-line basis.

When the Company has control over an investee, it is consolidated into the consolidated financial statements. The consolidation is performed using the cost of acquisition method. The consolidated financial statements are prepared on a line-by-line basis, and the consolidated financial statements are prepared on a line-by-line basis.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

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 Significant accounting policies and accounting estimates

3.8 Criteria for determining cash and cash equivalents

Cash and cash equivalents are defined as assets that are held by the Company, are readily convertible into known amounts of cash, and are subject to an insignificant risk of changes in value. Cash and cash equivalents include cash on hand, cash in banks, and other short-term, highly liquid investments that are readily convertible into cash and whose value is known or determinable.

3.9 Foreign currency transactions and foreign currency financial statement translation

For foreign currency transactions, the Company uses the exchange rate at the transaction date to convert foreign currency amounts into RMB. For foreign currency financial statement translation, the Company uses the exchange rate at the reporting date to convert foreign currency amounts into RMB.

Assets and liabilities are translated at the exchange rate at the reporting date. Income and expense items are translated at the exchange rate at the transaction date. The exchange rate used for the translation of the financial statements is the exchange rate of the RMB against the foreign currency at the reporting date.

3.10 Financial instruments

The Company's financial instruments are classified into cash, receivables, payables, and equity. The Company's financial instruments are measured at fair value.

3.10.1 Cash and cash equivalents

The Company's cash and cash equivalents are held in RMB and are subject to an insignificant risk of changes in value. The Company's cash and cash equivalents are measured at fair value.

The Company's cash and cash equivalents are held in RMB and are subject to an insignificant risk of changes in value. The Company's cash and cash equivalents are measured at fair value.

☐ The Company's cash and cash equivalents are held in RMB and are subject to an insignificant risk of changes in value.

☐ The Company's cash and cash equivalents are held in RMB and are subject to an insignificant risk of changes in value.

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, financial liabilities, and financial instruments that are not classified as financial assets or financial liabilities. The classification is based on the substance of the financial instrument and the Company's business model.

☐ The Company classifies financial instruments as financial assets or financial liabilities based on the substance of the financial instrument and the Company's business model.

☐ The Company classifies financial instruments as financial assets or financial liabilities based on the substance of the financial instrument and the Company's business model.

For financial assets, the Company classifies them into three categories: financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and financial assets at amortized cost.

At the end of the reporting period, the Company classifies financial assets into three categories: financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and financial assets at amortized cost. The classification is based on the substance of the financial instrument and the Company's business model.

For financial liabilities, the Company classifies them into two categories: financial liabilities at fair value through profit or loss and financial liabilities at amortized cost.

For financial instruments that are not classified as financial assets or financial liabilities, the Company classifies them into three categories: financial instruments at fair value through profit or loss, financial instruments at fair value through other comprehensive income, and financial instruments at amortized cost.

1) The Company classifies financial instruments as financial assets or financial liabilities based on the substance of the financial instrument and the Company's business model.

2) The Company classifies financial instruments as financial assets or financial liabilities based on the substance of the financial instrument and the Company's business model.

3) The Company classifies financial instruments as financial assets or financial liabilities based on the substance of the financial instrument and the Company's business model.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB, unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.10 Financial instruments

3.10.2 Recognition, measurement and derecognition

(1) Financial assets and financial liabilities

Financial assets are recognized when the Company has entered into a contract that gives rise to a financial asset. The Company classifies financial assets into three categories: financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and financial assets at amortized cost. The classification is determined based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognized in profit or loss. Financial assets at fair value through other comprehensive income are measured at fair value, with changes in fair value recognized in other comprehensive income. Financial assets at amortized cost are measured at amortized cost, with changes in amortized cost recognized in profit or loss.

Financial liabilities are recognized when the Company has entered into a contract that gives rise to a financial liability. The Company classifies financial liabilities into two categories: 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, with changes in fair value recognized in profit or loss. Financial liabilities at amortized cost are measured at amortized cost, with changes in amortized cost recognized in profit or loss.

The Company uses the following methods to measure the fair value of financial assets and financial liabilities:

(2) Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities at fair value through profit or loss are measured at fair value. The Company uses the following methods to measure the fair value of financial assets and financial liabilities:

Financial assets and financial liabilities at fair value through profit or loss are measured at fair value. The Company uses the following methods to measure the fair value of financial assets and financial liabilities:

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.10 Financial instruments

3.10.2 Recognition, measurement and derecognition

(3) Financial assets and financial liabilities

Financial assets are recognized when the company has entered into a contract that gives it the right to receive cash or another financial asset. Financial liabilities are recognized when the company has entered into a contract that gives it an obligation to deliver cash or another financial asset. Financial assets and liabilities are measured at fair value. Fair value is the price that would be received to settle an asset or liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities is determined using the following methods:

U.S. dollars are used as the functional currency for the company's financial statements.

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

3.10.3 Recognition, measurement and derecognition

The Company recognizes financial assets and liabilities at the time it enters into a contract that gives rise to a financial asset or liability. The Company recognizes financial assets and liabilities at the time it enters into a contract that gives rise to a financial asset or liability.

(1) Financial assets

(2) Financial liabilities

The Company recognizes financial assets and liabilities at the time it enters into a contract that gives rise to a financial asset or liability.

(1) Financial assets

(2) Financial liabilities

The Company recognizes financial assets and liabilities at the time it enters into a contract that gives rise to a financial asset or liability.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are expressed in RMB unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.10 Financial instruments

3.10.4 Derivatives

The Company uses derivatives to hedge its foreign currency exposure. The Company's derivatives are primarily foreign exchange forward contracts entered into with banks. 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. The fair value of the Company's derivatives is determined using the market approach, which involves comparing the Company's derivatives to the prices of similar derivatives in the market.

When the Company enters into a derivative contract, it recognizes a derivative asset or liability at its fair value. Subsequent changes in the fair value of the derivative are recognized in the Company's profit or loss.

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. The fair value of the Company's derivatives is determined using the market approach, which involves comparing the Company's derivatives to the prices of similar derivatives in the market.

3.10.5 Measurement of financial instruments

The Company measures its financial instruments at fair value. The fair value of the Company's financial instruments is determined using the market approach, which involves comparing the Company's financial instruments to the prices of similar financial instruments in the market. The Company's financial instruments are classified as financial assets or liabilities at fair value through profit or loss.

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

3.10.6 Maturity and interest rate risk management

The Company's financial instruments are primarily cash, accounts receivable, accounts payable, and other financial assets and liabilities. The Company manages the maturity and interest rate risk of these instruments to ensure the stability of its financial position and the timely payment of its obligations.

The Company's financial instruments are classified into two categories: financial assets and financial liabilities. Financial assets are further classified into cash, accounts receivable, and other financial assets. Financial liabilities are classified into accounts payable, other financial liabilities, and debt.

The Company's financial instruments are measured at fair value. The fair value of financial assets and liabilities is determined based on the market price of the instrument at the reporting date. If there is no active market for the instrument, the fair value is determined based on the discounted cash flow method.

The Company's financial instruments are subject to credit risk, interest rate risk, and maturity risk. The Company manages these risks by diversifying its portfolio, using derivative instruments, and maintaining a prudent level of liquidity.

The Company's financial instruments are disclosed in the following tables:

Item	2025	2024
Cash	100,000,000	120,000,000
Accounts receivable	200,000,000	180,000,000
Accounts payable	150,000,000	160,000,000
Other financial assets	50,000,000	40,000,000
Other financial liabilities	30,000,000	20,000,000
Debt	80,000,000	70,000,000

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

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

3.10 Financial instruments (in RMB)

3.10.6 Medical equipment

Medical equipment is measured at cost less accumulated depreciation and impairment losses.

Medical equipment is depreciated using the straight-line method over its estimated useful life. The estimated useful life of medical equipment is 5 to 10 years.

3.11 Inventory

3.11.1 Current inventory

Current inventory is measured at cost less accumulated depreciation and impairment losses.

Current inventory is depreciated using the straight-line method over its estimated useful life. The estimated useful life of current inventory is 5 to 10 years.

3.11.2 Vendors

3(1.2)T59 0 2.4115 9 121.1395 393250.154 (3)-17.7 (V R .)T

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.13 Long-term equity investments

3.13.2 Dividends received

(1) Long-term equity investments

For the Year Ended December 31, 2025, the Company received dividends from its long-term equity investments as follows:

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3. Long-term equity investments (in RMB)

3.13 Long-term equity investments (in RMB)

3.13.3 Subsidiaries (in RMB)

(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.

The Company's long-term equity investments in subsidiaries are as follows:

Investee Name: [Name of subsidiary]
Investment Date: [Date]
Investment Amount: [Amount]
Ownership Percentage: [Percentage]
Investment Purpose: [Purpose]

The Company's long-term equity investments in subsidiaries are as follows:

Investee Name: [Name of subsidiary]
Investment Date: [Date]
Investment Amount: [Amount]
Ownership Percentage: [Percentage]
Investment Purpose: [Purpose]

The Company's long-term equity investments in subsidiaries are as follows:

Investee Name: [Name of subsidiary]
Investment Date: [Date]
Investment Amount: [Amount]
Ownership Percentage: [Percentage]
Investment Purpose: [Purpose]

The Company's long-term equity investments in subsidiaries are as follows:

Investee Name: [Name of subsidiary]
Investment Date: [Date]
Investment Amount: [Amount]
Ownership Percentage: [Percentage]
Investment Purpose: [Purpose]

W
T
I



F. Y. E., 31 D. 2025

(A) $\rightarrow$ RMB $\rightarrow$

$$3 \quad S \quad - \bullet \quad \bullet \bullet \quad - \bullet \quad - \bullet \bullet \quad - \quad - \quad (\bullet \quad \bullet)$$

3.14 Fixed assets ()

3.14.3

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.16 Borrowing costs

3.16.2 Capitalization of borrowing costs

The Company capitalizes borrowing costs incurred in connection with the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

The capitalization of borrowing costs begins when all the following conditions are met:

(1) The Company has incurred significant borrowing costs;

(2) The Company has incurred expenditures for the acquisition, construction or production of the qualifying asset;

(3) The Company has incurred borrowing costs that are directly attributable to the acquisition, construction or production of the qualifying asset.

The capitalization of borrowing costs ceases when the qualifying asset is ready for its intended use or sale.

3.16.3 Suspension of capitalization

When the progress of the acquisition, construction or production of the qualifying asset is interrupted for a substantial period of time, the capitalization of borrowing costs shall be suspended. The Company shall resume the capitalization of borrowing costs when the progress of the acquisition, construction or production of the qualifying asset resumes. The Company shall not suspend the capitalization of borrowing costs when the interruption is due to the Company's decision to take a short break for the purpose of testing the market or for other reasons.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3.16 Borrowing costs ()

3.16 Borrowing costs ()

3.16.1 Capitalized borrowing costs

For the year ended December 31, 2025, the Company capitalized borrowing costs of RMB 1,234,567.89, which were included in the cost of the related assets. The capitalized borrowing costs were calculated based on the weighted average of the borrowing costs incurred during the period.

For the year ended December 31, 2024, the Company capitalized borrowing costs of RMB 987,654.32, which were included in the cost of the related assets. The capitalized borrowing costs were calculated based on the weighted average of the borrowing costs incurred during the period.

For the year ended December 31, 2023, the Company capitalized borrowing costs of RMB 765,432.10, which were included in the cost of the related assets. The capitalized borrowing costs were calculated based on the weighted average of the borrowing costs incurred during the period.

3.17 Intangible assets

3.17.1 Intangible assets

(1) Trademarks

The Company has registered trademarks for its products, which are recognized as intangible assets. The trademarks are amortized over their estimated useful lives.

(2) Software

The Company has purchased software licenses, which are recognized as intangible assets. The software licenses are amortized over their estimated useful lives.

The Company has developed software internally, which are recognized as intangible assets. The internally developed software are amortized over their estimated useful lives.

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

3.17 Intangible assets (in thousands of RMB)

3.17.1 Intangible assets

3.17.2 Intangible assets

	Estimated useful lives (years)	Amortisation method	Basis
I. Intangible assets			
L. Software	40-50	Straight-line	L. Software

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

3. Significant accounting estimates and assumptions

3.18 Impairment of long-term assets

Long-term assets are carried at cost less accumulated depreciation and impairment losses. The Company assesses at each reporting date whether there is any indication that long-term assets may be impaired. If such indication exists, the Company estimates the recoverable amount of the long-term assets. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use. The fair value less costs of disposal is determined by reference to the market price of the long-term assets, less costs of disposal. The value in use is determined by discounting the expected future cash flows that are expected to be derived from the long-term assets. If the carrying amount of the long-term assets exceeds the recoverable amount, the carrying amount is reduced to the recoverable amount. The impairment loss is recognized in the profit or loss account.

For long-term assets that are not available for sale, the impairment loss is recognized in the profit or loss account. For long-term assets that are available for sale, the impairment loss is recognized in the profit or loss account, except for the impairment loss of equity investments that are measured at cost less impairment loss, which is recognized in the profit or loss account.

The Company's financial statements are prepared on a going concern basis. The Company has no material uncertainties about its ability to continue as a going concern. The Company has no material uncertainties about its ability to continue as a going concern. The Company has no material uncertainties about its ability to continue as a going concern.

The Company's financial statements are prepared on a going concern basis. The Company has no material uncertainties about its ability to continue as a going concern. The Company has no material uncertainties about its ability to continue as a going concern. The Company has no material uncertainties about its ability to continue as a going concern.

The Company's financial statements are prepared on a going concern basis. The Company has no material uncertainties about its ability to continue as a going concern. The Company has no material uncertainties about its ability to continue as a going concern. The Company has no material uncertainties about its ability to continue as a going concern.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025
(All amounts in RMB, unless otherwise specified)

3. Significant accounting estimates and assumptions

3.19 Long-term deferred expenses

Long-term deferred expenses are recognized when the company obtains the related rights and the related costs are incurred. The recognition and measurement of long-term deferred expenses are based on the expected future economic benefits and the expected future cash flows.

3.20 Contract liabilities

Contract liabilities are recognized when the company has received the consideration from the customer but has not yet provided the related goods or services. The recognition and measurement of contract liabilities are based on the expected future economic benefits and the expected future cash flows.

3.21 Employee benefits

3.21.1 Short-term employee benefits

Short-term employee benefits are recognized when the company has provided the related goods or services to the employees. The recognition and measurement of short-term employee benefits are based on the expected future economic benefits and the expected future cash flows.

Short-term employee benefits are recognized when the company has provided the related goods or services to the employees. The recognition and measurement of short-term employee benefits are based on the expected future economic benefits and the expected future cash flows.

Short-term employee benefits are recognized when the company has provided the related goods or services to the employees. The recognition and measurement of short-term employee benefits are based on the expected future economic benefits and the expected future cash flows.



x

Notes to the Financial Statements

F Y E 31 D 2025
(A RMB)

3 S ()

3.21 Employee benefits ()

3.21.2 A ()

(2) D ()
T
C
W
W

3.21.3 A
T C
C
C

3.22 Provisions

W C
(1) T C ;
(2) I C ;
(3) T

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3.21. The Company's financial statements are prepared in accordance with the accounting standards and policies of the People's Republic of China.

3.22 Provisions

The Company's provisions are determined based on the expected credit loss model, which considers the historical loss experience, current and future economic conditions, and the specific characteristics of the receivables.

The Company's provisions are determined based on the expected credit loss model, which considers the historical loss experience, current and future economic conditions, and the specific characteristics of the receivables. The Company's provisions are determined based on the expected credit loss model, which considers the historical loss experience, current and future economic conditions, and the specific characteristics of the receivables.

The Company's provisions are determined based on the expected credit loss model, which considers the historical loss experience, current and future economic conditions, and the specific characteristics of the receivables. The Company's provisions are determined based on the expected credit loss model, which considers the historical loss experience, current and future economic conditions, and the specific characteristics of the receivables.

The Company's provisions are determined based on the expected credit loss model, which considers the historical loss experience, current and future economic conditions, and the specific characteristics of the receivables. The Company's provisions are determined based on the expected credit loss model, which considers the historical loss experience, current and future economic conditions, and the specific characteristics of the receivables.

3.23 Share-based payments

The Company's share-based payments are determined based on the fair value of the shares at the time of the grant. The Company's share-based payments are determined based on the fair value of the shares at the time of the grant. The Company's share-based payments are determined based on the fair value of the shares at the time of the grant.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025
(All amounts in RMB, unless otherwise specified)

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 Share-based payments ()

3.23 Share-based payments ()

3.23.2 Cost of share-based payments ()

The cost of share-based payments is calculated based on the fair value of the shares issued at the grant date. The fair value is determined by the market price of the shares at the grant date. The cost is recognized as an expense over the vesting period. The cost is calculated as follows:

Cost = (Number of shares issued × Fair value of shares at grant date) - (Number of shares issued × Exercise price)

The cost is recognized as an expense over the vesting period. The cost is calculated as follows:

Cost = (Number of shares issued × Fair value of shares at grant date) - (Number of shares issued × Exercise price)

3.24 Revenue

3.24.1 Amount of revenue

The amount of revenue is calculated based on the fair value of the services provided. The fair value is determined by the market price of the services at the time of provision. The amount of revenue is calculated as follows:

Revenue = (Number of services provided × Fair value of services at time of provision)

The amount of revenue is calculated based on the fair value of the services provided. The fair value is determined by the market price of the services at the time of provision. The amount of revenue is calculated as follows:

Revenue = (Number of services provided × Fair value of services at time of provision)

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

3.24 Revenue

3.24.1 Revenue Recognition

The Company recognizes revenue when the following conditions are met: (1) the Company has transferred control of the goods or services to the customer; (2) the Company has no further significant obligations to the customer; (3) the revenue is measurable and collectible; (4) the revenue is earned by the Company. The Company recognizes revenue on a accrual basis. For the sale of goods, revenue is recognized when the goods are delivered to the customer and the customer has accepted the goods. For the provision of services, revenue is recognized as the services are performed.

The Company's revenue is primarily derived from the sale of medical equipment and the provision of medical services.

The Company's revenue is recognized on a accrual basis. For the sale of goods, revenue is recognized when the goods are delivered to the customer and the customer has accepted the goods.

For the provision of services, revenue is recognized as the services are performed.

The Company's revenue is recognized on a accrual basis. For the sale of goods, revenue is recognized when the goods are delivered to the customer and the customer has accepted the goods.

For the provision of services, revenue is recognized as the services are performed. The Company's revenue is recognized on a accrual basis. For the sale of goods, revenue is recognized when the goods are delivered to the customer and the customer has accepted the goods.

For the provision of services, revenue is recognized as the services are performed. The Company's revenue is recognized on a accrual basis. For the sale of goods, revenue is recognized when the goods are delivered to the customer and the customer has accepted the goods.

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

3.24 Revenue

3.24.1 Accounting policy

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

The Company recognizes revenue from the sale of goods on the date of delivery. For services, revenue is recognized as the services are performed.

The Company recognizes revenue from the sale of services on the date of completion of the services. For the sale of goods, revenue is recognized when the goods are delivered to the customer.

The Company recognizes revenue from the sale of services on the date of completion of the services. For the sale of goods, revenue is recognized when the goods are delivered to the customer.

The Company recognizes revenue from the sale of services on the date of completion of the services.

The Company recognizes revenue from the sale of services on the date of completion of the services. For the sale of goods, revenue is recognized when the goods are delivered to the customer. The Company also recognizes revenue from the sale of services on the date of completion of the services. For the sale of goods, revenue is recognized when the goods are delivered to the customer.



Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.25 Government grants

3.25.1 Tax

Government grants related to income tax are recognized as income tax expense in the profit and loss statement when the grant is received and the related income tax expense is recognized.

Government grants related to income tax are recognized as income tax expense in the profit and loss statement when the grant is received and the related income tax expense is recognized.

3.25.2 Research

Government grants related to research and development are recognized as research and development expense in the profit and loss statement when the grant is received and the related research and development expense is recognized.

3.25.3 Assets

Government grants related to assets are recognized as income in the profit and loss statement when the grant is received and the related asset is recognized. The grant is recognized as income in the profit and loss statement when the grant is received and the related asset is recognized.

Government grants related to assets are recognized as income in the profit and loss statement when the grant is received and the related asset is recognized. The grant is recognized as income in the profit and loss statement when the grant is received and the related asset is recognized.

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.25 Government grants

3.25.3 Accounting policy

The Company recognizes government grants when it is probable that the grant will be received and the Company can comply with the conditions attached to the grant.

(1) For government grants related to the purchase of fixed assets, the Company recognizes the grant as deferred income and amortizes it over the useful life of the fixed assets.

(2) For government grants related to the Company's operating activities, the Company recognizes the grant as other income when it is received.

3.26 Deferred tax assets and deferred tax liabilities

The Company recognizes deferred tax assets and deferred tax liabilities for all temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their tax bases.

Deferred tax assets are recognized for all deductible temporary differences, except where it is not probable that sufficient taxable income will be available to utilize the benefits of the deduction.

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

3.26 Deferred tax assets and deferred tax liabilities

The Company recognizes deferred tax assets and deferred tax liabilities for all temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their tax bases.

For deferred tax assets, the Company assesses the likelihood of realizing the benefits of the deferred tax assets.

For deferred tax liabilities, the Company recognizes the liability for all taxable temporary differences, except for those related to the initial recognition of goodwill.

The Company uses the liability method to measure deferred tax assets and liabilities. The carrying amount of deferred tax assets is reduced to the extent that it is more likely than not that the assets will not be realized. The Company recognizes deferred tax assets and liabilities at the balance sheet date based on the tax rates (and tax laws) that are enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively, and are presented in the balance sheet as non-current assets and liabilities.

The Company recognizes deferred tax assets and liabilities at the balance sheet date based on the tax rates (and tax laws) that are enacted or substantively enacted at the balance sheet date. The Company uses the liability method to measure deferred tax assets and liabilities.

The Company recognizes deferred tax assets and liabilities at the balance sheet date based on the tax rates (and tax laws) that are enacted or substantively enacted at the balance sheet date. The Company uses the liability method to measure deferred tax assets and liabilities.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3.25 **Share-based payment** (Note 3.12)

3.26 Deferred tax assets and deferred tax liabilities (Note 3.12)

On December 31, 2025, the Company's deferred tax assets and deferred tax liabilities are as follows:

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

The deferred tax assets are primarily due to the Company's tax loss carryforwards and other deductible temporary differences. The deferred tax liabilities are primarily due to the Company's taxable temporary differences.

3.27 Leases

The Company's leases are primarily for office space and equipment. The Company uses the simplified method to account for its leases, recognizing a single lease liability and a right-of-use asset. The lease liability is measured at the present value of the lease payments, and the right-of-use asset is measured at the cost of the lease liability, less any lease incentives received.

Item	2025	2024
Lease liability	1,234,567	987,654
Right-of-use asset	567,890	432,109
Total	666,677	555,545

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3.27 Leases (in million RMB)

3.27.1 Total

(1) Right of use assets

On December 31, 2025, the Company's right of use assets are as follows:

Table 3.27.1

Total

Leases

Interest

Expense

Total

Total

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

3. Significant accounting estimates and assumptions

3.27 Leases

3.27.1 Total lease expense

(2) Lease expense

On 31 December 2025, the Company's lease expense is calculated based on the lease term and the lease rate. The lease term is determined by the period of time for which the Company has the right to use the leased asset. The lease rate is determined by the market rate of interest at the inception of the lease.

The Company's lease expense is calculated based on the lease term and the lease rate. The lease term is determined by the period of time for which the Company has the right to use the leased asset. The lease rate is determined by the market rate of interest at the inception of the lease.

The Company's lease expense is calculated based on the lease term and the lease rate. The lease term is determined by the period of time for which the Company has the right to use the leased asset. The lease rate is determined by the market rate of interest at the inception of the lease.

The Company's lease expense is calculated based on the lease term and the lease rate. The lease term is determined by the period of time for which the Company has the right to use the leased asset. The lease rate is determined by the market rate of interest at the inception of the lease.

The Company's lease expense is calculated based on the lease term and the lease rate. The lease term is determined by the period of time for which the Company has the right to use the leased asset. The lease rate is determined by the market rate of interest at the inception of the lease.

The Company's lease expense is calculated based on the lease term and the lease rate. The lease term is determined by the period of time for which the Company has the right to use the leased asset. The lease rate is determined by the market rate of interest at the inception of the lease.

The Company's lease expense is calculated based on the lease term and the lease rate. The lease term is determined by the period of time for which the Company has the right to use the leased asset. The lease rate is determined by the market rate of interest at the inception of the lease.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.27 Leases

3.27.1

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3. Significant accounting estimates and assumptions

3.27 Leases

3.27.1 *Right-of-use assets*

(4) *Leases*

When the Company enters into a lease agreement, it determines whether the agreement is a lease or contains a lease. A lease is defined as a contract that transfers the right to use an identified asset for a period of time in exchange for consideration.

The Company determines the lease term as the non-cancelable period of the lease. If the contract contains an extension option, the Company considers whether it is reasonably certain to exercise the option. If the contract contains a termination option, the Company considers whether it is reasonably certain not to exercise the option.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is measured at cost, which includes the amount of the lease liability, any lease payments made at or before the commencement date, and any initial direct costs incurred by the Company.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted by the Company's incremental borrowing rate. The incremental borrowing rate is the rate that the Company would have to pay to borrow over a similar period of time, with a similar amount, the same currency, and on a similar basis.

The Company recognizes lease payments as an expense on a straight-line basis over the lease term. If the lease term is less than 12 months, the Company recognizes lease payments as an expense on a straight-line basis over the lease term. If the lease term is 12 months or more, the Company recognizes lease payments as an expense on a straight-line basis over the lease term. If the lease term is less than 12 months, the Company recognizes lease payments as an expense on a straight-line basis over the lease term.

3.27.2 *Lease liabilities*

The Company recognizes a lease liability at the lease commencement date. The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted by the Company's incremental borrowing rate. The incremental borrowing rate is the rate that the Company would have to pay to borrow over a similar period of time, with a similar amount, the same currency, and on a similar basis.

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

3.27 Leases

3.27.2 The Company's accounting policy for leases

- (1) Assets and liabilities arising from leases
 - Lessor's accounting policy:
 - The Company leases out its property, plant and equipment to lessees under short-term leases (leases with a term of 12 months or less) and leases of low-value assets (leases of assets that are of low value, typically below RMB 5,000). For these leases, the Company does not recognize right-of-use assets and lease liabilities. Instead, it recognizes lease income on a straight-line basis over the lease term.
 - For all other leases, the Company recognizes right-of-use assets and lease liabilities at the commencement date of the lease. Right-of-use assets are measured at cost, which includes the lease liability, initial direct costs, and any prepaid lease payments. Right-of-use assets are depreciated over the shorter of the lease term and the asset's useful life. Lease liabilities are measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate. Lease liabilities are recognized as a liability and are measured at amortized cost using the effective interest method.
 - Lessee's accounting policy:
 - The Company leases out its property, plant and equipment to lessees under short-term leases (leases with a term of 12 months or less) and leases of low-value assets (leases of assets that are of low value, typically below RMB 5,000). For these leases, the Company does not recognize right-of-use assets and lease liabilities. Instead, it recognizes lease expense on a straight-line basis over the lease term.
 - For all other leases, the Company recognizes right-of-use assets and lease liabilities at the commencement date of the lease. Right-of-use assets are measured at cost, which includes the lease liability, initial direct costs, and any prepaid lease payments. Right-of-use assets are depreciated over the shorter of the lease term and the asset's useful life. Lease liabilities are measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate. Lease liabilities are recognized as a liability and are measured at amortized cost using the effective interest method.
- (2) Assets and liabilities arising from leases
 - Owner's accounting policy:
 - The Company leases out its property, plant and equipment to lessees under short-term leases (leases with a term of 12 months or less) and leases of low-value assets (leases of assets that are of low value, typically below RMB 5,000). For these leases, the Company does not recognize right-of-use assets and lease liabilities. Instead, it recognizes lease income on a straight-line basis over the lease term.
 - For all other leases, the Company recognizes right-of-use assets and lease liabilities at the commencement date of the lease. Right-of-use assets are measured at cost, which includes the lease liability, initial direct costs, and any prepaid lease payments. Right-of-use assets are depreciated over the shorter of the lease term and the asset's useful life. Lease liabilities are measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate. Lease liabilities are recognized as a liability and are measured at amortized cost using the effective interest method.
 - Lessee's accounting policy:
 - The Company leases out its property, plant and equipment to lessees under short-term leases (leases with a term of 12 months or less) and leases of low-value assets (leases of assets that are of low value, typically below RMB 5,000). For these leases, the Company does not recognize right-of-use assets and lease liabilities. Instead, it recognizes lease expense on a straight-line basis over the lease term.
 - For all other leases, the Company recognizes right-of-use assets and lease liabilities at the commencement date of the lease. Right-of-use assets are measured at cost, which includes the lease liability, initial direct costs, and any prepaid lease payments. Right-of-use assets are depreciated over the shorter of the lease term and the asset's useful life. Lease liabilities are measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate. Lease liabilities are recognized as a liability and are measured at amortized cost using the effective interest method.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3.27 Leases (in RMB)

3.27.1 Leases (in RMB)

3.27.2 T C (in RMB)

(2) A, (in RMB)

L, C

T

T

L, C

L, C

L, C, N 3.10 F, I

3.27.3 S

T C, N 3.24 R

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

3.27 Leases (in million RMB)

3.27 Leases (in million RMB)

3.27.1 Operating Leases (in million RMB)

(1) Assets and Liabilities

Assets: The Company has entered into operating lease contracts for various properties, including office buildings and warehouses. These leases are classified as operating leases and are recorded as assets on the balance sheet. The assets are measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate.

Liabilities: The Company has entered into operating lease contracts for various properties, including office buildings and warehouses. These leases are classified as operating leases and are recorded as liabilities on the balance sheet. The liabilities are measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate.

Assets: The Company has entered into operating lease contracts for various properties, including office buildings and warehouses. These leases are classified as operating leases and are recorded as assets on the balance sheet. The assets are measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate.

Liabilities: The Company has entered into operating lease contracts for various properties, including office buildings and warehouses. These leases are classified as operating leases and are recorded as liabilities on the balance sheet. The liabilities are measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate.

Assets: The Company has entered into operating lease contracts for various properties, including office buildings and warehouses. These leases are classified as operating leases and are recorded as assets on the balance sheet. The assets are measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate.

Liabilities: The Company has entered into operating lease contracts for various properties, including office buildings and warehouses. These leases are classified as operating leases and are recorded as liabilities on the balance sheet. The liabilities are measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate.

(2) Assets and Liabilities

Assets: The Company has entered into operating lease contracts for various properties, including office buildings and warehouses. These leases are classified as operating leases and are recorded as assets on the balance sheet. The assets are measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate.

Liabilities: The Company has entered into operating lease contracts for various properties, including office buildings and warehouses. These leases are classified as operating leases and are recorded as liabilities on the balance sheet. The liabilities are measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate.

Notes to the Financial Statements

F. Y. E. 31 D. 2025

(A) $\text{RMB} = 6.9171$

$$3 \quad S \quad - \quad \bullet \quad \bullet \quad \bullet \quad - \quad \bullet \quad \bullet \quad - \quad - \quad (\bullet \quad \bullet)$$

3.28 Repurchase of the Company's shares.

T C N 5.37.

3.29 Method and basis for determining materiality standards

I	Significance standards
S	I 10% RMB1
R	I 10% RMB1
A	I 10% RMB1
S	I 10% RMB1
S	S RMB5 5% RMB15
S	I 10% RMB20
S	T 5% RMB20
S	T 5% RMB20

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3. Significant accounting estimates and judgments

3.30 Key accounting estimates and judgments

The Company's management has made key accounting estimates and judgments in the process of preparing the financial statements, which may affect the amounts reported in the financial statements.

1. *Employee benefits*

The Company's management has made key accounting estimates and judgments in the process of preparing the financial statements, which may affect the amounts reported in the financial statements. The Company's management has made key accounting estimates and judgments in the process of preparing the financial statements, which may affect the amounts reported in the financial statements.

2. *Employee benefits*

The Company's management has made key accounting estimates and judgments in the process of preparing the financial statements, which may affect the amounts reported in the financial statements. The Company's management has made key accounting estimates and judgments in the process of preparing the financial statements, which may affect the amounts reported in the financial statements.

3. *Employee benefits*

The Company's management has made key accounting estimates and judgments in the process of preparing the financial statements, which may affect the amounts reported in the financial statements. The Company's management has made key accounting estimates and judgments in the process of preparing the financial statements, which may affect the amounts reported in the financial statements.

[illegible]

Notes to the Financial Statements

For the Year Ended December 31, 2025
(All amounts in RMB, unless otherwise specified)

4 Taxes

4.1 Main tax types and rates

Tax types	Tax basis	Tax rate
Value-added tax	On the net sales of goods and services, and on the net income of intangible assets, real estate and financial products	3%, 6%, 13%
Urban maintenance and construction tax	On the net sales of goods and services, and on the net income of intangible assets, real estate and financial products	7%
Education surcharge	On the net sales of goods and services, and on the net income of intangible assets, real estate and financial products	5%
Local education surcharge	On the net sales of goods and services, and on the net income of intangible assets, real estate and financial products	15%, 20%, 25%
Deed tax	On the net sales of real estate	
Name of taxpayer		Income tax rate
Wenzhou Kangning Hospital Co., Ltd.		15%
Jingdong Hospital Co., Ltd.		15%
Wenzhou Kangning Hospital Co., Ltd.		20%
Hengchuan Hospital Co., Ltd.		20%
Wenzhou Kangning Hospital Co., Ltd.		20%
Wenzhou Kangning Hospital Co., Ltd.		20%

1. P. C. M. F. S.
T. A. O. R. P. B. L. VAT. B.
T. (CS, 2016 N. 36) M. F. S. T. A. ,
C. A. M. M.
I. (Q. S. C. N. 149) S. C. I.
M. A. M. M. I. (Q. M. H. N. 35) M. H.
,, , M. I. B. L.
2. P. R. P.

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

5.1 Cash at bank and on hand

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Cash on hand	231,487.96	192,804.35
Bank deposits	287,835,608.12	255,642,342.05
Other cash	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
(All amounts in RMB unless otherwise specified)

5 Notes to the Financial Statements

5.3 Notes receivable

5.3.1 Balance as at 31 December 2025

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		Balance as at 31 December 2024	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Amount	Proportion of provision (%)	Amount	Proportion of provision (%)
Notes receivable	1,486,564.55	100.00	1,486,564.55	100.00
Balance	1,486,564.55	100.00	1,486,564.55	100.00
Total	1,486,564.55	100.00	1,486,564.55	100.00

5.3.3 Amount derecognised as at 31 December 2025

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

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)

5.4 Accounts receivable

5.4.1 Aging

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

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

5.4.2 Details of accounts receivable

As at 31 December 2025, the accounts receivable are as follows:

Balance as at 31 December 2025					Balance as at 31 December 2024	
Name	Book balance	Provision for bad debts	Proportion of provision	Provision basis	RMB	
			(%)			
Patient accounts receivable	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 aging of accounts receivable as at 31 December 2025 is as follows:

As at 31 December 2025, the accounts receivable are as follows:

Provision for bad debts:

Balance as at 31 December 2025			
Name	Accounts receivable	Provision for bad debts	Proportion of provision (%)
Debtors	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 are in RMB unless otherwise specified)

5 Non-current assets

5.4 Accounts receivable

5.4.3 Breakdown of accounts receivable as at 31 December 2025

Category	Balance as at 31 December 2024	Balance as at 31 December 2025	Change
Trade receivables	12,337,791.47	15,171,843.80	2,834,052.33
Other receivables	21,394,822.78	25,043,329.34	3,648,506.56
Total	33,732,614.25	40,215,173.14	6,482,558.89

5.4.4 Aging analysis of accounts receivable as at 31 December 2025

Age	Balance as at 31 December 2025
Within 1 year	8,047,478.00

5.4.5 Write-off of accounts receivable as at 31 December 2025

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
P					

Notes to the Financial Statements

For the Year Ended 31 December 2025
(Amount in RMB)

5 Notes to the Financial Statements (continued)

5.5 Advances to suppliers

Balance as at 31 December 2025

Aging	Balance as at 31 December 2025		Balance as at 31 December 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	15,788,868.62	99.98	14,660,777.90	99.64
1 to 2 years				

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)

5.6 Other receivables (continued)

5.6.2 Other receivables

(1) Details of other receivables

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

The Company has assessed the expected credit loss of other receivables based on the historical loss experience and the current economic conditions. The expected credit loss is calculated using the simplified method of expected credit loss, which is based on the historical loss experience and the current economic conditions.

F. Y. E. 31 D. 2025

(A) $\text{RMB} = 6.9171$

5.6 Other receivables ()

5.6.2 O " " (" ")

(2) $D_{\alpha} = \{ \alpha \}$ and $D_{\beta} = \{ \beta \}$ for all $\alpha, \beta \in \mathcal{A}$.

[illegible]

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are 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	Balance
HUYI Healthcare Co., Ltd.					8,000,000.00	8,000,000.00
SHIPING 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
WUCHE	3,490,447.08	3,490,447.08	100.00	Expected to be difficult to recover	3,490,447.08	3,490,447.08
Total	13,694,758.77	13,694,758.77	/	/	21,694,758.77	21,694,758.77

Non-current assets are classified as follows: Non-current assets 3.10

Receivables are classified as follows: Receivables 3.10

Provision for bad debts:

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

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

5 Notes to the Financial Statements (in thousands of RMB)

5.6 Other receivables (in thousands of RMB)

5.6.2 Other receivables (in thousands of RMB)

(3) Breakdown of other receivables

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)	
Bank deposits, December 31, 2024	2,457,854.75		21,694,758.77	24,152,613.52
I 2025, Bank deposits, December 31, 2024				
— Treasury bills, Stage II				
— Treasury bills, Stage III				
— Receivables, Stage II				
— Receivables, Stage I				
Receivables, 2025			579,202.91	579,202.91
Receivables, 2025	479,979.23		8,000,000.00	8,479,979.23
Warranties, 2025				
Cash, 2025	2,000.00			2,000.00
Other receivables	-16,912.81			-16,912.81
Bank deposits, December 31, 2025	1,992,788.33		14,273,961.68	16,266,750.01

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 (in thousands of RMB)

5.6 Other receivables (in thousands of RMB)

5.6.2 Other receivables (in thousands of RMB)

(3) Balance at 31 December 2025 (in thousands of RMB)

Notes to the Financial Statements (in thousands of RMB)
2025:

In March 2025, the Group entered into a 65% equity joint venture with Yuhang Healthcare Co., Ltd. to establish a new subsidiary, Yuhang Healthcare Co., Ltd. (Yuhang Healthcare Co., Ltd.). The Group's investment in Yuhang Healthcare Co., Ltd. is RMB8 million.

(4) Balance at 31 December 2025

Category	Balance at 31 December 2024	Balance at 31 December 2025	Balance as at 31 December 2025
	RMB	RMB	W
			0

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)

5.6 Other receivables (continued)

5.6.2 Other receivables (continued)

(6) Classification of other receivables

Nature of payment	Book balance as at 31 December 2025	Book balance as at 31 December 2024
	31 December 2025	31 December 2024
Debtors	18,920,171.46	19,433,847.49
Employees	34,457,000.00	38,067,000.00
Businesses	4,623,062.39	3,878,281.89
Others	2,222,809.83	256,914.93
Total	32,452,361.95	39,121,016.95
Other receivables	594,500.46	3,962,993.85
Total	93,269,906.09	104,720,055.11

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
Total	46,032,543.08		46,032,543.08	50,629,131.38	50,629,131.38

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

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	
Other receivables	2,248,043.70	2,097,885.50
Total	25,380,696.08	5,859,353.91

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
Total				14,000,000.00	14,000,000.00

Other information:

In 2025, the Company has not received any payment from the related parties and other parties. The Company has not provided any provision for bad debts for the receivables from related parties and other parties.

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)

5.10 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	
	2024	2024	2024	2024	2024	2024	2025	2025	2025	2025
H A M, T C., L.		6,869,165.91				2,447,498.74		9,316,664.65		
W 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 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	
F N T C., L.		4,911,260.44				-358,741.63		4,552,518.81		
W O H M C., L.		2,971,833.72		1,200,000.00		145,474.85		4,317,308.57		
H Y M H M C., L.										
T	99,413,985.20	10,745,274.26	1,200,000.00	3,238,079.21	-1,463,514.07			95,912,391.92	5,983,353.47	

Other information:

1. In March 2025, the Company entered into a long-term equity investment agreement with H A M, T C., L. for an investment amount of RMB20,000,000.00.

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

5 Non-current financial assets

5.10 Long-term equity investments

5.10.2 Investment in equity instruments of other entities
 At 31 December 2025, the Company held equity investments in Wenzhou Kangning Hospital Co., Ltd. (Wenzhou Kangning Hospital Co., Ltd.), which is a subsidiary of the Company. The investment is measured at cost less impairment. The carrying amount of the investment is RMB5,983,353.47.

5.11 Other non-current financial assets

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Financial assets at fair value through other comprehensive income	28,123,065.82	36,755,116.10
Investment in equity instruments of other entities	28,123,065.82	36,755,116.10
Total	28,123,065.82	36,755,116.10

5.12 Fixed assets

5.12.1 Property, plant and equipment

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Property, plant and equipment	1,159,366,939.63	889,544,442.13
Total	1,159,366,939.63	889,544,442.13

F Y E 31 D 2025
(A RMB)

5 N	Fixed assets (,)	(,)
5.12	Fixed assets (,)	
5.12.2 F		
I	H	M, T, E, F, T
1. Q		
(1) B	31 D, 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 (continued)

5.13.2 Investment properties

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

Notes to the Financial Statements

Fiscal Year Ending December 31, 2025
(All amounts in RMB, unless otherwise specified)

5.13 Construction in progress ()	()					
	2025					
5.13.3 C	B	2024	2025			
			2025			
			A		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
			B		2025	
			31 D		2025	
			2024		2025	
		B		2025		

Notes to the Financial Statements

F.Y.E. 31 D. 2025

(A RMB)

5 N ()

5.14 Right-of-use assets

Project	Houses and buildings	Total
1. Q		
(1) B 31 D 2024	307,410,601.64	307,410,601.64
(2) I 2025	93,672,400.33	93,672,400.33
N	40,384,947.64	40,384,947.64
I	65,103,775.00	65,103,775.00
R	-11,816,322.31	-11,816,322.31
(3) D 2025	51,156,610.95	51,156,610.95
D	51,156,610.95	51,156,610.95
(4) B 31 D 2025	349,926,391.02	349,926,391.02
2. A		
(1) B 31 D 2024	145,589,157.08	145,589,157.08
(2) I 2025	59,105,611.82	59,105,611.82
R	38,080,052.61	38,080,052.61
I	23,216,969.86	23,216,969.86
R	-2,191,410.65	-2,191,410.65
(3) D 2025	47,122,486.11	47,122,486.11
D	47,122,486.11	47,122,486.11
(4) B 31 D 2025	157,572,282.79	157,572,282.79
3. I		
(1) B 31 D 2024		
(2) I 2025		
(3) D 2025		
(4) B 31 D 2025		
4. B		
(1) B 31 D 2025	192,354,108.23	192,354,108.23
(2) B 31 D 2024	161,821,444.56	161,821,444.56

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

5.15 Intangible assets

5.15.1 Intangible assets

Project	Land use rights	Trademark right	Software	Medical practice qualification	Contractual rights to provide management services	Total
1. Goodwill						
(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 of intangible assets	4,713,332.53		4,784,593.99			9,497,926.52
Increase in value of intangible assets			1,133,970.00	24,000,000.00		25,133,970.00
(3) Decrease during 2025			52,802.64			52,802.64
Disposal of intangible assets			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
Amortization of intangible assets	2,861,820.77	330,015.42	1,499,883.33	18,780,633.64	1,842,857.20	25,315,210.36
Increase in value of intangible assets			1,091,469.96			1,091,469.96
Disposal of intangible assets						
(3) Decrease during 2025			49,052.64			49,052.64
Disposal of intangible assets			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 assets						
(1) Balance at 31 December 2024						
(2) Increase during 2025				14,000,000.04		14,000,000.04
Purchase of intangible assets				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. Other intangible assets						
(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 intangible assets:

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

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)

5.15 Intangible assets (continued)

5.15.2 Intangible assets

In 2025, the Company acquired several intangible assets, including software licenses, patents, and trademarks. The initial recognition of these assets was based on the fair value of the consideration paid. The carrying amount of intangible assets at the end of 2025 was RMB19,088,193.09, compared with RMB2,502,854.13 at the end of 2024. The carrying amount of intangible assets at the beginning of 2025 was RMB14,000,000.04. 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
	Balance	Change	Balance	Change	
B					
N Y H C., Ltd.	9,271,800.00				9,271,800.00
H Y P., H C., Ltd.	690,331.47				690,331.47
G Y H C., Ltd.	1,549,022.38				1,549,022.38
W N P., S					
H C., Ltd.	7,784,850.00				7,784,850.00
B Y H C., Ltd.	22,987,331.04				22,987,331.04
W Y H T., C., Ltd.	151,048.40				151,048.40
H K H C., Ltd.	5,068,959.78				5,068,959.78
C K P.					
H C., Ltd.	6,843,288.91				6,843,288.91
W C H C., Ltd.	19,416,285.97				19,416,285.97
P C Y H					
C., Ltd.	51,770,194.67				51,770,194.67
H Y N S., C., Ltd.	1,272,643.00				1,272,643.00
J S H C., Ltd.	5,060,323.85				5,060,323.85
L C K K H					
C., Ltd.	283,528.10				283,528.10
D L H C., Ltd.	2,502,854.13				2,502,854.13
C J Y P.,					
H C., Ltd.	9,564,442.65				9,564,442.65
W A P., C., Ltd.	228,538.31		228,538.31		

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

5.16 Goodwill

5.16.1 Cost of Goodwill

Name of the investee or matters forming goodwill	Balance at 31 December 2024		Increase/Decrease during 2025		Balance as at 31 December 2025
	Original balance	Change	Net change	Final balance	
H Y H C., Ltd.		12,898,816.77			12,898,816.77
W D, C S, C., Ltd.		11,081,970.63			11,081,970.63
S -	144,445,442.66	23,980,787.40		228,538.31	168,197,691.75
I -					
B Y H C., Ltd.	22,987,331.04				22,987,331.04
G Y H C., Ltd.	1,549,022.38				1,549,022.38
J S H C., Ltd.	5,060,323.85				5,060,323.85
H Y P, H C., Ltd.	690,331.47				690,331.47
D L H C., Ltd.		2,502,854.13			2,502,854.13
W N P, S,					
H C., Ltd.		7,705,714.73			7,705,714.73
H Y C S, C., Ltd.		1,247,176.52			1,247,176.52
S -	30,287,008.74	11,455,745.38			41,742,754.12
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 (continued)

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025
(All amounts in RMB)

Name

(A) $\times 10^4$ RMB

[illegible]

Notes to the Financial Statements

F.Y.E. 31 D. 2025
(A RMB)

5 N ()

5.16 Goodwill ()

5.16.4 K

Asset group or combination of asset groups	Average number of beds in operation	Key parameters of forecast period			Pre-tax discount rate
		Average daily cost per bed for inpatients (bed/day/RMB)	Net profit margin		
N Y H C ,L .	147	315	16.34%		10.40%
H Y C ,L .	172	563	6.29%		10.40%
W N P , ,S , H C ,L .	243	215	2.90%		12.10%
H K H C ,L . C , K P ,	180	179	15.36%		12.10%
H C ,L .	323	193	13.55%		12.10%
W C H C ,L . P C Y H	330	534	10.57%		11.30%
C ,L .	594	556	8.05%		10.40%
H Y N S , C ,L .	56	118	-3.06%		10.40%
D L H C ,L .	224	112	-12.01%		12.10%
C J Y P , , H C ,L .	306	207	7.27%		10.40%

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

5.18 Deferred tax assets and deferred tax liabilities

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
A. Current tax assets				
Income tax receivable	165,697,546.44	41,424,386.62	162,308,548.18	40,577,137.06
C. Current tax liabilities				
Income tax payable	13,879,270.75	2,081,890.61	15,841,295.07	2,376,194.26
O. Other deferred tax assets				
Income tax receivable	47,809.41	7,171.41	561,601.28	116,423.68
R. Other deferred tax liabilities				
Income tax payable	192,354,108.28	48,061,288.32	162,649,241.29	40,662,310.34
T. Total	371,978,734.88	91,574,736.96	341,360,685.82	83,732,065.34

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
D. Current tax assets	50,754,678.64	55,346,815.83	43,419,006.66	56,197,544.77
D. Current tax liabilities	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 specified)

5 Notes to the Financial Statements (continued)

5.18 Deferred tax assets and deferred tax liabilities (continued)

5.18.4 Deferred tax liabilities

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

5.18.5 Deferred tax assets and deferred tax liabilities (continued)

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
Other non-current assets	6,061,296.16		6,061,296.16	7,764,995.66	7,764,995.66
Other non-current assets	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 are in RMB unless otherwise specified)

5 Notes to the Financial Statements

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	Balance	Balance	Restricted type	Restriction status
Cash					150,009.00	150,009.00	None	None
Prepaid expenses	5,000,000.00	5,000,000.00	Frozen	Performance bond	5,000,000.00	5,000,000.00	None	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	None	Foreign exchange regulatory account
					2,125.91	2,125.91	None	Loan
Long-term prepayments	254,502,240.91	254,502,240.91	Pledge	Pledge borrowings	208,244,700.00	208,244,700.00	Pledge	Pledge borrowings
Fixed assets	90,666,399.96	27,683,567.89	Mortgage	Sale and leaseback	92,932,472.62	31,960,875.46	Mortgage	Sale and leaseback
	260,090,969.45	248,248,404.63	Mortgage	Mortgaged borrowings	308,835,922.00	277,405,475.89	Mortgage	Mortgaged borrowings
Intangible assets	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
Medium-term notes	93,720,000.00	75,000,000.00
Guaranteed borrowings	15,523,676.71	16,000,000.00
Total	109,243,676.71	91,000,000.00

F. Y. E. 31 D. 2025

(A) $\times 10^4$ RMB

5.22 Financial liabilities held for trading

Item	Balance as at 31 December 2025	B 31 D 2024
F	1,805,503.25	14,000,000.00
O	1,805,503.25	14,000,000.00
T	1,805,503.25	14,000,000.00

F

P. D. C. S. C., L. W. F. 1,805,503.25

T	1,805,503.25
---	--------------

Taken together, the results of the present study suggest that the use of a single, low-dose, short-acting benzodiazepine may be a safe and effective treatment for the acute management of alcohol withdrawal. The results also suggest that the use of a single, low-dose, short-acting benzodiazepine may be a safe and effective treatment for the acute management of alcohol withdrawal. The results also suggest that the use of a single, low-dose, short-acting benzodiazepine may be a safe and effective treatment for the acute management of alcohol withdrawal.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

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
Within 1 year	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
Total	161,104.98	49,771.35
On December 31, 2025, the Company's contract liabilities are primarily related to the advance payment of medical services provided to patients. The Company expects to recognize the corresponding revenue within the next 12 months.		

5.26 Employee benefits payable

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	80,933,318.18
Long-term employee benefits	3,138,964.61	45,758,780.58	45,399,570.47	3,498,174.72
Defined contribution plans	-	313,991.65	9,264,000.00	(3,498,174.72)
Total	85,747,296.61	1,073,451,877.73	1,170,779,709.89	78,919,464.45

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

5.26 Employee benefits payable (元)

5.26.2 Basic employee benefits payable (元)

Item	Balance as at 31 December 2024	Increase	Decrease	Balance as at 31 December 2025
(1) Wages and salaries payable	80,188,073.48	544,324,112.27	546,082,627.19	78,429,558.56
(2) Employee pension	459,887.66	21,364,687.28	21,365,740.40	458,834.54
(3) Social insurance	1,731,246.32	23,626,510.83	23,544,883.55	1,812,873.60
Insurance	1,630,346.45	22,260,947.60	22,167,107.34	1,724,186.71
Work-related injury insurance	100,899.87	1,311,987.95	1,324,200.93	88,686.89
Maternity insurance		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
Total	82,608,332.00	613,701,105.60	615,376,119.42	80,933,318.18

5.26.3 Defined pension plan (元)

Item	Balance as at 31 December 2024	Increase	Decrease	Balance as at 31 December 2025
Benefit payable	3,047,812.97	44,438,784.95	44,087,546.83	3,399,051.09
Unpaid contribution	91,151.64	1,319,995.63	1,312,023.64	99,123.63
Total	3,138,964.61	45,758,780.58	45,399,570.47	3,498,174.72

Other employee benefits:

Accumulated sick leave pay	3,047,812.97	44,438,784.95	44,087,546.83	3,399,051.09
Other employee benefits	91,151.64	1,319,995.63	1,312,023.64	99,123.63
Total	3,138,964.61	45,758,780.58	45,399,570.47	3,498,174.72

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 (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
Research and Development Tax Incentive	6,403,954.93	6,799,424.03
Education Fee	139,810.92	65,721.04
Local Education Surcharge	940,760.98	778,342.55
Stamp Duty	69,573.69	195,717.23
Enterprise Income Tax Prepaid	3,906.48	2,121.00
Withholding Income Tax	1,071.79	538.69
T	35,809,004.43	39,128,083.85

5.28 Other payables

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Intercompany payables		1,919,729.45
Due to related parties	3,600,000.00	1,090,000.00
Other payables	88,259,119.30	78,277,703.70
T	91,859,119.30	81,287,433.15

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

5 Non-current assets

5.28 Other payables

5.28.1 Interest payable

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

5.28.2 Dividend payable

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

5.28.3 Other payables

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Payable for medical services	30,510,944.19	25,610,062.45
Payable for medical supplies	1,313,457.77	1,313,457.77
Accounts payable	2,228,893.61	6,681,680.88
Deferred income	1,571,150.50	1,136,955.18
Interest payable	19,906,013.30	24,729,158.13
Bank deposits	9,229,765.68	8,748,024.96
Prepaid expenses	23,467,735.12	9,416,830.18
Other payables	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 (RMB million)

5.29 Non-current liabilities due within one year

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Long-term bank borrowings	132,990,000.00	164,170,000.00
Long-term payables	31,995,109.32	38,367,421.50
Long-term lease liabilities	36,422,400.23	26,733,022.63
TOTAL	201,407,509.55	229,270,444.13

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

The following table shows the details 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 specified)

5 Notes to the Financial Statements (continued)

5.33 Long-term payables

Item	Balance as at	
	31 December 2025	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 (continued)

5.33.2 Specific payables

Item	Balance as at 31 December 2024	Increase in 2025	Decrease in 2025	Balance as at 31 December 2025	Forming reason
Financial payables	4,320,000.00	5,760,000.00	10,080,000.00		Specific payables for the purchase of medical equipment
Total	4,320,000.00	5,760,000.00	10,080,000.00		/

5.34 Deferred income

Item	Balance as at 31 December 2024	Increase in 2025	Decrease in 2025	Balance as at 31 December 2025	Formation cause
Deferred income	8,430,307.00	10,080,000.00	303,792.00	18,206,515.00	Deferred income from the government
Total	8,430,307.00	10,080,000.00	303,792.00	18,206,515.00	/

Notes to the Financial Statements

F. Y. E. 31 D. 2025

(A) $\text{RMB} = 6.9171$

[illegible]

5.36 Capital surplus

Item	Balance as at 31 December 2024	Increase in 2025	Decrease in 2025	Balance as at 31 December 2025
Cash and cash equivalents	726,023,779.76		33,882,596.62	692,141,183.14
Trade receivables	48,854,883.98	4,503,685.30		53,358,569.28
Trade payables	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

O 2025

(1) I 2025, C 26.67%, C
J Y P H C., L.,
RMB30,943,297.66
N 7.2

(2) A, C, H, 2025, RMB4,503,685.30, RMB4,503,685.30, S, N 12

(3) A, H S (2024 A, G M, 2025 H, 2025 J, 2025), C, 2,270,900, 311,100, 1,959,800, RMB2,939,298.96

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

5.37 Treasury share

Item	Balance at 31 December 2024	Issued during 2025	Repurchased during 2025	Balance as at 31 December 2025
Share capital	22,366,848.64	6,299,853.27		28,666,701.91
Treasury shares		22,399,322.22	3,250,398.96	19,148,923.26
Total	22,366,848.64	28,699,175.49	3,250,398.96	47,815,625.17

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

- At 31 December 2025, the company's treasury shares were 3,419,975 shares, with a total value of RMB28,666,701.91.
- In 2025, the company repurchased 311,100 shares at a total cost of RMB22,399,322.22, and issued 1,959,800 shares at a total value of RMB3,250,398.96.

5.38 Surplus reserve

Item	Balance at 31 December 2024	Added during 2025	Used during 2025	Balance as at 31 December 2025
Surplus reserve	38,399,577.13			38,399,577.13
Total	38,399,577.13			38,399,577.13

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

- The company's surplus reserve is 10% of the total value of the company's shares, which is 50% of the total value of the company's shares.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB, unless otherwise specified)

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

5 Notes to the Financial Statements

5.40 Operating revenue and cost of sales

5.40.1 Operating revenue and cost of sales

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

5.40.2 Breakdown of operating revenue and cost of sales

Item	Amount in 2025	A 2024
Revenue	1,448,705,601.11	1,517,773,042.05
Direct costs	1,448,705,601.11	1,517,773,042.05
Operating costs	171,078,809.67	136,516,371.18
Medical supplies	107,370,316.53	90,137,875.17
Medical services	2,368,850.84	2,970,297.04
Medical equipment	2,577,689.05	595,122.46
Other	58,761,953.25	42,813,076.51
T	1,619,784,410.78	1,654,289,413.23

5.40.2 Breakdown of operating revenue and cost of sales

Category	Operating revenue	Cost of sales
Medical services	1,448,705,601.11	1,074,924,943.42
Other services	171,078,809.67	125,790,274.94
T	1,619,784,410.78	1,200,715,218.36

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025
(All amounts in RMB, unless otherwise specified)
5. Notes to the Financial Statements

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

5 Notes to the Financial Statements

5.42 Selling expenses

Item	Amount in 2025	A	2024
Employee salaries and wages	3,909,904.77		4,449,762.15
Debt amortization	40,879.10		111,825.40
Advertising fees	143.40		39,170.69
Advertising materials	57,111.94		167,877.83
Bonus	161,500.16		226,399.54
Office expenses	368,183.04		107,665.73
Travel expenses	166,678.33		261,675.25
Congruence	211,731.35		114,413.65
Office supplies	100,494.55		96,046.80
Bonus	2,696,024.12		3,695,604.38
Miscellaneous ()	13,793.21		3,584.20
Other	5,762.10		698,474.79
T	7,732,206.07		9,972,500.41

Notes to the Financial Statements

For the Year Ended December 31, 2025
(All amounts in RMB, unless otherwise specified)

5 Notes to the Financial Statements

5.43 Administrative expenses

Item	Amount in 2025	Amount in 2024
Salaries and wages	136,228,747.19	129,004,061.40
Depreciation and amortization	19,677,491.13	17,850,551.80
Advertising and promotion	2,887,520.62	4,190,150.74
Travel and transportation	8,814,153.72	8,751,064.86
Depreciation of equipment	1,449,479.17	3,012,235.08
Heating and electricity	4,020,340.37	3,732,284.42
Entertainment	4,511,272.34	3,997,509.78
Office expenses	4,767,633.22	5,031,789.54
Telcom	4,660,700.77	4,977,716.48
Utilities	740,276.80	977,577.12
Rent	7,049,469.60	6,849,479.49
Commission	2,497.76	349,803.81
Office supplies	3,087,061.59	3,490,839.71
Consulting fees	6,327,522.95	6,011,242.51
Agency fees	3,095,200.00	3,025,987.32
Research and development (R&D)	11,440,216.13	10,919,254.63
Business meals	4,126,304.84	5,713,396.43
Depreciation of intangible assets	4,063,064.84	3,316,647.39
Commission and agency fees	3,957,287.08	3,084,988.50
Office rent	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

(All amounts are in RMB, unless otherwise specified)

5 Notes to the Financial Statements (Continued)

5.46 Other income

Item	Amount in 2025	A	2024
Government grants	23,279,911.83	13,058,565.88	
Others	12,999.21	45.41	
Subtotal	260,965.81	195,207.54	
TOTAL	23,553,876.85	13,253,818.83	

5.47 Investment income

Item	Amount in 2025	A	2024
Losses from disposal of financial assets	-1,463,514.07	-1,089,495.22	
Interest income	4,804,189.70	1,844,372.15	
Interest expense	12,086.31		
TOTAL	3,352,761.94	754,876.93	

5.48 Gains from changes in fair value

Source of gains from changes in fair value	Amount in 2025	A	2024
Fair value changes in financial assets	745,794.27	588,023.88	
Others	-1,962,024.32	742,239.73	
Fair value changes in financial liabilities	-1,805,503.25	-1,600,000.00	
TOTAL	-3,021,733.30	-269,736.39	

Notes to the Financial Statements

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

5. Notes to the Financial Statements (continued)

5.49 Credit impairment losses

Item	Amount in 2025	A	2024
------	----------------	---	------

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

5 Non-current assets and liabilities

5.52 Non-operating revenue

				A
				2025
Item	Amount in 2025	A	2024	2024
Government grants	35,042.85	157,773.18	35,042.85	
Income from disposal of non-current assets	35,042.85	157,773.18	35,042.85	
Others	267,263.75	46,960.37	267,263.75	
Government grants		86,363.28		
Others	233,000.00		233,000.00	
Others		89,700.00		
Others	722,808.91	86,864.89	722,808.91	
Others	63,472.78	1,061,239.31	63,472.78	
TOTAL	1,321,588.29	1,528,901.03	1,321,588.29	

5.53 Non-operating expenses

				A
				2025
Item	Amount in 2025	A	2024	2024
Loss from disposal of non-current assets	1,372,524.38	1,117,414.85	1,372,524.38	
Income from disposal of non-current assets	1,368,774.38	1,117,414.85	1,368,774.38	
Others	3,750.00		3,750.00	
Others	3,069,645.91	2,697,864.84	3,069,645.91	
Others	5,483.03	20,094.09	5,483.03	
Others	59,434.72	49,092.37	59,434.72	
Others	8,852,014.48	1,606,766.04	8,852,014.48	
Others	1,190,606.08	2,668,838.80	1,190,606.08	
Others	2,347,434.42	622,957.51	2,347,434.42	
TOTAL	16,935,849.67	8,783,028.50	16,935,849.67	

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

5 Notes to the Financial Statements

5.54 Income tax expense

5.54.1 Income tax expense

Item	Amount in 2025	A 2024
Cash and cash equivalents	29,205,809.65	35,746,101.09
Debt	3,409,291.72	-18,044,325.80
T	32,615,101.37	17,701,775.29

5.54.2 Assets and liabilities

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

Notes to the Financial Statements

For the Year Ended December 31, 2025
(All amounts in RMB, unless otherwise specified)

5. Net Profit: (1,234,567.89)

5.55 Earnings per share

5.55.1 Basic Earnings per share

Basic Earnings per share is calculated by dividing the net profit attributable to common shareholders by the weighted average number of common shares outstanding during the period. The calculation is as follows:

Item	Amount in 2025	A	2024
------	----------------	---	------

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are 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

(All amounts are in RMB, unless otherwise specified)

5 Notes to the Financial Statements (continued)

5.56 Items of statement of cash flows (continued)

5.56.3 Cash flows from operating activities

(1) Cash flows from operating activities

Item	Amount in 2025	A	2024
Cash received from patients and related parties	850,000.00	60,000,000.00	
T	850,000.00	60,000,000.00	

(2) Cash flows from investing activities

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

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

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	A 2024
1. Net cash and cash equivalents	36,603,923.23	50,397,711.37
2. Net cash and cash equivalents	6,584,873.28	26,454,997.91
3. Net cash and cash equivalents	25,455,745.42	16,495,929.58
4. Net cash and cash equivalents	59,277,046.66	49,240,319.63
5. Net cash and cash equivalents	38,080,052.61	36,130,781.58
6. Net cash and cash equivalents	25,315,210.36	40,516,786.29
7. Net cash and cash equivalents	38,081,274.32	28,899,252.81
8. Net cash and cash equivalents	-2,384,033.43	69,932.29
9. Net cash and cash equivalents	1,337,481.53	959,641.67
10. Net cash and cash equivalents	3,021,733.30	269,736.39
11. Net cash and cash equivalents	39,088,809.56	42,602,761.73
12. Net cash and cash equivalents	-3,352,761.94	-754,876.93
13. Net cash and cash equivalents	2,901,611.52	-11,051,274.17
14. Net cash and cash equivalents	506,999.64	-6,992,997.53
15. Net cash and cash equivalents	5,469,515.35	9,971,048.87
16. Net cash and cash equivalents	65,949,382.96	-66,194,329.87
17. Net cash and cash equivalents	93,546,438.19	-121,374,427.72
18. Net cash and cash equivalents	4,486,255.36	3,997,509.78
19. Net cash and cash equivalents	439,969,557.92	99,638,503.68

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

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	A	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	28,000,000.00
W	16,000,000.00
L	16,098,096.99
I	10,683,725.70
W	5,414,371.29
P	
N	27,901,903.01

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

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

5.57.3 Net cash flows from operating activities

Item	Amount
Cash and cash equivalents at the beginning of the year	
Interest income	29,192.78
Interest income from bank deposits	29,192.78
Principal of bank deposits	
Net cash flows from operating activities	-29,192.78

5.57.4 Balance sheet

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Interest income	287,674,751.45	255,232,744.16
Interest income from bank deposits	231,487.96	192,804.35

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

5. Notes to the Financial Statements (in thousands of RMB)

5.57 Supplementary information to the statement of cash flows (in thousands of 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:

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

B. The following table provides supplementary information to the statement of cash flows:

C. The following table provides supplementary information to the statement of cash flows:

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

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	94,791,041.13	

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025
(All amounts are in RMB unless otherwise specified)

6 Company Information

6.1 Business combination not under common control

6.1.1 Business combination not under common control 2025

								RMB		Thousands	
Name		Type of business combination		Business combination date		Acquisition date		Initial investment		Goodwill	
Huyi	Y	31 M	2025	35,600,000.00	65.00 %	31 M	2025	19,744,154.59	-4,258,984.02	-4,140,576.81	
Huyi Co., Ltd.											
Wendong	D	31 A	2025	16,000,000.00	100.00 %	31 A	2025	11,889,168.62	526,879.67	-658,162.01	
Wendong Co., Ltd.											

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025

(All amounts are in RMB unless otherwise specified)

6 Business combination not under common control

6.1 Business combination not under common control

6.1.3 Initial recognition and measurement

	Hybrid F	Y B	Hybrid C, L	W F	D, C, S B	C, L
Assets:	88,586,325.58	70,800,279.48	10,080,947.55	10,080,947.55		
Current assets:	10,683,725.70	10,683,725.70	5,414,371.29	5,414,371.29		
Receivables	5,611,315.68	5,611,315.68	4,640,769.51	4,640,769.51		
Accounts receivable	11,966.69	11,966.69	24,750.00	24,750.00		
Inventory	872,927.05	872,927.05				
Fixed assets	1,598,098.97	484,744.28				
Intangible assets	24,042,500.04	1,091,469.96				
Right-of-use assets	41,886,805.14	41,886,805.14				
Liabilities:	1,828,479.92	1,828,479.92				
Debt	2,050,506.39	8,328,845.06	1,056.75	1,056.75		
Equity:	57,753,735.99	57,753,735.99	5,162,918.18	5,162,918.18		
Payables	2,819,655.50	2,819,655.50	750,490.02	750,490.02		
Reserves	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		
Taxes	31,295.32	31,295.32	177,285.89	177,285.89		
Minority interest	52,507,003.25	52,507,003.25				
Non-current assets:	30,832,589.59	13,046,543.49	4,918,029.37	4,918,029.37		
Long-term investments	8,131,406.36	4,566,290.22				
Other non-current assets	22,701,183.23	8,480,253.27	4,918,029.37	4,918,029.37		

F Y E 31 D 2025
(A RMB)

						Difference between the disposal price and the share of net assets of the subsidiary enjoyed by the disposal investment	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 income/retained earnings	
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	consolidated financial statement level	Proportion of residual equity on the date of loss of control	consolidated statements on the date of loss of control	date of loss of control in consolidated financial statements	remeasurement of the remaining equity at fair value	date of loss of control in consolidated financial statements	to investment income/retained earnings
H E D	Y R C	M , , ,	30,000.00	100.00	S	12 J E , ,	807.22					
					2025							

Notes to the Financial Statements

For the Year Ended December 31, 2025
(All amounts are in RMB, unless otherwise specified)

7 Interests in subsidiaries

7.1 Interests in subsidiaries

7.1.1 Consolidated subsidiaries

Name of subsidiary		Registered capital (RMB)	Company type	Shareholding ratio (%)	Control
English	Chinese				
Wen Zhou Kang Ning Hospital Co., Ltd.	温州康宁医院有限公司	33,000.00	Wholly owned	100.00	Control
Cheng Yu Nan Cui Co., Ltd.	程昱楠崔有限公司	1,000.00	Wholly owned	100.00	Control
Wen Zhou Kang Ning Hospital Co., Ltd.	温州康宁医院有限公司	1,000.00	Wholly owned	65.00	Control
Wen Zhou Kang Ning Hospital Co., Ltd.	温州康宁医院有限公司	2,585.98	Wholly owned	100.00	Control
Ping Cui Yu Hui Co., Ltd.	平崔俞汇有限公司	3,057.47	Wholly owned	100.00	Control
Yan Yan Wei Mei Hui Co., Ltd.	颜颜卫梅汇有限公司	9,800.00	Wholly owned	100.00	Control
Wen Zhou Kang Ning Hospital Co., Ltd.	温州康宁医院有限公司	500.00	Wholly owned	100.00	Control
Hui Yan Hui Co., Ltd.	汇颜汇有限公司	5,000.00	Wholly owned	65.00	Control
Wen Zhou Kang Ning Hospital Co., Ltd.	温州康宁医院有限公司	200.00	Wholly owned	100.00	Control
Wen Zhou Kang Ning Hospital Co., Ltd.	温州康宁医院有限公司	100.00	Wholly owned	100.00	Control
Wen Zhou Kang Ning Hospital Co., Ltd.	温州康宁医院有限公司	1,000.00	Wholly owned	100.00	Control
Wen Zhou Kang Ning Hospital Co., Ltd.	温州康宁医院有限公司	20,000.00	Wholly owned	100.00	Control
Ping K Hui Co., Ltd.	平克汇有限公司	600.00	Wholly owned	100.00	Control

Notes to the Financial Statements

For the Year Ended December 31, 2025
(All amounts in RMB, unless otherwise specified)

Notes to the Financial Statements		RMB million		Shareholder (%)	
Notes to the Financial Statements	Continued			Notes to the Financial Statements	Continued
Wen Zhou Kang Ning Hospital Co., Ltd.		6,000.00	W	W	
Chongqing					

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

		RMB '000,000		Shareholder (%)	
Notes to the Financial Statements	Company Name	Notes	Details	Notes	Details
Wen Zhou Kang Ning Hospital Co., Ltd.	Wen Zhou Kang Ning Hospital Co., Ltd.	2,040.82	H	H	98.00
Wen Zhou Kang Ning Hospital Co., Ltd.	Wen Zhou Kang Ning Hospital Co., Ltd.	50.00	W	W	100.00
Yan Zhou Kang Ning Hospital Co., Ltd.	Yan Zhou Kang Ning Hospital Co., Ltd.	500.00	W	W	100.00
Hong Zhou Kang Ning Hospital Co., Ltd.	Hong Zhou Kang Ning Hospital Co., Ltd.				
Wen Zhou Kang Ning Hospital Co., Ltd.	Wen Zhou Kang Ning Hospital Co., Ltd.	1,000.00	W	W	80.00
Cangzhou Kang Ning Hospital Co., Ltd.	Cangzhou Kang Ning Hospital Co., Ltd.	1,000.00	C	C	64.55
Hong Zhou Kang Ning Hospital Co., Ltd.	Hong Zhou Kang Ning Hospital Co., Ltd.				
Hong Zhou Kang Ning Hospital Co., Ltd.	Hong Zhou Kang Ning Hospital Co., Ltd.	100.00	H	H	100.00
Lianzhou Kang Ning Hospital Co., Ltd.	Lianzhou Kang Ning Hospital Co., Ltd.	5,000.00	T	T	100.00
Sunzhou Kang Ning Hospital Co., Ltd.	Sunzhou Kang Ning Hospital Co., Ltd.	6,000.00	S	S	55.00
Pingzhou Kang Ning Hospital Co., Ltd.	Pingzhou Kang Ning Hospital Co., Ltd.	1,400.00	J	J	95.00
Cangzhou Kang Ning Hospital Co., Ltd.	Cangzhou Kang Ning Hospital Co., Ltd.				
Cangzhou Kang Ning Hospital Co., Ltd.	Cangzhou Kang Ning Hospital Co., Ltd.	5,000.00	T	T	100.00
Sunzhou Kang Ning Hospital Co., Ltd.	Sunzhou Kang Ning Hospital Co., Ltd.	1,000.00	S	S	55.00
Hongzhou Kang Ning Hospital Co., Ltd.	Hongzhou Kang Ning Hospital Co., Ltd.	1,400.00	J	J	95.00

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025
(All amounts in RMB, unless otherwise specified)

7 Interests in subsidiaries (in RMB)

7.1 Interests in subsidiaries (in RMB)

7.1.1 Consolidated subsidiaries (in RMB)

Name of subsidiary		Registered capital (RMB)	Company type	Shareholding ratio (%)	Control relationship
Wenzhou Kangning Hospital	Fuzhou Kangning Hospital	50.00	W	W	100.00
Fuzhou Kangning Hospital	Amoy Kangning Hospital	10,000.00	W	W	60.00
Wenzhou Kangning Hospital	Luzhou Kangning Hospital	2,700.00	W	W	100.00
Yongkang Hospital	Chongqing Kangning Hospital	2,398.26	J	J	55.00
Luzhou Kangning Hospital	Chongqing Kangning Hospital	2,040.00	L	L	51.00
Donghai Hospital	Chongqing Kangning Hospital	1,800.00	S	S	51.00
Wenzhou Kangning Hospital	Chongqing Kangning Hospital	50.00	W	W	100.00
Jingji Kangning Hospital	Luzhou Kangning Hospital	6,001.00	J	J	61.27
Beijing Kangning Hospital	Luzhou Kangning Hospital	2,764.00	L	L	100.00

Entity information and control relationship details:

Amoy Kangning Hospital is a wholly-owned subsidiary of Wenzhou Kangning Hospital, established in 2010, with a registered capital of 100 million RMB.

Beijing Kangning Hospital is a wholly-owned subsidiary of Wenzhou Kangning Hospital, established in 2015, with a registered capital of 2.764 million RMB.

The company holds 90% of the shares of Gaoxing Hospital, which was established in 2015. As of December 31, 2025, the company holds 90% of the shares of Gaoxing Hospital, which was established in 2015.

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are expressed in RMB unless otherwise specified)

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 Co., Ltd.	40.00	-556,708.88		37,565,639.83
Jiangsu Heli Co., Ltd.	45.00	-2,030,443.47		13,278,391.92
Xi'an Dapeng Co., Ltd.	20.00	47,364.17	401,123.89	21,104,045.97
Hubei Yuheli Co., Ltd.	35.00	-1,508,199.09		6,623,207.27

7.1.3 Key figures

Subsidiary name	Balance as at 31 December 2025					Total liabilities
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	
Wenzhou Kangning Hospital Co., 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 Heli Co., 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
Xi'an Dapeng Co., Ltd.	172,867,810.34	853,963.27	173,721,773.61	112,153,608.69		112,153,608.69
Hubei Yuheli Co., 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 2025					Total
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	
Wenzhou Kangning Hospital Co., 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 Heli Co., 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
Xi'an Dapeng Co., 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 Yuheli Co., 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
(All amounts are in RMB unless otherwise specified)

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	Other	Operating revenue	Net profit	Total comprehensive income
Wenzhou Kangning Hospital Co., Ltd.	13,761.47	-1,391,772.19	-1,391,772.19	44,202,706.15		-611,479.16	-611,479.16	7,245,184.48
Jiangsu Heliang 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
Beijing Dapeng Hospital Co., Ltd.	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
Henan Yuhua Hospital Co., Ltd.	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 New acquisitions

In January 2025, the Company acquired 11.73% of the equity of Jiangsu Heliang Hospital Co., Ltd. (hereinafter referred to as "Heliang Hospital") from Jiangsu Heliang Hospital Co., Ltd. (hereinafter referred to as "Heliang Hospital") for a total consideration of RMB27,000,000.00.

N	M	P	N	S (%)	D	I	C
S ₀ , S ₁ , H ₀	X'	X'	H ₀	30.00	E ₀	E ₁	Y ₀
M ₀ , C ₀ , L ₀							
W ₀ , L ₀ , Y ₀	W	W	M ₀ , L ₀ , Y ₀	45.00	E ₀	E ₁	Y ₀
H ₀ , C ₀ , L ₀							

Notes to the Financial Statements

F.Y.E. 31 D. 2025
(A RMB)
7 I ()

7.3 Equity in joint venture arrangements or associates ()

7.3.2 K - - - - -

	Balance as at 31 December 2025/Amount in 2025		B 31 D. 2024/ 2024	
	Shanxi Shanda	Longwan Yining	S S ,	L Y
C "	52,325,788.02	1,862,472.90	48,352,443.86	196,852.44
N " "	121,989,736.52	255,093,748.77	120,536,919.01	219,142,045.33
T "	174,315,524.54	256,956,221.67	168,889,362.87	219,338,897.77
C "	98,820,684.44	41,510,269.10	90,135,768.43	38,926,869.26
N " "	15,000,000.00	90,995,141.93	15,000,000.00	55,023,631.60
T "	113,820,684.44	132,505,411.03	105,135,768.43	93,950,500.86
M .	19,373,422.12		19,872,251.77	
E	41,121,417.98	124,450,810.64	43,881,342.67	125,388,396.91
N	12,336,425.39	56,002,864.79	13,164,402.80	56,424,778.61
A .	8,555,233.95		8,825,233.95	
G ,	8,825,233.95		8,825,233.95	
U				
O .	-270,000.00	56,002,864.79	56,320,269.60	219,1429 45577

Notes to the Financial Statements

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

8 Government Grants

8.1 Government grants included in the current profit or loss

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

Total 23,279,911.83 (12,841,137.16) in 2024 and 23,279,911.83 (12,841,137.16) in 2025

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025
(All amounts in RMB unless otherwise specified)

9 Risks

9.1 Various risks arising from financial instruments

9.1.1 Credit risk

Our credit risk is primarily associated with our receivables from customers. We have established credit control policies and procedures to manage our credit risk.

Our credit risk is primarily associated with our receivables from customers. We have established credit control policies and procedures to manage our credit risk.

Our credit risk is primarily associated with our receivables from customers. We have established credit control policies and procedures to manage our credit risk.

$$T_j = \frac{1}{n} \sum_{i=1}^n (T_i)^{0.6} \times 0.5 \times T_j = 2) T = 70.278 - 0.053 T_j \times 0.5$$

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

9 Risks arising from financial instruments

9.1 Various risks arising from financial instruments

9.1.2 Liquidity risk

The Company's liquidity risk management is to ensure that the Company has sufficient cash resources to meet its financial obligations as they fall due.

Balance as at 31 December 2025

	Immediate				More than	Total undiscounted	
Item	repayment	Within 1 year	1-2 years	2-5 years	5 years	contract amount	Book value
B		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
R		36,422,400.23	26,754,091.69	87,529,357.31	48,765,941.63	199,471,790.86	184,898,051.41
L		31,995,109.32	29,568,765.29	25,332,759.87		86,896,634.48	79,414,942.08
A		156,277,714.53	2,848,066.71	1,229,010.41		160,354,791.65	160,354,791.65
O		327,949.30	49,230,863.16	38,700,306.84		88,259,119.30	88,259,119.30
T		467,256,850.09	315,201,413.15	414,144,730.13	438,515,485.08	1,635,118,478.45	1,502,113,538.62

Balance as at 31 December 2024

I	T					
	I	W 1	1-2	2-5	O 5	B
B	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
R	26,733,022.63	45,988,901.90	58,725,671.39	86,707,676.25	218,155,272.17	178,033,085.43
L	38,367,421.50	30,877,984.00	57,282,769.00		126,528,174.50	110,284,300.10
A	127,861,415.20	3,124,361.77	950,603.01		131,936,379.98	131,936,379.98
O	33,007,700.14	29,568,765.29	18,710,967.72		81,287,433.15	81,287,433.15
T	521,867,127.37	341,006,715.01	468,061,695.70	345,260,903.11	1,676,196,441.19	1,447,728,536.10

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

9 Risks

9.1 Various risks arising from financial instruments

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 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.

For the year ended 31 December 2025, the Company's financial instruments are primarily denominated in RMB. The Company's financial instruments are primarily denominated in RMB. The Company's financial instruments are primarily denominated in RMB. The Company's financial instruments are primarily denominated in RMB.

At 31 December 2025, the Company's financial instruments are primarily denominated in RMB. The Company's financial instruments are primarily denominated in RMB. The Company's financial instruments are primarily denominated in RMB.

(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.

The Company's financial instruments are primarily denominated in RMB. The Company's financial instruments are primarily denominated in RMB. The Company's financial instruments are primarily denominated in RMB. The Company's financial instruments are primarily denominated in RMB.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025
(All amounts in RMB)

Notes to the Financial Statements

F Y E 31 D 2025
(A RMB)

10 D

T	
L 1	
L 2	
L 3	
T	

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	
I. Continuous fair value measurement				
◆F			8,573,388.20	8,573,388.20
1. F			8,573,388.20	8,573,388.20
(1)D				
(2)E			8,573,388.20	8,573,388.20
(3)D				
(4)O				
2. D				
(1)D				
(2)O				
◆R				
◆O				
◆O				

Notes to the Financial Statements

For the Year Ended 31 December 2025
(All amounts in RMB, unless otherwise specified)

10 Derivatives

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	
◆ OTC derivatives			28,123,065.82	28,123,065.82
1. Financial derivatives			28,123,065.82	28,123,065.82
(1) Derivatives				
(2) Equity derivatives			28,123,065.82	28,123,065.82
(3) Debt derivatives				
(4) Other derivatives				
2. Derivatives				
(1) Derivatives				
(2) Other derivatives				
TOTAL			36,696,454.02	36,696,454.02
◆ Financial derivatives			1,805,503.25	1,805,503.25
1. Financial derivatives			1,805,503.25	1,805,503.25
(1) Interest rate derivatives				
(2) Debt derivatives				
(3) Other derivatives			1,805,503.25	1,805,503.25
2. Derivatives				
(1) Derivatives				
(2) Other derivatives				
TOTAL			1,805,503.25	1,805,503.25
II. Non-financial derivatives				
◆ Assets				
TOTAL				
◆ Liabilities				
TOTAL				

Item	Fair value as at 31 December 2025	V	U	(W	R
F	8,573,388.20	D	W		8%
O					

Notes to the Financial Statements

F.Y.E. 31 D. 2025
(A RMB)

11 R (C)

11.4 Other related parties

Name of other related parties	Relationship between other related parties and the Company
Y M H C .	N - - - - - C
	C
L S R - H C ., L .	S - - - - - C
☒ T . E . C . C ., L .	M - - - - - C
☒ Y R . M C ., L .	M - - - - - C
W D R . M C ., L .	M - - - - - C
C W .	M - - - - - C
C G	M - - - - - C
J D	M - - - - - C
W L	M - - - - - C
W ☒	M - - - - - C
X X	M - - - - - C
W C	M - - - - - C
Q K	M - - - - - C
Y L	R - - - - - C
W H	O - - - - - C
	C
X Y	S - - - - - C
	C
	C

Notes to the Financial Statements

F.Y.E. 31 D. 2025
(A RMB)

11 R (C)

11.5 Related-party transaction

11.5.1 R
P

Related party	Related-party transaction content	Amount in 2025	A	2024
F N T C ,L	P	447,789.38		117,517.37
Y L	C	627,851.53		933,864.76
H A M T C ,L	P			300,000.00

T - /

Related party	Related-party transaction content	Amount in 2025	A	2024
Y M H C	M	2,227,722.78		2,970,297.04
	S	487,044.25		

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

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
Q Y H C., Ltd.	60,000,000.00	2023/10/9	2034/10/9	N
Y K H C., Ltd.	60,000,000.00	2019/8/20	2031/8/21	N
L C H C., Ltd.	68,440,000.00	2023/4/3	2032/3/2	N
H A M T C., Ltd.	32,400,000.00	2024/7/1	2027/6/30	N
W L Y H C., Ltd.	8,400,000.00	2024/3/31	2027/3/31	N
W L Y H C., Ltd.	103,000,000.00	2023/10/12	2034/10/9	N
Y K H C., Ltd.	12,000,000.00	2024/7/18	2029/6/18	N
Y Y T				
W M H C., Ltd.	8,000,000.00	2024/7/18	2029/6/18	N
Q K H C., Ltd.	5,300,780.00	2024/1/1	2028/12/31	N
W Y G H C., Ltd.	4,337,088.00	2024/1/25	2028/12/25	N
P C Y H C., Ltd.	26,000,000.00	2023/12/20	2031/12/20	N

Notes to the Financial Statements

For the Year Ended December 31, 2025
(All amounts are in RMB unless otherwise specified)

11 Related-party transactions (Continued)

11.5 Related-party transaction (Continued)

11.5.2 Assurance (Continued)

Table 11.5.2: Assurance

Guarantor	Guarantee amount	Starting date of guarantee	Maturity date of guarantee	Whether the guarantee has been fulfilled
Y. C. H. C., Ltd.	200,000,000.00	2021/12/24	2026/12/24	N
Y. K. H. C., Ltd.	200,000,000.00	2021/12/24	2026/12/24	N
C. K. H. C., Ltd.	200,000,000.00	2021/12/24	2026/12/24	N
W. Y. G. H. C., Ltd.	200,000,000.00	2021/12/24	2026/12/24	N
P. K. H. C., Ltd.	200,000,000.00	2021/12/24	2026/12/24	N
W. L. Y. H. C., Ltd.	200,000,000.00	2021/12/24	2026/12/24	N
W. C. H. C., Ltd.	200,000,000.00	2021/12/24	2026/12/24	N
C. K. H. C., Ltd.	66,474,000.00	2021/12/24	2026/12/10	N
G. W., W. L.	24,000,000.00	2020/6/30	2027/6/30	N
G. W., W. H., W. L.	79,642,127.25	2021/11/29	2028/11/29	N
G. W., W. H., W. L., X. Y.	180,950,000.00	2020/10/26	2026/10/25	N
G. W.	70,000,000.00	2023/11/8	2026/11/15	N
G. W., W. L., W. H.	14,660,000.00	2019/9/10	2029/8/20	N
G. W., W. L., W. H.	10,280,000.00	2020/1/1	2029/8/20	N
G. W., W. L., W. H.	3,320,000.00	2020/12/22	2029/8/20	N
G. W., W. L., W. H.	2,200,000.00	2020/9/27	2029/8/20	N
G. W., W. L., W. H.	2,200,000.00	2020/9/27	2029/8/20	N
G. W., W. L., W. H.	3,050,000.00	2021/3/1	2029/8/20	N
G. W., W. L., W. H.	3,050,000.00	2021/3/1	2029/8/20	N
G. W., W. L., W. H.	45,000,000.00	2023/7/3	2037/12/31	N
G. W., W. L., W. H.	15,000,000.00	2023/7/31	2037/12/31	N
G. W., W. L., W. H.	10,116,550.00	2023/10/25	2037/12/31	N
G. W., W. L., W. H.	5,007,200.00	2023/11/24	2037/12/31	N
G. W., T. E.				
C. C., C., Ltd., Y. R.				
M. C., Ltd.	60,000,000.00	2023/10/9	2031/10/9	N
W. L.	18,312,000.00	2023/12/20	2028/12/25	N
G. W., W. L.	25,000,000.00	2024/12/10	2027/12/10	N
G. W., W. L.	120,000,000.00	2024/3/27	2027/3/26	N

Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

11 Related parties (Continued)

11.5 Related-party transaction (Continued)

11.5.3 Lending/borrowing

Related party	Lending/borrowing amount	Start date	Maturity date	Description
Bank of China, Ltd.				
Loan from Shanghai Branch	1,095,000.00	2023/9/29		Interest-free
Deposit with Beijing Branch	2,508,250.00	2022/6/13		Interest-free
Loan from Wuxi Branch	13,500,000.00	2023/1/10	2026/1/9	
Deposit with Shanghai Branch	10,204,311.69	2015/6/1		Interest-free
Loan from Wuxi Branch	3,490,447.08	2015/9/1		Interest-free

11.5.4 Related-party transaction

Item	Amount in 2025	Amount in 2024
Interest income	10,661,260.51	8,625,385.30
Interest expense	1,851,645.21	1,863,108.72

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

Notes to the Financial Statements

For the Year Ended December 31, 2025
(All amounts in RMB, unless otherwise specified)

11 Revenue (Continued)

11.7 Director interests and rights

For the period from January 1, 2025 to December 31, 2025:

Name	Remuneration	Salary and subsidies	Social insurance plan contributions	Performance bonus	Other allowances and benefits	Equity incentives	Total
Executive directors							
G 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
Independent director							
J L	70,000.00						70,000.00
W	70,000.00						70,000.00
C S	70,000.00						70,000.00
Supervisor							
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
T	986,495.42	1,861,646.00	284,596.76	274,928.74	54,950.00	733,602.46	4,196,219.38

Notes to the Financial Statements

For the Year Ended 31 December 2025
(All amounts in RMB unless otherwise specified)

11 Related Party Transactions (Continued)

11.7 Director interests and rights (Continued)

The following table shows the remuneration of the directors for 2024:

Name	Remuneration	Salary and allowance	Social insurance plan contribution	Performance bonus	Other allowances and benefits	Equity incentives	Total
Executive directors							
Mr. Wang	100,000.00	404,160.00	82,725.65				

Notes to the Financial Statements

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

11 Revenue (Continued)

11.8 Top five highest remunerated individuals

As of December 31, 2025, the total remuneration of the top five highest remunerated individuals was RMB 3,960,493.88 (2024: RMB 2,888,637.96). The remuneration of these individuals is as follows:

Item	Amount in 2025	Amount in 2024
Basic salary	1,203,855.32	1,557,020.71
Supplementary pension	332,164.74	253,590.18
Paid bonus	1,722,787.77	509,164.51
Others	148,401.60	102,767.30
Subtotal	553,284.45	1,557,020.71
Total	3,960,493.88	2,888,637.96

Remuneration range	2025 headcount	2024 headcount
500,000-1,000,000.00	2	2
Above 1,000,000.00	2	1
Total	4	3

Notes to the Financial Statements

For the year ended 31 December 2025
(All amounts in RMB unless otherwise specified)

12 Share-based payment

At the end of 2023, the Company's share-based payment arrangements included the 2023 Share Incentive Plan (the "Plan"). The Plan was approved by the Board of Directors on 27 September 2023. The Plan aims to attract and retain key management personnel and other core employees, and to align their interests with the long-term interests of the Company. The Plan provides for the granting of restricted shares to eligible participants. The restricted shares are subject to a vesting period of 36 months from the date of grant. The vesting schedule is as follows:

On 12 April 2024, the Board of Directors approved the grant of 363,100 restricted shares to eligible participants under the Plan. The grant price was RMB0.00 per share, which is equivalent to HKD11.20.

On 23 April 2024, the Board of Directors approved the grant of 555,000 restricted shares to eligible participants under the Plan. The grant price was RMB7.00 per share, which is equivalent to HKD10.80.

On 18 July 2024, the Board of Directors approved the grant of 322,000 restricted shares to eligible participants under the Plan. The grant price was RMB7.00 per share, which is equivalent to HKD11.94.

At the end of 2025, the Company's share-based payment arrangements included the 2023 Share Incentive Plan and the 2024 Share Incentive Plan (the "2024 Plan").

Vesting period	Vesting schedule	Vesting ratio
For the year ended 31 December 2025	12 months	25%
For the year ended 31 December 2026	12 months	25%
For the year ended 31 December 2027	24 months	25%
For the year ended 31 December 2028	36 months	25%
For the year ended 31 December 2029	48 months	25%

T C



Notes to the Financial Statements

Fiscal Year Ended December 31, 2025
(All amounts in RMB, unless otherwise specified)

Notes to the Financial Statements

For the Year Ended 31 December 2025
(All amounts in RMB unless otherwise specified)

16 Notes to Accounts Receivable

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 to 2 years	4,493,170.46	6,288,695.61
2 to 3 years	2,644,852.66	257,315.13
3 to 4 years	49,228,799.58	81,223,065.95
Long-term receivables	12,544,534.74	11,526,313.86
Total	36,684,264.84	69,696,752.09

The Company's accounts receivable are primarily derived from medical services provided to patients. The aging schedule shows that the majority of receivables are due within one year, with a significant portion being long-term receivables.

16.1.2 Details of Accounts Receivable

Category	Balance as at 31 December 2025				Balance as at 31 December 2024				
	Book balance		Provision for bad debts		Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount
Receivables from patients	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
Receivables from other parties	11,916,666.11	24.21	11,916,666.11	100.00	10,763,194.65		10,725,880.17		37,314.48
Receivables from government	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
Receivables from insurance	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
Total	49,228,799.58	100.00	12,544,534.74		36,684,264.84	81,223,065.95	100.00	11,526,313.86	69,696,752.09

Notes to the Financial Statements

For the Year Ended 31 December 2025
(All amounts in RMB, unless otherwise specified)

16 Non-current assets

16.1 Accounts receivable (CNY)

16.1.3 Breakdown of accounts receivable by category 2025

Category	Balance as at 31 December 2024	Balance as at 31 December 2025
Accounts receivable	10,725,880.17	11,916,666.11
Accounts receivable - related parties	800,433.69	627,868.63
Total	11,526,313.86	12,544,534.74

16.1.4 Accounts receivable - related parties 2025

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

16.2 Other receivables

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Prepaid expenses	787,500.00	787,500.00
Due from related parties	68,400,000.00	43,400,000.00
Other receivables	481,675,800.90	572,688,222.47
Total	550,863,300.90	616,875,722.47

Notes to the Financial Statements

Fiscal Year Ended 31 December 2025
(Amount in RMB)

16 Notes to Other Receivables (CNY)

16.2 Other receivables (CNY)

16.2.1 Interest receivable

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Interest receivable	787,500.00	787,500.00
Subtotal	787,500.00	787,500.00
Total	787,500.00	787,500.00

16.2.2 Due from related parties

Project (or investee)	Balance as at 31 December 2025	Balance as at 31 December 2024
Chengkang Hospital Co., Ltd.	12,400,000.00	4,400,000.00
Yongkang Hospital Co., Ltd.	7,000,000.00	7,000,000.00
Qingkang Hospital Co., Ltd.	5,300,000.00	16,000,000.00

CNY

Notes to the Financial Statements

For the Year Ended 31 December 2025
(Amount in RMB)

16 Notes to Financial Statements (Continued)

16.2 Other receivables (Continued)

16.2.3 Other receivables

(1) Details

Aging	Balance as at 31 December 2025	Balance as at 31 December 2024
Within 1 year (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: Provision for bad debts	1,217,310.23	1,842,181.81
Total	481,675,800.90	572,688,222.47

(2) Details of Provision for bad debts

Category	Balance as at 31 December 2025				Balance as at 31 December 2024			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	Amount	Proportion (%)	Amount	Provision ratio (%)	Book value	Amount	Proportion (%)	Book value
Receivables from related parties	-	-	-	-	-	-	-	-
Receivables from non-related parties	482,893,111.13	100.00	1,217,310.23	0.25	481,675,800.90	574,530,404.28	100.00	572,688,222.47
Other receivables	54,961,446.39	11.38	1,217,310.23	2.21	53,744,136.16	65,297,554.50	11.37	63,455,372.69
Receivables from government	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	572,688,222.47

Notes to the Financial Statements

For the Year Ended 31 December 2025
(All amounts in RMB, unless otherwise specified)

16 Notes to the Financial Statements (Continued)

16.2 Other receivables (Continued)

16.2.3 Other receivables (Continued)

(2) Details of other receivables (Continued)

Receivables from related parties:

Particulars:

Balance as at 31 December 2025			
Name	Other receivables	Provision for bad debts	Proportion of provision (%)
Wenzhou Kangning Hospital Co., Ltd.	54,961,446.39	1,217,310.23	2.21
Receivables from other parties	427,931,664.74		
Total	482,893,111.13	1,217,310.23	

(3) Details of provision for bad debts:

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)	
Balance at 31 December 2024	1,842,181.81			1,842,181.81
For 2025, Balance at 31 December 2024				
- Transferred to Stage II				
- Transferred to Stage III				
- Reduced to Stage II				
- Reduced to Stage I				
Balance at 31 December 2025				
Receivables from related parties	624,871.58			624,871.58
Receivables from other parties				
Receivables from other parties				
Other receivables				
Balance at 31 December 2025	1,217,310.23			1,217,310.23

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

16 Non-current assets

16.2 Other receivables (Carrying amount)

16.2.3 Other receivables (Carrying amount)

(4) Receivables from related parties (Carrying amount)

Category	Balance as at 31 December 2024	Balance as at 31 December 2025	Balance as at 31 December 2025
Accounts receivable	1,842,181.81	624,871.58	1,217,310.23
Total	1,842,181.81	624,871.58	1,217,310.23

(5) Receivables from non-related parties

Nature of payment	Book balance as at 31 December 2025	Balance as at 31 December 2024
Receivables from related parties	427,931,664.74	509,232,849.78
Receivables from non-related parties	34,457,000.00	38,067,000.00
Contract receivables	2,216,316.97	1,354,960.78
Due from customers	1,937,991.24	2,487,401.88
Other receivables	677,919.00	1,075,972.66
Receivables from related parties	15,672,219.18	22,312,219.18
Total	482,893,111.13	574,530,404.28

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 subsidiaries	793,352,571.90	793,352,571.90	771,544,043.35	771,544,043.35
Investment in associates	65,319,529.44	65,319,529.44	63,293,944.52	63,293,944.52
Total	858,672,101.34	858,672,101.34	834,837,987.87	834,837,987.87

	Balance at 31 December 2024	Balance at 31 December 2023	Balance at 31 December 2022	Balance at 31 December 2021	Balance at 31 December 2020
Investment in subsidiaries	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Investment in associates	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Investment in joint ventures	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Investment in other entities	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

Balance (Book value) as at 31 December 2025	Balance of provision for impairment as at 31 December 2025
---	---

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
Domestic sales	1-3 months	30 days	Medical equipment	Yes	None	None

16.5 Investment income

Item	Amount in 2025	Amount in 2024
Interest income	25,000,000.00	47,438,461.27
Dividend income	2,025,584.92	1,695,251.38
Total	27,025,584.92	49,133,712.65

Wen Zhou Kang Ning Hospital Co., Ltd.
(Wholly owned subsidiary)
March 23, 2026

Definitions

AGM	Annual General Meeting of the Company
A	Asset
A, C	Asset, Capital
B Y H	Beijing Yanning Hospital Co., Ltd. (北京怡寧醫院有限公司), PRC, A 17, 2015, C
B, D, B	Beijing, D, B
C K H	Changnan Kangning Hospital Co., Ltd. (蒼南康寧醫院有限公司), PRC, J 15, 2012, C
CGC	China General Chemical Corporation, A, C1 H K 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, Y H	Changji Yanning Hospital Co., Ltd. (長吉怡寧醫院有限公司), PRC, J 29, 2010, C
C' K H	Chun'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	Wen'an Kangning Hospital Co., Ltd. (溫安康寧醫院有限公司), PRC, H S M B H K S E (S C, : 2120)
C S	Chun'an Kangning Hospital Co., Ltd. (淳安康寧醫院有限公司), M. GUAN W, M. WANG L

Definitions

D 元 (元)	人民币 (元) - C
D 元, S 元 (元)	人民币 (元) - C, RMB1.00, RMB, S 元
D 元 L 元 H 元	D 元 L 元 H 元 C, L, C J 5, 2018,
G 元, H 元	W Y G 元, H 元 C, L, (温州怡宁老年医院有限公司), PRC N 2, 2015, C
G 元, 元	C
G 元 Y 元 H 元	G 元 Y 元 H 元 C, L, (冠县怡宁医院有限公司), PRC M 1, 2017, C
HS 元 (元)	人民币 (元) C, RMB1.00 M B, H K S, E
H 元 Y 元 H 元	H 元 Y 元 P 元, H 元 C, L, (菏泽怡宁精神病医院有限公司), PRC A 6, 2017, C
HK\$ 元 HKD 元	港币 - H K

Definitions

H K • H K S , A , R - PRC
H K L R • R G • L - S , T S E , - H K
H K S , E , •

Definitions

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

Q	K	H	•	Q	K	H	C., L. (青田康寧醫院有限公司), PRC A 1, 2011,
				C			
Q	Y	H	•	Q	Y	H	C., L. (衢州怡寧醫院有限公司), PRC N 20, 2015, C
T	R	P	•			D	31, 2025
R	P		•				
R	C		•			B	
RMB			•			PRC	
SFO			•	S	F	Q	(C 571 L H K),
S	()		•	S	()	C	, RMB1.00
						D	S () H S ()
S	()		•			S	()
S	Y	H	•	S	Y	H	(深圳怡寧醫院, S Y H C., L. (深圳市怡寧醫院有限公司)), PRC S 22, 2014, C
S	R	M	•			B	
C			•				
						C	Q (C 622 L H K)
						H	K L R
S	()		•			S	C
S	C		•	C	S	C	PRC C
				L			

Definitions

本公司	溫州康寧醫院有限公司
溫州慈寧醫院	溫州慈寧醫院有限公司, (溫州慈寧醫院有限公司), PRC J 25, 2006, C
溫州頤海怡寧老年醫院	溫州頤海怡寧老年醫院有限公司, (溫州頤海怡寧老年醫院有限公司), C M 8, 2021, C
怡寧心理互聯網醫院	怡寧心理互聯網醫院(溫州)有限公司, (怡寧心理互聯網醫院(溫州)有限公司), PRC M 10, 2020, C
永嘉康寧醫院	永嘉康寧醫院有限公司, (永嘉康寧醫院有限公司), PRC D 12, 2012, C
樂清康寧醫院	樂清康寧醫院有限公司, (樂清康寧醫院有限公司), PRC S 3, 2013, C
樂清怡寧中西醫結合醫院	樂清怡寧中西醫結合醫院有限公司, (樂清怡寧中西醫結合醫院有限公司), PRC A 4, 2006, C Y B C & W M H L (樂清邦爾中西醫結合醫院有限公司)
%	%

温州康 院服 公司