

(A joint stock limited liability company incorporated in China)

2025

ANNUAL REPORT



Corporate Information

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

Executive Directors

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Corporate Information

Registered Office

40/F, D S. E. C.
248 Q R, E
W
H. K.

Head Office

C H. K. I S L
S 1712-1716, 17 F
H C.
183 Q R, E
W
H. K.

Service Center

2120

Customer Service Center

W

Investor Relations

T : (86) 577 8877 1689
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Chairman's Statement

Dear Shareholders,

First of all, I would like to express my sincere gratitude to the Board of Directors of Wenhou Kangning Hospital Co., Ltd. for their trust and support. I will continue to work hard to fulfill my duties and responsibilities, and ensure the company's stable and healthy development. This statement is for the period ending December 31, 2025.

In 2025, the company has achieved significant progress in various aspects. We have strengthened our core competitiveness, improved our operational efficiency, and enhanced our financial performance. We have also actively participated in social responsibility activities, contributing to the community and society. The company's overall performance has reached a new level, and we are confident that we will continue to achieve greater success in the future.

Looking ahead, we will continue to adhere to our corporate strategy and focus on innovation and development. We will further optimize our business structure, improve our management level, and enhance our brand influence. We will also continue to pay attention to environmental, social and governance (ESG) issues, and actively contribute to the realization of the company's long-term vision and goals. We believe that with the support and cooperation of all shareholders, we will achieve a bright future for the company.

I would like to thank all shareholders for their trust and support. We will continue to work hard to create value for all stakeholders and ensure the company's sustainable and healthy development. Thank you very much.

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A 27, 2026

Management Discussion and Analysis

Business Overview

Psychiatric Specialized Medical Service Industry and Elderly Healthcare Industry in China

Psychiatric Specialized Medical Service Industry

With the improvement of people's living standards and the aging of the population, the demand for psychiatric specialized medical services is increasing. According to the "China Statistical Yearbook of Health Statistics" (2023), the number of psychiatric specialized medical services in China increased by 10.6% in 2023. The industry is expected to continue to grow rapidly in the future. The company has a long history in the psychiatric specialized medical service industry and has accumulated rich experience and technology. The company's main business is to provide psychiatric specialized medical services, including diagnosis, treatment, and rehabilitation. The company has a complete service system and a high level of medical quality. The company's revenue is mainly derived from the provision of psychiatric specialized medical services. The company's operating income is also mainly derived from the provision of psychiatric specialized medical services. The company's profit is also mainly derived from the provision of psychiatric specialized medical services. The company's assets are mainly derived from the provision of psychiatric specialized medical services. The company's liabilities are also mainly derived from the provision of psychiatric specialized medical services. The company's equity is also mainly derived from the provision of psychiatric specialized medical services. The company's cash flow is also mainly derived from the provision of psychiatric specialized medical services. The company's financial position is stable and sound. The company's financial performance is also good. The company's financial indicators are in line with the industry level. The company's financial position is stable and sound. The company's financial performance is also good. The company's financial indicators are in line with the industry level.

Elderly Healthcare Industry

The elderly healthcare industry is a rapidly growing industry in China. According to the "China Statistical Yearbook of Health Statistics" (2023), the number of elderly healthcare services in China increased by 23% in 2023. The industry is expected to continue to grow rapidly in the future. The company has a long history in the elderly healthcare industry and has accumulated rich experience and technology. The company's main business is to provide elderly healthcare services, including diagnosis, treatment, and rehabilitation. The company has a complete service system and a high level of medical quality. The company's revenue is mainly derived from the provision of elderly healthcare services. The company's operating income is also mainly derived from the provision of elderly healthcare services. The company's profit is also mainly derived from the provision of elderly healthcare services. The company's assets are mainly derived from the provision of elderly healthcare services. The company's liabilities are also mainly derived from the provision of elderly healthcare services. The company's equity is also mainly derived from the provision of elderly healthcare services. The company's cash flow is also mainly derived from the provision of elderly healthcare services. The company's financial position is stable and sound. The company's financial performance is also good. The company's financial indicators are in line with the industry level.

Management Discussion and Analysis

Business Review

In 2025, the Company continued to focus on its core business of providing high-quality medical services. The Company's revenue increased by 4.6% compared to 2024. The Company's operating profit increased by 2.1% compared to 2024. The Company's net profit increased by 17.1% compared to 2024. The Company's cash and cash equivalents increased by 4.6% compared to 2024. The Company's total assets increased by 2.1% compared to 2024. The Company's total liabilities increased by 17.1% compared to 2024. The Company's equity increased by 4.6% compared to 2024.

During the reporting period, the Company's operating profit was RMB1,619.8 million, an increase of 2.1% from RMB1,448.7 million in 2024. The Company's net profit was RMB54.4 million, an increase of 17.1% from RMB46.4 million in 2024. The Company's cash and cash equivalents were 34 million (December 31, 2025) compared to 32 million (December 31, 2024). The Company's total assets were 11,508 million (December 31, 2025) compared to 11,508 million (December 31, 2024).

Particularities of Business

The Company's business is characterized by its focus on providing high-quality medical services. The Company's revenue is primarily derived from its core business of providing high-quality medical services. The Company's operating profit is primarily derived from its core business of providing high-quality medical services. The Company's net profit is primarily derived from its core business of providing high-quality medical services. The Company's cash and cash equivalents are primarily derived from its core business of providing high-quality medical services. The Company's total assets are primarily derived from its core business of providing high-quality medical services. The Company's total liabilities are primarily derived from its core business of providing high-quality medical services. The Company's equity is primarily derived from its core business of providing high-quality medical services.

Management Discussion and Analysis

As at December 31, 2025, Group has 26 hospitals, 16 hospitals, 10 hospitals and 25 hospitals, respectively. Total number of beds in operation is 8,708, 6,580, 2,128 and 6,770, respectively. 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 hospitals	16	6,580	15	6,770
National hospitals	10	2,128	10	2,158
Total	26	8,708	25	8,928

Employee and Hospital

As at December 31, 2025, Group has 26 hospitals, 16 hospitals, 10 hospitals and 25 hospitals, respectively. Total number of beds in operation is 8,708, 6,580, 2,128 and 6,770, respectively. As at December 31, 2025, Group has 7 hospitals, 6 hospitals, 1 hospital and 6 hospitals, respectively. Total number of beds in operation is 2,800, 2,630, 170 and 2,580, respectively. 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
Western hospitals	6	2,630	6	2,580
Hispanic hospitals	1	170	1	170
Total	7	2,800	6	2,580

Management Discussion and Analysis

Business Highlights

In 2025, the Company continued to adhere to the strategy of "Quality First, Innovation-Driven, and Digital Transformation". We focused on enhancing our core competencies in medical services, strengthening our research and development capabilities, and accelerating our digital transformation. Through these efforts, we achieved significant progress in various key areas, including clinical research, product innovation, and operational efficiency.

In the field of clinical research, we successfully completed several key projects, including the Phase III clinical trial of our innovative drug, which demonstrated superior efficacy and safety. Additionally, we established strategic partnerships with leading academic institutions to advance our research in precision medicine and personalized healthcare. Our commitment to innovation is reflected in the successful launch of several new products, including our latest AI-powered diagnostic tool, which has significantly improved our diagnostic accuracy and patient care.

In terms of product innovation, we launched three major products: "Jianbing" (尖兵), "Lingyan" (領雁), and our R&D Key Project. These products represent our commitment to providing high-quality, innovative solutions for our patients. Furthermore, we achieved significant milestones in our research and development efforts, with 22 new patents granted and 45 SCI publications, underscoring our strong research capabilities and our position as a leader in our field.

In the area of digital transformation, we implemented the "Jiantong" (健通) project, which integrated our medical data and streamlined our clinical workflows. This initiative has significantly improved our operational efficiency and enhanced the patient experience. Additionally, we launched our "Smart Hospital" initiative, which leverages advanced technologies to optimize our hospital operations and reduce costs. Our digital transformation efforts have not only improved our internal processes but also enabled us to provide more personalized and data-driven care to our patients.

Management Discussion and Analysis

Business Outlook

The Group's business outlook is as follows:

(1) The Group's business outlook for 2023-2025 is as follows: In 2023, the Group's operating income increased by 50% compared with 2022, and the net profit increased by 100% compared with 2022. In 2024, the Group's operating income is expected to increase by 50% compared with 2023, and the net profit is expected to increase by 100% compared with 2023. In 2025, the Group's operating income is expected to increase by 50% compared with 2024, and the net profit is expected to increase by 100% compared with 2024.

(2) The Group's business outlook for 2023-2025 is as follows: The Group's business is mainly concentrated in the United States, PRC, and other regions. The Group's operating income is expected to increase by 50% compared with 2023, and the net profit is expected to increase by 100% compared with 2023. The Group's business is expected to expand to other regions in the future.

(3) The Group's business outlook for 2023-2025 is as follows: The Group's business is mainly concentrated in the United States, PRC, and other regions. The Group's operating income is expected to increase by 50% compared with 2023, and the net profit is expected to increase by 100% compared with 2023. The Group's business is expected to expand to other regions in the future.

Risk

In 2026, the Group's business outlook is as follows: The Group's operating income is expected to increase by 50% compared with 2025, and the net profit is expected to increase by 100% compared with 2025. The Group's business is expected to expand to other regions in the future. The Group's business is mainly concentrated in the United States, PRC, and other regions. The Group's operating income is expected to increase by 50% compared with 2025, and the net profit is expected to increase by 100% compared with 2025. The Group's business is expected to expand to other regions in the future.

Management Discussion and Analysis

Financial Review

Total revenue for 2025 was RMB1,619.8 million, an increase of 2.1% from RMB1,448.7 million in 2024, with a 4.6% increase in operating owned hospitals revenue. Operating owned hospitals revenue for 2025 was RMB1,448.7 million, an increase of 25.8% (2024: 25.9%), with a 4.4% increase in revenue from operating owned hospitals. Revenue from other healthcare related business for 2025 was RMB419.1 million, an increase of 4.4% from RMB400.0 million in 2024. Revenue from other revenue not related to healthcare business for 2025 was RMB54.4 million, an increase of 17.1% from RMB440.0 million in 2024. Revenue from other revenue not related to healthcare business for 2025 was RMB340.3 million (2024: RMB99.6 million).

Revenue from operating owned hospitals

Total revenue from operating owned hospitals for 2025 was RMB1,448.7 million, an increase of 25.8% (2024: 25.9%), with a 4.4% increase in revenue from operating owned hospitals. Revenue from other healthcare related business for 2025 was RMB419.1 million, an increase of 4.4% from RMB400.0 million in 2024. Revenue from other revenue not related to healthcare business for 2025 was RMB54.4 million, an increase of 17.1% from RMB440.0 million in 2024.

Total revenue from operating owned hospitals for 2025 was RMB1,448.7 million, an increase of 25.8% (2024: 25.9%), with a 4.4% increase in revenue from operating owned hospitals.

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

Management Discussion and Analysis

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

Revenue from operating owned hospitals (Billing Revenue*) is primarily derived from the following components: Inpatient services, Outpatient services, and Diagnostic services. The revenue is primarily derived from the following components: Inpatient services, Outpatient services, and Diagnostic services.

The following table summarizes the revenue from operating owned hospitals for the year ended December 31, 2025 and 2024:

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

During the period, the net revenue from operating owned hospitals for 2025 was RMB1,448.7 million, a decrease of 6.5% from 2024, primarily due to the decrease in inpatient services revenue. The net revenue from operating owned hospitals for 2024 was RMB1,517.8 million. The net revenue from operating owned hospitals for 2025 was RMB1,448.7 million, a decrease of 2.1% (2024: 4.1%).

Management Discussion and Analysis

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

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 Y... .. H... .. D... .. R... .. P... .. G B R
 11.5% 2024,

Management Discussion and Analysis

The following table provides a summary of the key financial and operational metrics for the psychiatric healthcare business for the years ended December 31, 2025 and 2024.

Psychiatric healthcare business

	For the year ended December 31,	
	2025	2024
Inpatients		
Inpatient bed-days	8,708	8,928
Total inpatient revenue (RMB'000)	3,178,420	3,267,648
Unit price (%)	91.4	88.4
Total inpatient revenue (RMB)	2,904,367	2,889,163
Total average inpatient spending per bed-day (RMB)	791,185	844,076
Pharmaceutical sales revenue (RMB)	272	292
Pharmaceutical sales revenue (RMB'000)	87,657	89,656
Pharmaceutical sales revenue (RMB)	30	31
Total inpatient revenue (RMB'000)	878,842	933,732
Total average inpatient spending per bed-day (RMB)	303	323
Outpatients		
Total outpatient revenue (RMB)	657,802	474,581
Total outpatient revenue (RMB'000)	43,256	45,078
Average outpatient spending per visit (RMB)	66	95
Pharmaceutical sales revenue (RMB'000)	125,456	128,459
Pharmaceutical sales revenue (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

2025年1-6月，公司实现营业收入人民币878.8万元，较上年同期增长5.9%。2024年，公司实现营业收入人民币878.8万元，较上年同期增长5.9%。其中，住院部实现营业收入人民币450.0万元，较上年同期增长6.2%。2024年，住院部实现营业收入人民币450.0万元，较上年同期增长6.2%。

2025年1-6月，公司实现净利润人民币168.7万元，较上年同期增长2.8%。2024年，公司实现净利润人民币168.7万元，较上年同期增长2.8%。其中，住院部实现净利润人民币88.0万元，较上年同期增长38.6%。2024年，住院部实现净利润人民币88.0万元，较上年同期增长38.6%。

2025年1-6月，公司实现经营活动产生的现金流量净额人民币6.2万元，较上年同期增长6.2%。2024年，公司实现经营活动产生的现金流量净额人民币6.2万元，较上年同期增长6.2%。其中，住院部实现经营活动产生的现金流量净额人民币3.0万元，较上年同期增长79.7%（2024年：80.3%）。2024年，住院部实现经营活动产生的现金流量净额人民币3.0万元，较上年同期增长79.7%（2024年：80.3%）。

Management Discussion and Analysis

Elderly healthcare business

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

Management Discussion and Analysis

Direct operating expenses for the year ended December 31, 2025, were RMB409.4 million, an increase of 6.9% from RMB383.2 million for the year ended December 31, 2024. The increase was primarily due to an increase in depreciation and amortization expenses of RMB7.8 million (2024: RMB6.5 million), an increase in employee benefits of RMB1.2 million (2024: RMB0.8 million), an increase in research and development expenses of RMB0.5 million (2024: RMB0.3 million), and an increase in other operating expenses of RMB0.2 million (2024: RMB0.1 million). Other operating expenses included RMB0.1 million (2024: RMB0.1 million) for depreciation and amortization, RMB0.1 million (2024: RMB0.1 million) for employee benefits, RMB0.1 million (2024: RMB0.1 million) for research and development, and RMB0.1 million (2024: RMB0.1 million) for other operating expenses.

Direct operating expenses for the year ended December 31, 2025, were RMB22.1 million, an increase of 37.0% from RMB16.1 million for the year ended December 31, 2024. The increase was primarily due to an increase in depreciation and amortization expenses of RMB1.5 million (2024: RMB1.2 million), an increase in employee benefits of RMB0.8 million (2024: RMB0.6 million), an increase in research and development expenses of RMB0.5 million (2024: RMB0.3 million), and an increase in other operating expenses of RMB0.3 million (2024: RMB0.2 million). Other operating expenses included RMB0.2 million (2024: RMB0.2 million) for depreciation and amortization, RMB0.2 million (2024: RMB0.2 million) for employee benefits, RMB0.2 million (2024: RMB0.2 million) for research and development, and RMB0.2 million (2024: RMB0.2 million) for other operating expenses.

Direct operating expenses for the year ended December 31, 2025, were RMB9.8 million, an increase of 9.8% from RMB8.9 million for the year ended December 31, 2024. The increase was primarily due to an increase in depreciation and amortization expenses of RMB0.5 million (2024: RMB0.4 million), an increase in employee benefits of RMB0.3 million (2024: RMB0.2 million), an increase in research and development expenses of RMB0.2 million (2024: RMB0.1 million), and an increase in other operating expenses of RMB0.2 million (2024: RMB0.1 million). Other operating expenses included RMB0.1 million (2024: RMB0.1 million) for depreciation and amortization, RMB0.1 million (2024: RMB0.1 million) for employee benefits, RMB0.1 million (2024: RMB0.1 million) for research and development, and RMB0.1 million (2024: RMB0.1 million) for other operating expenses.

Cost of revenue of owned hospitals for the year ended December 31, 2025, was RMB1,074,925,000, an increase of 7.8% from RMB1,000,000,000 for the year ended December 31, 2024. The increase was primarily due to an increase in depreciation and amortization expenses of RMB100,000,000 (2024: RMB80,000,000), an increase in employee benefits of RMB50,000,000 (2024: RMB40,000,000), an increase in research and development expenses of RMB20,000,000 (2024: RMB15,000,000), and an increase in other operating expenses of RMB10,000,000 (2024: RMB8,000,000). Other operating expenses included RMB5,000,000 (2024: RMB4,000,000) for depreciation and amortization, RMB5,000,000 (2024: RMB4,000,000) for employee benefits, RMB5,000,000 (2024: RMB4,000,000) for research and development, and RMB5,000,000 (2024: RMB4,000,000) for other operating expenses.

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

Management Discussion and Analysis

Direct operating expenses increased by 4.5% in 2025 compared to 2024. Indirect operating expenses decreased by 1.6% in 2025 compared to 2024. Total operating expenses increased by 17.0% in 2025 compared to 2024.

For the year ended December 31, 2025, the company's operating profit margin was 27.9% (2024: 30.2%). Total profit margin was 43.9% (2024: 41.3%). Total return to shareholders was 9.8% (2024: 11.3%).

Revenue from the other healthcare related business increased by RMB168.5 million in 2025 compared to RMB107.4 million in 2024. Total revenue increased by RMB90.1 million in 2025 compared to 2024. Revenue from the other healthcare related business accounted for 1.6% of total revenue in 2025, compared to 1.1% in 2024.

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

Other revenue from the other healthcare related business increased by RMB2.6 million in 2025 compared to RMB0.6 million in 2024.

Management Discussion and Analysis

Gross Profit Margin

During the reporting period, the Company's gross profit margin was 25.9% (2024: 26.5%), which was primarily due to the increase in the gross profit margin of the Hospital Department. The gross profit margin of the Hospital Department increased from 29.4% in 2024 to 30.2% in 2025, mainly due to the increase in the gross profit margin of the Hospital Department. The gross profit margin of the Hospital Department increased from 29.4% in 2024 to 30.2% in 2025, mainly due to the increase in the gross profit margin of the Hospital Department. The gross profit margin of the Hospital Department increased from 29.4% in 2024 to 30.2% in 2025, mainly due to the increase in the gross profit margin of the Hospital Department.

	For the year ended December 31,	
	2025	2024
Operating Profit Margin	25.8%	25.9%
Profit Margin	30.2%	29.4%
Equity Income	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%), which was primarily due to the increase in the operating profit margin of the Hospital Department.

Total Sales

During the reporting period, the Company's total sales were RMB11.2 billion (2024: RMB12.3 billion), which was primarily due to the increase in the total sales of the Hospital Department. The total sales of the Hospital Department increased from RMB8.1 billion in 2024 to RMB11.2 billion in 2025, mainly due to the increase in the total sales of the Hospital Department.

Sales Expenses

During the reporting period, the Company's sales expenses were RMB7.7 billion (2024: RMB10.0 billion), which was primarily due to the increase in the sales expenses of the Hospital Department. The sales expenses of the Hospital Department increased from RMB8.1 billion in 2024 to RMB7.7 billion in 2025, mainly due to the increase in the sales expenses of the Hospital Department. The sales expenses of the Hospital Department increased from RMB8.1 billion in 2024 to RMB7.7 billion in 2025, mainly due to the increase in the sales expenses of the Hospital Department.

Management Discussion and Analysis

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 D. ... R. ... P. ... G. ... T. ...
 G. ...

For the year ended
 December 31,
 2025

Management Discussion and Analysis

During the reporting period, the Group's operating profit was RMB30.1 million (2024: RMB36.5 million), a decrease of 17.5%. Total operating expenses were RMB10.9 million (2024: RMB10.7 million), an increase of 2.1% (2024: 2.4%).

Operating expenses include:

Operating expenses include depreciation and amortization of RMB1.2 million (2024: RMB1.1 million), an increase of 9.1%. Total operating expenses were RMB10.9 million (2024: RMB10.7 million), an increase of 2.1% (2024: 2.4%).

For the year ended
December 31,
2025 2024
(RMB'000) (RMB'000)

Interest expense	-842	-3,123
Finance income	30	157
Business income	27,289	33,143
Interest income	11,522	6,912

11,522 / 1,312 / 7,900 / CS0 / 6 N

Management Discussion and Analysis

Income Tax

Our income tax expense is primarily derived from the income tax payable on the taxable income of the Company and its subsidiaries. The income tax expense is recorded in the income statement. The income tax expense for the year ended December 31, 2025 is RMB1,464,000, compared with RMB1,089,000 for the year ended December 31, 2024. The increase is primarily due to the increase in the taxable income of the Company and its subsidiaries.

	For the year ended December 31,	
	2025 (RMB'000)	2024 (RMB'000)
Income tax expense	-1,464	-1,089
Government subsidies	4,804	1,844
Income tax payable	12	755
	3,352	755

During the year ended December 31, 2025, the Company received government subsidies of RMB3.4 million.

Government Subsidies

During the year ended December 31, 2025, the Company received government subsidies of RMB6.6 million (2024: RMB26.5 million).

Accounts Payable

During the year ended December 31, 2025, the Company's accounts payable increased by RMB25.5 million (2024: RMB16.5 million), primarily due to the increase in the amount of accounts payable related to the purchase of medical equipment, RMB14.0 million, and the increase in the amount of accounts payable related to the purchase of pharmaceuticals, RMB11.5 million.



Management Discussion and Analysis

Financial Position

Assets

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

Assets under Management

As of December 31, 2025, the total assets under management of the Company were RMB462.9 million (December 31, 2024: RMB571.8 million), a decrease of 19.0% over the corresponding period of 2024. The decrease was primarily due to the expiration of the investment period of the Chongqing Jintu Medical Health Service Industry Equity Investment Fund (Limited Partnership) (重慶金浦醫療健康服務產業股權投資基金合夥企業(有限合夥)).

The return on assets of the Company was 58.0% (2024: 54.0%).

Operating Results

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

Long-term Equity Investment

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

Other Non-current Assets

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

Financial Assets

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

Management Discussion and Analysis

Cash and Cash Equivalents

As of December 31, 2025, the company's cash and cash equivalents were RMB13.1 million (December 31, 2024: RMB185.2 million). The decrease was primarily due to the purchase of property, plant, and equipment, the purchase of intangible assets, and the payment of dividends to shareholders.

Receivables

As of December 31, 2025, the company's receivables were RMB192.4 million (December 31, 2024: RMB161.8 million).

Inventory

As of December 31, 2025, the company's inventory was RMB285.8 million (December 31, 2024: RMB291.5 million).

Goodwill

As of December 31, 2025, the company's goodwill was RMB126.5 million (December 31, 2024: RMB114.2 million).

Long-term Debt

As of December 31, 2025, the company's long-term debt was RMB121.6 million (December 31, 2024: RMB150.4 million), consisting of long-term debt of RMB9.7 million and long-term debt of RMB38.0 million. The decrease was primarily due to the payment of long-term debt.

Deferred Tax Assets

As of December 31, 2025, the company's deferred tax assets were RMB55.3 million (December 31, 2024: RMB56.2 million).

Accounts Payable

As of December 31, 2025, the company's accounts payable were RMB160.8 million (December 31, 2024: RMB131.9 million).

Prepaid Expenses

As of December 31, 2025, the company's prepaid expenses were RMB23.3 million (December 31, 2024: RMB21.3 million).

Other Assets

As of December 31, 2025, the company's other assets were RMB91.9 million (December 31, 2024: RMB81.3 million).

Management Discussion and Analysis

Liquidity and Capital Resources

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	For the year ended December 31,	
	2025 (RMB'000)	2024 (RMB'000)
N	439,970	99,639
N	-203,913	-172,055
N	-203,584	-76,917
N	32,442	-149,491
N C G O A		
D	RMB440.0	
	RMB54.4	RMB32.0
	RMB160.8	
	RMB165.0	
N C U I A		
D	RMB203.9	
	RMB189.5	
L K H Y H L C H		
N C G E A		
D	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 for Business Enterprises 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 for Business Enterprises on the Company's financial statements is as follows:

As of the end of the reporting period, the Company's total assets are RMB989.2 million, total liabilities are RMB443.6 million, and total equity is RMB545.6 million. The Company's financial statements are prepared in accordance with the new Accounting Standards for Business Enterprises, and the impact of the new Accounting Standards for Business Enterprises on the Company's financial statements is as follows:

Indebtedness

As of the end of the reporting period, the Company's total assets are RMB989.2 million, total liabilities are RMB443.6 million, and total equity is RMB545.6 million.

As of December 31, 2025, the Company's total assets are RMB989.2 million, total liabilities are RMB443.6 million, and total equity is RMB545.6 million. As of December 31, 2024, the Company's total assets are RMB946.2 million, total liabilities are RMB400.6 million, and total equity is RMB545.6 million. The Company's financial statements are prepared in accordance with the new Accounting Standards for Business Enterprises, and the impact of the new Accounting Standards for Business Enterprises on the Company's financial statements is as follows:

As of the end of the reporting period, the Company's total assets are RMB989.2 million, total liabilities are RMB443.6 million, and total equity is RMB545.6 million.

As of December 31, 2025, the Company's total assets are RMB989.2 million, total liabilities are RMB443.6 million, and total equity is RMB545.6 million. As of December 31, 2024, the Company's total assets are RMB946.2 million, total liabilities are RMB400.6 million, and total equity is RMB545.6 million. The Company's financial statements are prepared in accordance with the new Accounting Standards for Business Enterprises, and the impact of the new Accounting Standards for Business Enterprises on the Company's financial statements is as follows:

Management Discussion and Analysis

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T G A D 31, 2025, RMB36.4 RMB148.5

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E G T C

E F E R

T G HKD RMB. T G

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Management Discussion and Analysis

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(2) S P

() S P

A P G E. I S

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

() L P E. I S

T P B

Management Discussion and Analysis

(3) 2025年1-6月，公司实现营业收入1,234,567.89元，较上年同期增长15.23%。

(4) 2025年1-6月，公司实现利润总额1,012,345.67元，较上年同期增长12.56%。

2025年1-6月，公司实现净利润789,012.34元，较上年同期增长10.89%。报告期内，公司营业收入稳步增长，主要得益于业务拓展和精细化管理。同时，公司严格控制成本费用，有效提升了盈利能力。未来，公司将继续加大研发投入，优化产品结构，提升核心竞争力，实现高质量发展。

Management Discussion and Analysis

(4) 报告期内，公司实现营业收入 10,234.56 万元，较上年同期增长 10.23%。

(一) 营业收入

报告期内，公司实现营业收入 10,234.56 万元，较上年同期增长 10.23%。主要系公司 2017 年（A 股 2018 年）上市，募集资金到位，公司运营规模扩大，营业收入相应增加。报告期内，公司营业收入构成如下：

(二) 营业成本

报告期内，公司营业成本为 4,567.89 万元，较上年同期增长 4.57%。主要系公司运营规模扩大，营业成本相应增加。报告期内，公司营业成本构成如下：

(三) 期间费用

报告期内，公司期间费用为 3,456.78 万元，较上年同期增长 3.46%。主要系公司运营规模扩大，期间费用相应增加。报告期内，公司期间费用构成如下：

(5) 报告期内，公司实现净利润 2,345.67 万元。

(一) 利润总额

(二) 净利润

(三) 归属于母公司所有者的净利润

(四) 扣除非经常性损益后的净利润

(五) 其他综合收益

Management Discussion and Analysis

(6) 公司股权激励计划实施情况

(一) 股权激励计划实施情况：公司于2018年12月29日召开股东大会，审议通过《关于公司股权激励计划的议案》，并于2019年1月10日完成股权激励计划的授予登记工作。截至2019年12月31日，股权激励计划实施情况如下：

(二) 股权激励计划实施情况

公司于2019年1月10日完成股权激励计划的授予登记工作，授予对象共计100人，授予数量为1,000,000股，授予价格为人民币10.47元/股。截至2019年12月31日，股权激励计划实施情况如下：(重点激励、有效激励)

(三) 股权激励计划实施情况

Management Discussion and Analysis

DEPARTMENT OF MANAGEMENT AND FINANCE, WEN HOU KANGNING HOSPITAL CO., LTD. AS OF DECEMBER 31, 2025, IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES OF THE SHANGHAI STOCK EXCHANGE.

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

Management Discussion and Analysis

HS A 〃 T S

T 〃 C
C L P R C
A C HS A
T S 2023 C
S 27, 2023. U
C S 8, 2023
C S 27, 2023, A 12, 2024, A 23, 2024 J 18, 2024.

P HS A T S C
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HS A T S
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(3,730,015) C HS
A T S T

Management Discussion and Analysis

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Management Discussion and Analysis

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T 3,730,015 HS A 5.2984% (HS C) C L R D

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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...

Report of the Board

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

Review Report

The Company's financial statements for the year ended December 31, 2025, have been audited by the independent member of the audit committee, Ernst & Young Global Limited ("EY"), who has issued an unqualified audit opinion on the financial statements.

The Board of Directors of the Company has reviewed the financial statements and the audit report of EY, and has confirmed that the financial statements are true and accurate, and that the audit report is unqualified.

Board of Directors

The Board of Directors of the Company consists of the following members: Mr. Gao Ming, Mr. Ding Aimin, Mr. Tang Guohua, Mr. Wang Meng, Mr. Gao Ming, Mr. Ding Aimin, Mr. Tang Guohua, Mr. Wang Meng, Mr. Gao Ming, Mr. Ding Aimin, Mr. Tang Guohua, Mr. Wang Meng.

Financial Review

The financial performance of the Company for the year ended December 31, 2025, is summarized in the following table:

Income Statement

The following table shows the components of the Company's income statement for the year ended December 31, 2025:

Expense Statement

The following table shows the components of the Company's expense statement for the year ended December 31, 2025:

H. K. S. E.

Report of the Board

C O N T E N T S

T O C

Report of the Board

10% PRC S C
 HS 10% S
 HS 10% PRC
 C S
 10% I HS
 10% C
 S C H K
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 S HS 10%
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 20% PRC
 PRC C
 20%

S C

D C R P N 5
 E 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 Group's operating income increased by 2.0% and 4.1% compared with the corresponding period of 2024, while the Group's operating profit decreased by 30% and 30% compared with the corresponding period of 2024. The Group's net profit decreased by 30% and 30% compared with the corresponding period of 2024. The Group's cash and cash equivalents decreased by 30% and 30% compared with the corresponding period of 2024.

For the period ending December 31, 2025, the Group's operating income increased by 8.1% and 32.5% compared with the corresponding period of 2024, while the Group's operating profit decreased by 30% and 30% compared with the corresponding period of 2024.

Nevertheless, the Group's operating income decreased by 5% and 5% compared with the corresponding period of 2024. The Group's net profit decreased by 30% and 30% compared with the corresponding period of 2024.

Shareholders and Stakeholders

The Group's shareholders and stakeholders are as follows:

Directors and Senior Management

For the period ending December 31, 2025, the Group's operating income increased by 2.0% and 4.1% compared with the corresponding period of 2024.

Employees and Customers

For the period ending December 31, 2025, the Group's operating income increased by 2.0% and 4.1% compared with the corresponding period of 2024.

Debt

For the period ending December 31, 2025, the Group's operating income increased by 2.0% and 4.1% compared with the corresponding period of 2024. The Group's net profit decreased by 30% and 30% compared with the corresponding period of 2024. The Group's cash and cash equivalents decreased by 30% and 30% compared with the corresponding period of 2024.

Shareholders

The Group's shareholders and stakeholders are as follows: The Group's operating income increased by 2.0% and 4.1% compared with the corresponding period of 2024. The Group's net profit decreased by 30% and 30% compared with the corresponding period of 2024. The Group's cash and cash equivalents decreased by 30% and 30% compared with the corresponding period of 2024.

Report of the Board

Directors

The Board consists of 10 members, including 3 Executive Directors, 3 Non-executive Directors, and 4 Independent Non-executive Directors.

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 Supervisors consist of 3 members, including 1 Executive Supervisor and 2 Independent Non-executive Supervisors.

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

Report of the Board

Board of Directors, Wen Hou Kangning Hospital Co., Ltd.

For the period from January 1, 2025, to December 31, 2025, the Board of Directors has completed its work in accordance with the provisions of the Company Law of the People's Republic of China, the Articles of Association, and the Regulations of the Board of Directors of the Company.

During the reporting period, the Board of Directors has held 12 meetings, attended by 12 directors, and has made 12 resolutions.

The Board of Directors has reviewed the financial statements of the Company for the reporting period, and has approved the financial statements. The Board of Directors has also reviewed the operating performance of the Company for the reporting period, and has approved the operating performance report. The Board of Directors has also reviewed the annual report of the Company for the reporting period, and has approved the annual report.

The Board of Directors has also reviewed the annual report of the Company for the reporting period, and has approved the annual report.

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The Board of Directors has also reviewed the annual report of the Company for the reporting period, and has approved the annual report.

The Board of Directors has also reviewed the annual report of the Company for the reporting period, and has approved the annual report.

Report of the Board

Non-Executive Chairman

As the Non-Executive Chairman, I am pleased to present the Annual Report of the Company for the year ended 31 December 2025. The Company has achieved significant milestones in 2025, including the successful completion of the IPO and the implementation of the strategic plan. I am confident that the Company is well-positioned to continue its growth and success in the future.

During the year, the Company has focused on enhancing its operational efficiency and expanding its market presence. The Board has actively monitored the Company's performance and provided guidance to the management team. I am grateful to the management team for their dedication and hard work throughout the year.

The Company's financial performance has been strong, with revenue growth and improved profitability. The Board has approved the dividend policy for 2025, which reflects the Company's commitment to returning value to its shareholders.

I look forward to continuing to work with the management team and shareholders to achieve the Company's long-term goals.

The Company's performance in 2025 has been a testament to the strength of its business model and the commitment of its employees. I am proud to be part of this journey and look forward to the continued success of the Company in the years ahead.

Thank you to all the stakeholders for their support and trust in the Company.

Dr. [Name]

Director, Chairman of the Executive Committee, Finance and Human Resources

As the Director, Chairman of the Executive Committee, Finance and Human Resources, I am pleased to present the Annual Report of the Company for the year ended 31 December 2025. The Company has achieved significant milestones in 2025, including the successful completion of the IPO and the implementation of the strategic plan. I am confident that the Company is well-positioned to continue its growth and success in the future.

During the year, the Company has focused on enhancing its operational efficiency and expanding its market presence. The Board has actively monitored the Company's performance and provided guidance to the management team. I am grateful to the management team for their dedication and hard work throughout the year.

The Company's financial performance has been strong, with revenue growth and improved profitability. The Board has approved the dividend policy for 2025, which reflects the Company's commitment to returning value to its shareholders.

I look forward to continuing to work with the management team and shareholders to achieve the Company's long-term goals.

The Company's performance in 2025 has been a testament to the strength of its business model and the commitment of its employees. I am proud to be part of this journey and look forward to the continued success of the Company in the years ahead.

Thank you to all the stakeholders for their support and trust in the Company.

Dr. [Name]

Director, Chairman of the Audit Committee

As the Director, Chairman of the Audit Committee, I am pleased to present the Annual Report of the Company for the year ended 31 December 2025. The Company has achieved significant milestones in 2025, including the successful completion of the IPO and the implementation of the strategic plan. I am confident that the Company is well-positioned to continue its growth and success in the future.

During the year, the Company has focused on enhancing its operational efficiency and expanding its market presence. The Board has actively monitored the Company's performance and provided guidance to the management team. I am grateful to the management team for their dedication and hard work throughout the year.

The Company's financial performance has been strong, with revenue growth and improved profitability. The Board has approved the dividend policy for 2025, which reflects the Company's commitment to returning value to its shareholders.

I look forward to continuing to work with the management team and shareholders to achieve the Company's long-term goals.

The Company's performance in 2025 has been a testament to the strength of its business model and the commitment of its employees. I am proud to be part of this journey and look forward to the continued success of the Company in the years ahead.

Thank you to all the stakeholders for their support and trust in the Company.

Dr. [Name]

Report of the Board

As at December 31, 2025, the Company's share capital consists of 27,330,100 shares, comprising 18,350,250 shares of ordinary shares (D Shares), 3,194,500 shares of preferred shares (P Shares), 5,785,350 shares of restricted shares (RS), 149,300 shares of restricted shares (RS) held by the Company's employees (ESOP), and 309,000 shares of restricted shares (RS) held by the Company's directors and supervisors (DSOP). The Company's share capital is fully paid up.

Name	Class of Shares	Nature of Interest	Number of Shares	Total Number of Shares	Approximate Percentage in Same Class ⁽¹⁾	Approximate Percentage of the Company's Total Issued Share Capital ⁽¹⁾
M. GUAN W (2)	D Shares	Beneficial owner	18,350,250(L)	27,330,100(L)	51.80%	37.77%
		Holder of restricted shares	3,194,500(L)			
	HS Shares	Beneficial owner	5,785,350(L)	458,300(L)	2.34%	0.63%
		Holder of restricted shares	149,300(L)			
M. WANG L (2)	D Shares	Beneficial owner	3,194,500(L)	27,330,100(L)	51.80%	37.77%
		Holder of restricted shares	18,350,250(L)			
	HS Shares	Beneficial owner	5,785,350(L)	458,300(L)	2.34%	0.63%
		Holder of restricted shares	149,300(L)			
M. WANG J	D Shares	Beneficial owner	100,000(L)	100,000(L)	0.19%	0.14%
	HS Shares	Beneficial owner	209,100(L)	209,100(L)	1.07%	0.29%
M. XU Y (3)	D Shares	Holder of restricted shares	4,540,000(L)	4,540,000(L)	8.61%	6.27%

Note:

(L): Limited

- (1) Total number of shares: 27,330,100 shares, comprising 18,350,250 D Shares, 3,194,500 P Shares, 5,785,350 RS, 149,300 ESOP, and 309,000 DSOP.
- (2) M. GUAN W and M. WANG L are beneficial owners of the D Shares and holders of restricted shares. M. GUAN W and M. WANG L are also beneficial owners of the HS Shares and holders of restricted shares. M. GUAN W and M. WANG L are also holders of restricted shares held by the Company's employees (ESOP) and holders of restricted shares held by the Company's directors and supervisors (DSOP).
- (3) M. XU Y is the beneficial owner of the D Shares and the holder of restricted shares. M. XU Y is also the beneficial owner of the HS Shares and the holder of restricted shares. M. XU Y is also the beneficial owner of the ESOP and the holder of restricted shares.

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⁾
SHANGHAI LINGJI INVESTMENT PARTNERSHIP ENTERPRISE (LIMITED LIABILITY PARTNERSHIP) (上海樂進投資合夥企業(有限合夥)) ⁽³⁾	D Shares	Individual	4,519,003(L)	8.57%	6.25%
LIN LIANG	D Shares	Individual	5,846,364(L)	11.08%	8.08%
SHANGHAI LINGJI INVESTMENT MANAGEMENT CO., LTD. (上海正心谷投資管理有限公司) (SHANGHAI LINGJI INVESTMENT MANAGEMENT CO., LTD.) ⁽⁴⁾	D Shares	Individual	5,846,364(L)	11.08%	8.08%
WANGDE INFORMATION TECHNOLOGY CO., LTD. (萬得信息技術股份有限公司)	D Shares	Individual	3,333,000(L)	6.32%	4.61%
SHANGHAI HUIYUAN ENTERPRISE MANAGEMENT CENTER (LIMITED LIABILITY PARTNERSHIP) (上海荷花緣企業管理中心(有限合夥))	D Shares	Individual	3,333,000(L)	6.32%	4.61%
WANGDE IMPACT INVESTMENT (JIAXING) PARTNERSHIP ENTERPRISE (LIMITED LIABILITY PARTNERSHIP) (萬得影響力股權投資(嘉興)合夥企業(有限合夥))(WANGDE INVESTMENT)	D Shares	Individual	3,333,000(L)	6.32%	4.61%
CITIC SECURITIES INVESTMENT CO., LTD. (中信證券投資有限公司)	D Shares	Individual	2,780,000(L)	5.27%	3.84%
CITIC SECURITIES CO., LTD. (中信證券股份有限公司) ⁽⁵⁾	D Shares	Individual	2,780,000(L)	5.27%	3.84%
QIMAO AN LLC	HS Shares	Individual	1,454,000(L)	7.42%	2.01%
QIMAO C LLC	HS Shares	Individual	2,150,900(L)	10.97%	2.97%
QIMAO PEARL MOUNTAIN FUND, L.P.	HS Shares	Individual	1,279,900(L)	6.53%	1.77%
QIMAO PEARL MOUNTAIN II, L.P.	HS Shares	Individual	1,052,000(L)	5.37%	1.45%
UBS GROUP AG	HS Shares	Individual	1,029,400(L)	5.25%	1.42%
OU HONG (鄒海麗)	HS Shares	Individual	1,680,000(L)	8.57%	2.32%
M. WANG HONG ⁽⁶⁾	D Shares	Individual	5,785,350(L)	10.97%	8.00%
		Individual	21,544,750(L)	40.84%	29.77%
	HS Shares	Individual	309,000(L)	1.58%	0.43%
		Individual	149,300(L)	0.76%	0.21%
KINGSHENG HOLDING LIMITED	HS Shares	Individual	3,347,975(L)	17.08%	4.63%
THE TONGCHANG (HK) LIMITED	HS Shares	Individual	3,347,975(L)	17.08%	4.63%

Report of the Board

N/A:

(L): L/A

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

Report of the Board

Director's Report on the Board's Work

Since the beginning of the year, the Board has strictly followed the requirements of the Securities and Futures Ordinance, the Listing Rules, and the Rules Governing the Listing of Securities (the "Rules") and other applicable laws and regulations, and has actively and independently performed its duties and responsibilities. The Board has held 18 meetings to discuss and decide on the company's major business operations, financial performance, and other important matters.

Company's Performance

The Board has actively and independently performed its duties and responsibilities. The Board has held 18 meetings to discuss and decide on the company's major business operations, financial performance, and other important matters. The Board has also reviewed the company's financial performance and the effectiveness of its internal control systems. The Board has also reviewed the company's financial performance and the effectiveness of its internal control systems.

Share Repurchase and Share Buyback

During the year, the company has repurchased 2,270,900 shares (including Repurchased Shares*) of the company's ordinary shares at a total cost of HK\$24,515,933.18. The share repurchase was completed on December 31, 2025.

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

Since the beginning of the year, the Board has strictly followed the requirements of the Securities and Futures Ordinance, the Listing Rules, and the Rules Governing the Listing of Securities (the "Rules") and other applicable laws and regulations, and has actively and independently performed its duties and responsibilities.

As of December 31, 2025, the company's share repurchase program is complete.

Report of the Board

Board of Directors

The Board of Directors consists of 11 members, including 7 independent non-executive directors and 4 executive directors. The Board is responsible for the overall management and supervision of the Company.

Board of Supervisors

The Board of Supervisors consists of 3 members, including 2 independent non-executive supervisors and 1 executive supervisor. The Board of Supervisors is responsible for supervising the management of the Company and the performance of the Board of Directors.

Senior Management

The Senior Management consists of the Chairman of the Board, the President, and other senior executives. They are responsible for the day-to-day operations and management of the Company.

Corporate Governance

The Company has established a robust corporate governance framework, including a set of articles of association, articles of amendment, and a code of conduct. The Company is committed to transparency, integrity, and ethical business practices.

Financial Performance

The Company's financial performance for the year ended December 31, 2025, is summarized as follows: Revenue increased by 24.11% compared to the same period in 2024, while net profit grew by 8.08%. The Company's operating margin improved to 19.28% from 15.8% in 2024, primarily due to cost optimization and operational efficiency.

Key financial indicators for the year include: Total Revenue of RMB 1.2 billion, Net Profit of RMB 230 million, and Operating Profit of RMB 230 million. The Company's financial position remains strong, with a solid balance sheet and healthy cash flow.

The Company's return on equity (ROE) for 2025 was 15.2%, compared to 14.5% in 2024. The Company's operating profit margin was 19.28%, up from 15.8% in 2024. The Company's net profit margin was 19.17%, up from 15.67% in 2024. The Company's operating profit margin was 19.28%, up from 15.8% in 2024. The Company's net profit margin was 19.17%, up from 15.67% in 2024. The Company's operating profit margin was 19.28%, up from 15.8% in 2024. The Company's net profit margin was 19.17%, up from 15.67% in 2024.

Report of the Board

On February 26, 2026, the Board of Directors of Wenhou Kangning Hospital Co., Ltd. (the "Company") held its 2026th Annual Meeting. The meeting was held in accordance with the provisions of the Company's Articles of Association and the Regulations for the Company's Board of Directors. The meeting was held in the Conference Room of the Company's Head Office, H. K. L. R. C. The meeting was held in the presence of all members of the Board of Directors. The meeting was held in the presence of all members of the Board of Directors.

The Board of Directors of the Company has reviewed the Company's financial statements for the year ended December 31, 2025, and has approved the financial statements. The Board of Directors of the Company has reviewed the Company's financial statements for the year ended December 31, 2025, and has approved the financial statements.

Independent Report

The Board of Directors of the Company has reviewed the Company's financial statements for the year ended December 31, 2025, and has approved the financial statements.

Announcement

The Board of Directors of the Company has reviewed the Company's financial statements for the year ended December 31, 2025, and has approved the financial statements.

Announcement

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April 27, 2026

Report of the Supervisory Committee

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In 2025, the Supervisory Committee, composed of three independent non-executive directors, one shareholder representative, and two employee representatives, has diligently performed its supervisory duties. It has closely monitored the company's operations, financial status, and compliance with laws and regulations. The committee has held several meetings to discuss and report on the company's performance, ensuring that the company's interests are protected and its operations are conducted in a transparent and lawful manner.

In 2025, the Supervisory Committee has continued to strengthen its internal control system and risk management. It has actively participated in the company's strategic planning and decision-making processes, providing valuable insights and recommendations. The committee has also focused on enhancing the company's corporate governance and ensuring that all activities are conducted in accordance with the highest standards of integrity and ethical conduct.

The Supervisory Committee has also paid attention to the company's environmental, social, and governance (ESG) performance. It has encouraged the company to adopt sustainable practices and to be socially responsible. The committee has reviewed the company's ESG reports and provided feedback to improve its ESG performance. Additionally, the committee has supported the company's efforts to engage with its stakeholders and to build a strong, positive corporate reputation.

In 2026, the Supervisory Committee will continue to uphold its duties and responsibilities. It will focus on further improving the company's internal control and risk management systems. The committee will also continue to monitor the company's financial performance and ensure that it remains sound and stable. Furthermore, the committee will pay attention to the company's compliance with laws and regulations, and will actively promote the company's corporate governance and ESG performance.

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Corporate Governance Report

Corporate Governance

The Board of Directors is the highest decision-making body of the Company, responsible for the overall strategy and management of the Company. The Board consists of 9 members, including 3 independent non-executive directors and 6 executive directors. The Board has established a set of corporate governance policies and procedures, including the Code of Conduct, the Board Charter, and the Shareholders' Manual. The Board has also established a set of committees, including the Audit Committee, the Remuneration Committee, and the Nominations Committee. The Board has been actively engaged in the Company's operations and has made significant contributions to the Company's growth and development.

Values

The Company's core values are "Integrity, Innovation, and Customer Focus". We are committed to providing high-quality medical services and products to our patients and customers. We believe in the power of innovation to drive progress and improve the lives of our patients. We also value integrity and transparency in all our business dealings. Our core values guide our actions and decisions, and we strive to uphold them in everything we do.

Vision

Our vision is to become a leading medical institution in China, providing comprehensive medical services and products to our patients and customers. We aim to achieve this vision by continuously improving our medical services, expanding our product portfolio, and strengthening our brand. We believe that our vision is achievable through our commitment to excellence and our dedication to our patients and customers.

Mission

Our mission is to provide high-quality medical services and products to our patients and customers, and to improve the lives of our patients. We are committed to providing comprehensive medical services and products, including diagnosis, treatment, and prevention. We also aim to provide a patient-centered experience, with a focus on communication, empathy, and respect. Our mission is to be a trusted and reliable partner for our patients and customers, and to make a positive impact on the lives of our patients.

Corporate Governance Report

Table of Contents

Board Composition

As of the reporting period, the Board of Directors consists of 11 members, including 3 independent non-executive directors, 2 executive directors, and 6 non-executive directors. The Board is composed of members with diverse backgrounds and professional expertise, including medical, management, and finance. The Board members are elected by the shareholders at the Annual General Meeting. The Board is responsible for the overall strategy and management of the company, and for supervising the management team. The Board members are committed to the company's long-term development and to the interests of all shareholders.

The Board of Directors is composed of 11 members, including 3 independent non-executive directors, 2 executive directors, and 6 non-executive directors. The Board members are elected by the shareholders at the Annual General Meeting. The Board is responsible for the overall strategy and management of the company, and for supervising the management team. The Board members are committed to the company's long-term development and to the interests of all shareholders.

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Corporate Governance Report

RESEARCH AND DEVELOPMENT

The Board of Directors has established a Research and Development Committee to oversee the company's research and development activities. The committee is composed of independent non-executive directors and is responsible for reviewing and approving the company's research and development strategy, budget, and progress. The committee also monitors the company's research and development activities and reports to the Board of Directors.

The Board of Directors has established a Research and Development Committee to oversee the company's research and development activities. The committee is composed of independent non-executive directors and is responsible for reviewing and approving the company's research and development strategy, budget, and progress. The committee also monitors the company's research and development activities and reports to the Board of Directors.

In addition, the Board of Directors has established a Research and Development Committee to oversee the company's research and development activities. The committee is composed of independent non-executive directors and is responsible for reviewing and approving the company's research and development strategy, budget, and progress. The committee also monitors the company's research and development activities and reports to the Board of Directors.

As of the end of the reporting period, the Research and Development Committee has completed its duties and reported to the Board of Directors.

The Research and Development Committee has completed its duties and reported to the Board of Directors.

CONTRACTS

During the reporting period, the company has entered into contracts with M. GUAN WANG and B. M. WANG. The company has entered into contracts with M. GUAN WANG and B. M. WANG.

RESEARCH AND DEVELOPMENT

As of the end of the reporting period, the Research and Development Committee has completed its duties and reported to the Board of Directors.

RESEARCH AND DEVELOPMENT

The Research and Development Committee has completed its duties and reported to the Board of Directors. The committee is responsible for reviewing and approving the company's research and development strategy, budget, and progress. The committee also monitors the company's research and development activities and reports to the Board of Directors.

Corporate Governance Report

Chairman of the Board, Supervisors, and Executive Director

On 22 March 2025, Mr. HANG Yubin was elected as the Chairman of the Board of Directors of the Company for the term ending on 30 June 2025, Mr. FANG Wuyang was elected as the Supervisor for the term ending on 30 June 2025, and Mr. FANG Wuyang was elected as the Executive Director for the term ending on 30 June 2025.

The Board of Directors of the Company is composed of 7 members, including 4 independent non-executive directors.

The Board of Supervisors of the Company is composed of 3 members, including 1 independent non-executive supervisor.

Chairman of the Board, Supervisors, Executive Director, and Board Secretary

Since the previous reporting period, the Board of Directors of the Company has not changed its members. The Board of Supervisors of the Company has not changed its members. The Executive Director of the Company is Mr. HANG Yubin, and the Board Secretary is Mr. KONG Lian.

Name	Members of the Group	Positions held at members of the Group	Term of office
GUAN W	Yan Kangning Hospital Chairman	Executive Director	From December 2012 to September 2025
	Yan Kangning Hospital Chairman	Director	From September 2025 to present
WANG L	Wang Gangfang Hospital Chairman	Executive Director, Manager	From March 2024 to November 2025
	Wang Gangfang Hospital Chairman	Chairman, Manager	From November 2025 to present
WANG J	Tian Jiahua Hospital Chairman	Chairman	From September 2025 to present
	Huang Yuhua Wang Gangfang Hospital Chairman	Chairman	From March 2025 to present
	Wang Gangfang Hospital Chairman	Director	From November 2025 to present
	Yan Iuhua (Wang Gangfang Hospital Chairman)	Executive Director, General Manager	From March 2020 to September 2025
XU Y	Wang Gangfang Hospital Chairman	Director	From November 2025 to present
JIN W	Pan Changyan Hospital Chairman	Executive Director	From September 2021 to June 2025
	Pan Changyan Hospital Chairman	Director	From February 2025 to present

Corporate Governance Report

Since the listing of the Company on the Hong Kong Stock Exchange, the Company has strictly followed the provisions of the Securities and Futures Ordinance, the Listing Rules, the Rules Governing the Listing of Securities, the Company's Articles of Association and the Company's Memorandum of Association, and has established a sound corporate governance system.

I. Introduction of the Corporate Governance Report

The Board of Directors, the Company's highest decision-making body, is responsible for the overall corporate governance of the Company. The Board has established a set of corporate governance policies and procedures, and has implemented them in accordance with the provisions of the Securities and Futures Ordinance, the Listing Rules, the Rules Governing the Listing of Securities, the Company's Articles of Association and the Company's Memorandum of Association. The Board has also established a set of internal control systems, and has implemented them in accordance with the provisions of the Securities and Futures Ordinance, the Listing Rules, the Rules Governing the Listing of Securities, the Company's Articles of Association and the Company's Memorandum of Association. The Board has also established a set of risk management systems, and has implemented them in accordance with the provisions of the Securities and Futures Ordinance, the Listing Rules, the Rules Governing the Listing of Securities, the Company's Articles of Association and the Company's Memorandum of Association.

The Board of Directors, the Company's highest decision-making body, is responsible for the overall corporate governance of the Company. The Board has established a set of corporate governance policies and procedures, and has implemented them in accordance with the provisions of the Securities and Futures Ordinance, the Listing Rules, the Rules Governing the Listing of Securities, the Company's Articles of Association and the Company's Memorandum of Association. The Board has also established a set of internal control systems, and has implemented them in accordance with the provisions of the Securities and Futures Ordinance, the Listing Rules, the Rules Governing the Listing of Securities, the Company's Articles of Association and the Company's Memorandum of Association. The Board has also established a set of risk management systems, and has implemented them in accordance with the provisions of the Securities and Futures Ordinance, the Listing Rules, the Rules Governing the Listing of Securities, the Company's Articles of Association and the Company's Memorandum of Association.

II. Corporate Governance

The Company has established a set of corporate governance policies and procedures, and has implemented them in accordance with the provisions of the Securities and Futures Ordinance, the Listing Rules, the Rules Governing the Listing of Securities, the Company's Articles of Association and the Company's Memorandum of Association. The Company has also established a set of internal control systems, and has implemented them in accordance with the provisions of the Securities and Futures Ordinance, the Listing Rules, the Rules Governing the Listing of Securities, the Company's Articles of Association and the Company's Memorandum of Association. The Company has also established a set of risk management systems, and has implemented them in accordance with the provisions of the Securities and Futures Ordinance, the Listing Rules, the Rules Governing the Listing of Securities, the Company's Articles of Association and the Company's Memorandum of Association.

Corporate Governance Report

Shareholders' Rights and Shareholders' Meetings

Our Company (including its subsidiaries) has established a set of rules and procedures to ensure the rights of shareholders and to ensure the fair and orderly operation of the shareholders' meetings.

The Company has established a set of rules and procedures to ensure the rights of shareholders and to ensure the fair and orderly operation of the shareholders' meetings. The Company has established a set of rules and procedures to ensure the rights of shareholders and to ensure the fair and orderly operation of the shareholders' meetings.

Articles of Association

The Company's Articles of Association were revised in 2017, and the revised Articles of Association were approved by the shareholders' meeting in accordance with the Companies Ordinance (Chapter 622 of the Hong Kong Companies Ordinance).

Articles of Association

Accounting Policies

The Company's accounting policies are based on the Accounting Standards for Business Enterprises (ASBEs) issued by the Ministry of Finance of the People's Republic of China in 2006, and the Accounting Standards for Business Enterprises (ASBEs) issued by the Ministry of Finance of the People's Republic of China in 2006.

The Company's accounting policies are based on the Accounting Standards for Business Enterprises (ASBEs) issued by the Ministry of Finance of the People's Republic of China in 2006, and the Accounting Standards for Business Enterprises (ASBEs) issued by the Ministry of Finance of the People's Republic of China in 2006.

Changes of Significant Accounting Policies

The Company has adopted the Accounting Standards for Business Enterprises (ASBEs) issued by the Ministry of Finance of the People's Republic of China in 2006, and the Accounting Standards for Business Enterprises (ASBEs) issued by the Ministry of Finance of the People's Republic of China in 2006.

Articles of Association, Memorandum of Association and General Meeting

The Company's Articles of Association, Memorandum of Association and General Meeting were revised in 2017, and the revised Articles of Association, Memorandum of Association and General Meeting were approved by the shareholders' meeting in accordance with the Companies Ordinance (Chapter 622 of the Hong Kong Companies Ordinance).

Corporate Governance Report

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

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Corporate Governance Report

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Corporate Governance Report

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The Board of Directors (the "Board") of the Company is composed of 7 members, including 3 independent non-executive directors and 4 executive directors. The Board is responsible for the overall strategic management and supervision of the Company's operations. The Board members are elected by the shareholders at the Annual General Meeting. The Board has established a set of internal control systems and procedures to ensure the Company's operations are conducted in a transparent and accountable manner. The Board also oversees the Company's financial performance and ensures that the Company complies with applicable laws and regulations. The Board members are committed to the Company's long-term development and the interests of its shareholders.

The Board has established a set of internal control systems and procedures to ensure the Company's operations are conducted in a transparent and accountable manner. The Board also oversees the Company's financial performance and ensures that the Company complies with applicable laws and regulations. The Board members are committed to the Company's long-term development and the interests of its shareholders.

The Board members are M. CHAN S K (Chairman), M. JIN L., M. GUAN W. D., and R. P. The Board members are committed to the Company's long-term development and the interests of its shareholders.

The Board members are committed to the Company's long-term development and the interests of its shareholders.

Directors	Number of meetings convened/attended
M. CHAN S K (Chairman)	1/1
M. GUAN W. D.	1/1
M. JIN L.	1/1

The Board members are committed to the Company's long-term development and the interests of its shareholders.

Corporate Governance Report

Supervisory Board

The Supervisory Board consists of three members, including two independent non-executive directors and one executive director. The members are Mr. GUAN W (Chairman), Mr. HONG W (Vice Chairman), and Mr. QIN H (Member). The Supervisory Board is responsible for supervising the management of the Company and ensuring that the Company complies with applicable laws and regulations.

At the 2024 Annual General Meeting, the Supervisory Board members were re-elected for a term of three years. The members are Mr. GUAN W (Chairman), Mr. HONG W (Vice Chairman), and Mr. QIN H (Member). The Supervisory Board has held several meetings throughout the year to discuss and approve the Company's financial statements, business plans, and other important matters. The Supervisory Board has also conducted independent audits of the Company's financial statements and internal control systems.

The Supervisory Board members have all received specific training on corporate governance and financial reporting. The Supervisory Board has also established a work plan for the year, which includes supervising the Company's financial statements, business plans, and other important matters.

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

Board of Directors

The Board of Directors consists of seven members, including three independent non-executive directors and four executive directors. The members are Mr. GUAN W (Chairman), Mr. HONG W (Vice Chairman), Mr. QIN H (Member), Mr. LI J (Independent Non-Executive Director), Mr. WANG L (Independent Non-Executive Director), Mr. ZHANG M (Independent Non-Executive Director), and Mr. CHEN X (Executive Director). The Board of Directors is responsible for the overall management and supervision of the Company.

Corporate Governance Report

The Current Composition of the Board

Age	Gender	Years of service as Director
30 ~ 49 (4 (100%))	F (37.5%)	1 ~ 5 (6 (100%))
50 ~ (4 (100%))	M (62.5%)	6 ~ 10 (2 (100%))

Corporate Governance Report

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Corporate Governance Report

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

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Corporate Governance Report

Corporate Governance Report

The Board of Directors, Supervisors, and Management of the Company have fully complied with the requirements of the Securities Law, the Company Law, and other relevant laws and regulations, and have strictly followed the provisions of the Company's Articles of Association and the Rules of Procedure for the Board of Directors, the Rules of Procedure for the Supervisors, and the Rules of Procedure for the Management. The Company has established a sound corporate governance system, and the Board of Directors, Supervisors, and Management have performed their respective duties in accordance with the law, ensuring the Company's stable operation and the protection of the interests of all shareholders.

Shareholder(s) Rights

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

Shareholders holding 10% or more of the shares of the Company have the right to request the Board of Directors to convene an EGM.

Shareholders holding 10% or more of the shares of the Company have the right to request the Board of Directors to convene an EGM. If the Board of Directors does not convene an EGM within 30 days of receiving the request, the shareholders holding 10% or more of the shares of the Company have the right to convene an EGM on their own. The Board of Directors has the right to request the shareholders to convene an EGM.

The Board of Directors has the right to convene an EGM. If the Board of Directors does not convene an EGM within 30 days of receiving the request, the shareholders holding 10% or more of the shares of the Company have the right to convene an EGM on their own.

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Corporate Governance Report

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Corporate Governance Report

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Corporate Governance Report

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Directors, Supervisors and Senior Management

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Directors, Supervisors and Senior Management

Independent Non-executive Directors

Ms. ZHONG Wentang (鐘文堂), 36, G.B. J.B. 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. B. U. S. J. 2012. S. M. B. A. F. U. J. 2022.

Ms. JIN Ling (金玲), 67, G.B. J.B. 2023. M. J. C. 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. Q. 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. L. 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. (浙江省人力資源和社會保障廳).

Mr. CHAN Sai Keung Hugo (陳世強), 70, G.B. J.B. 2023. M. C. L. H. & C. (廖何陳律師行), H. K. A. 1986, & C. M. C. F. V. R. H. K. B. S. E. A. (香港專業及資深行政人員協會) S. 2006. F. O. 6019 O. 1, C.

Directors, Supervisors and Senior Management

SENIOR MANAGEMENT

Mr. XU Ning (許寧), 52, male, Chinese, Bachelor's degree, graduated from the Department of Journalism, Beijing Broadcasting University (Beijing University of Broadcasting) in 1998. He worked in the Department of News, Wenzhou TV Station (Wenzhou Television Station) from 1998 to 2016, where he served as the Deputy Editor-in-Chief of the station and the Deputy Editor-in-Chief of the Wenzhou News Network (Wenzhou News Network). He has been the General Manager of Wenzhou TV Station since 2016. He is currently the Chairman of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. He is also the Chairman of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. He is also the Chairman of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd.

Ms. XU Bing (許冰), 48, female, Chinese, Bachelor's degree, graduated from the Department of Journalism, Beijing Broadcasting University (Beijing University of Broadcasting) in 1998. She worked in the Department of News, Wenzhou TV Station (Wenzhou Television Station) from 1998 to 2016, where she served as the Deputy Editor-in-Chief of the station and the Deputy Editor-in-Chief of the Wenzhou News Network (Wenzhou News Network). She has been the General Manager of Wenzhou TV Station since 2016. She is currently the Chairman of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. She is also the Chairman of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. She is also the Chairman of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd.

Mr. XU Yongjiu (許永九), 50, male, Chinese, Bachelor's degree, graduated from the Department of Journalism, Beijing Broadcasting University (Beijing University of Broadcasting) in 1998. He worked in the Department of News, Wenzhou TV Station (Wenzhou Television Station) from 1998 to 2016, where he served as the Deputy Editor-in-Chief of the station and the Deputy Editor-in-Chief of the Wenzhou News Network (Wenzhou News Network). He has been the General Manager of Wenzhou TV Station since 2016. He is currently the Chairman of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. He is also the Chairman of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. He is also the Chairman of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd.

Directors, Supervisors and Senior Management

Mr. QIAN Chengliang (錢成良)

Directors, Supervisors and Senior Management

Senior Management

Mr. ZHOU Chaoyi (周朝毅), 63, male, Chinese nationality, Bachelor's degree, Senior Engineer. He has worked in the medical field for over 30 years. He served as the Director of the Cardiology Department of Wenzhou Cardiovascular Hospital from 2005 to 2014, and as the Director of the Cardiology Department of Wenzhou City Hospital from 2004 to 2014. He also served as the Director of the Cardiology Department of Wenzhou City Hospital from 1990 to 1995, and as the Director of the Cardiology Department of Wenzhou City Hospital from 1995 to 2004. He is currently the Director of the Cardiology Department of Wenzhou Cardiovascular Hospital. He has published several papers in medical journals and has participated in several national and international conferences.

Mr. ZHOU Chaoyi has been the Director of Wenzhou Kangning Hospital since 2015.

Mr. YE Minjie (葉敏捷), 52, male, Chinese nationality, Bachelor's degree, Senior Engineer. He has worked in the medical field for over 20 years. He served as the Director of the Cardiology Department of Wenzhou City Hospital from 2013 to 2014, and as the Director of the Cardiology Department of Wenzhou City Hospital from 1994 to 2013. He is currently the Director of the Cardiology Department of Wenzhou City Hospital.

Mr. YE Minjie has been the Director of Wenzhou Kangning Hospital since 2014. He has published several papers in medical journals and has participated in several national and international conferences. He is currently the Director of the Cardiology Department of Wenzhou City Hospital.

Directors, Supervisors and Senior Management

Mr. XU Yi (徐誼), 51, male, Chinese, Bachelor's degree, Master's degree, currently a senior manager of the company. He has worked in the pharmaceutical industry for over 20 years. He has held various positions in the company, including Director of the Marketing Department, Director of the Sales Department, and Director of the Customer Service Department. He has also held positions in the government and academia, including Director of the Marketing Department of the Wenzhou Municipal Party School (中共溫州市委黨校), Director of the Marketing Department of the Wenzhou Municipal Health Bureau (溫州市衛生局), and Director of the Marketing Department of the Wenzhou Municipal Health Bureau (溫州市衛生局). He has a rich professional background and extensive industry experience.

Mr. XU Yi (徐誼), 51, male, Chinese, Bachelor's degree, Master's degree, currently a senior manager of the company. He has worked in the pharmaceutical industry for over 20 years. He has held various positions in the company, including Director of the Marketing Department, Director of the Sales Department, and Director of the Customer Service Department. He has also held positions in the government and academia, including Director of the Marketing Department of the Wenzhou Municipal Party School (中共溫州市委黨校), Director of the Marketing Department of the Wenzhou Municipal Health Bureau (溫州市衛生局), and Director of the Marketing Department of the Wenzhou Municipal Health Bureau (溫州市衛生局). He has a rich professional background and extensive industry experience.

Ms. ZHANG Feixue (章飛雪), 56, female, Chinese, Bachelor's degree, Master's degree, currently a senior manager of the company. She has worked in the pharmaceutical industry for over 20 years. She has held various positions in the company, including Director of the Marketing Department, Director of the Sales Department, and Director of the Customer Service Department. She has also held positions in the government and academia, including Director of the Marketing Department of the Wenzhou Municipal Party School (中共溫州市委黨校), Director of the Marketing Department of the Wenzhou Municipal Health Bureau (溫州市衛生局), and Director of the Marketing Department of the Wenzhou Municipal Health Bureau (溫州市衛生局). She has a rich professional background and extensive industry experience.

Mr. WANG Jian (王健), 41, male, Chinese, Bachelor's degree, Master's degree, currently a senior manager of the company. He has worked in the pharmaceutical industry for over 20 years. He has held various positions in the company, including Director of the Marketing Department, Director of the Sales Department, and Director of the Customer Service Department. He has also held positions in the government and academia, including Director of the Marketing Department of the Wenzhou Municipal Party School (中共溫州市委黨校), Director of the Marketing Department of the Wenzhou Municipal Health Bureau (溫州市衛生局), and Director of the Marketing Department of the Wenzhou Municipal Health Bureau (溫州市衛生局). He has a rich professional background and extensive industry experience.

Mr. WANG Jian (王健), 41, male, Chinese, Bachelor's degree, Master's degree, currently a senior manager of the company. He has worked in the pharmaceutical industry for over 20 years. He has held various positions in the company, including Director of the Marketing Department, Director of the Sales Department, and Director of the Customer Service Department. He has also held positions in the government and academia, including Director of the Marketing Department of the Wenzhou Municipal Party School (中共溫州市委黨校), Director of the Marketing Department of the Wenzhou Municipal Health Bureau (溫州市衛生局), and Director of the Marketing Department of the Wenzhou Municipal Health Bureau (溫州市衛生局). He has a rich professional background and extensive industry experience.

Directors, Supervisors and Senior Management

Mr. JIN Weiguang (金偉光), 57, male, Chinese, Bachelor's degree, Hubei University of Medicine, Hubei, China. He has worked in the pharmaceutical industry for over 20 years. He has held various positions in the pharmaceutical industry, including Director of Sales, Director of Marketing, and Director of Operations. He has been a member of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. since 2015. He has also served as a member of the Board of Supervisors of Wenzhou Kangning Hospital Co., Ltd. since 2015. He has been a member of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. since 2017. He has been a member of the Board of Supervisors of Wenzhou Kangning Hospital Co., Ltd. since 2017. He has been a member of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. since 2022. He has been a member of the Board of Supervisors of Wenzhou Kangning Hospital Co., Ltd. since 2022. He has been a member of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. since 2018. He has been a member of the Board of Supervisors of Wenzhou Kangning Hospital Co., Ltd. since 2018. He has been a member of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. since 1987. He has been a member of the Board of Supervisors of Wenzhou Kangning Hospital Co., Ltd. since 2015. He has been a member of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. since 2009. He has been a member of the Board of Supervisors of Wenzhou Kangning Hospital Co., Ltd. since 2009. He has been a member of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. since 2002. He has been a member of the Board of Supervisors of Wenzhou Kangning Hospital Co., Ltd. since 2009. He has been a member of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. since 2002. He has been a member of the Board of Supervisors of Wenzhou Kangning Hospital Co., Ltd. since 2009.

Mr. JIN Weiguang has received several awards and honors, including the "Outstanding Contribution Award" from the CPC (Central Party School Correspondence College) in 1997, the "Advanced Individual" award from the Zhejiang Normal University Regional Economic Research Graduate Course (Advanced Class) in 2002, the "Advanced Individual" award from the Australian Health Administration (Medical Quality Management) Training Class in 2003, and the "Advanced Individual" award from the Zhejiang University Public Management Research Class in 2004.

Mr. JIN Hui (金輝), 39, male, Chinese, Bachelor's degree, Hubei University of Medicine, Hubei, China. He has worked in the pharmaceutical industry for over 10 years. He has held various positions in the pharmaceutical industry, including Director of Sales, Director of Marketing, and Director of Operations. He has been a member of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. since 2022. He has been a member of the Board of Supervisors of Wenzhou Kangning Hospital Co., Ltd. since 2022. He has been a member of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. since 2012. He has been a member of the Board of Supervisors of Wenzhou Kangning Hospital Co., Ltd. since 2021. He has been a member of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. since 2012. He has been a member of the Board of Supervisors of Wenzhou Kangning Hospital Co., Ltd. since 2021. He has been a member of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. since 2018. He has been a member of the Board of Supervisors of Wenzhou Kangning Hospital Co., Ltd. since 2018. He has been a member of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. since 2009. He has been a member of the Board of Supervisors of Wenzhou Kangning Hospital Co., Ltd. since 2012.

Mr. JIN Hui has received several awards and honors, including the "Outstanding Contribution Award" from Zhejiang University of Finance and Economics (Zhejiang University of Finance and Economics) in 2008, the "Advanced Individual" award from the Zhejiang University of Finance and Economics in 2013, and the "Advanced Individual" award from the Zhejiang University of Finance and Economics in 2024.

Directors, Supervisors and Senior Management

Directors/Senior Management	Members of the Group	Positions Held at Members of the Group	Term of Office
WANG L. 王 磊	Y. K. 杨 坤 M. C., L. 马 成 亮	E. J., M. 执行董事, 总经理	J. 2017
	Q. K. 邱 坤 C., L. 曹 亮	M. 监事	D. 2018
	H. Y. 何 宇 S. C., L. 孙 成 亮	E. J., G. 执行董事, 总经理	D. 2020
	Y. H. 于 昊 T. C., L. 陶 成 亮	E. J. 执行董事	S. 2022
	D. 董	C. 监事	S. 2022
	P. C., L. 潘 成 亮	C. 监事	M. 2023
	C. K. 曹 坤 H. C., L. 何 成 亮	D. 董事	N. 2022
	C. K. 曹 坤 P. H. 潘 昊 C., L. 曹 亮	C. 监事	M. 2023
	W. G. 王 刚 F. H. 冯 昊 C., L. 曹 亮	C., M. 董事, 总经理	N. 2025
	B. Y. 白 宇 H. C., L. 何 成 亮	E. J. 执行董事	J. 2024
Q. K. 邱 坤 R. 冉 M. C., L. 马 成 亮	M. 监事	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.	N. 2015
	W. N. P. S. H. C., L.	C., M.	J. 2019
	H. K. H. C., L.	D.	J. 2019
	H. Y. P. H. C., L.	D.	J. 2019
	Y. P. I. H. (W. C., L.)	E., G. M.	M. 2020 F. 2025
	Y. H. T. C., L.	M.	M. 2020
	W. L. Y. H. C., L.	D.	A. 2020
	J. S. H. C., L.	C.	O. 2022
	L. K. H. C., L.	E., G. M.	F. 2023
	B. Y. H. C., L.	D., M.	F. 2023
	C. K. P. H. C., L.	D.	M. 2023
	C. J. Y. P. H. C., L.	C.	D. 2023
	Y. G. H. S. C., L.	D., M.	A. 2024
	H. Y. H. C., L.	D.	M. 2025
	Y. P. C., L.	D., M.	J. 2025
	W. D. C. S. C., L.	D.	S. 2025
	J. H. T. C., L.	C.	S. 2025
	W. G. F. H. C., L.	D.	N. 2025

Directors, Supervisors and Senior Management

Directors/Senior Management	Members of the Group	Positions Held at Members of the Group	Term of Office
HOUC	Y 张, H 洪 M 明, C 成, L 林	SB 监事	自 2017 年起
	Q 钱, Y 杨, H 洪 C 成, L 林	D 董	自 2022 年起
HANG F 杭	L 李, K 康, H 洪 C 成, L 林	E 执行董事, M 经理	自 2018 年起
	W 王, N 宁, P 平 S 盛, H 洪, C 成, L 林	D 董	自 2019 年起
	L 李, C 成, H 洪 C 成, L 林	E 执行董事, M 经理	自 2020 年起
JIN W 金	H 何, Y 杨, P 平 H 洪, C 成, L 林	D 董	自 2018 年起
	P 平, C 成, Y 杨 H 洪, C 成, L 林	D 董	自 2025 年起
XUN 荀	G 葛, Y 杨, H 洪 C 成, L 林	E 执行董事	自 2019 年起
	H 何, Y 杨, P 平 H 洪, C 成, L 林	C 监事	自 2020 年起
JIN H 金	W 王, O 欧, Y 杨 E 艾, H 洪, C 成, L 林	SB 监事	自 2022 年起
	C 成, Y 杨, N 宁 C 成, C 成, L 林	SB 监事	自 2022 年起
	P 平, C 成, Y 杨 H 洪, C 成, L 林	SB 监事	自 2023 年起
	J 贾, S 孙, H 洪 C 成, L 林	D 董	自 2024 年起

Auditor's Report

Opinion

Wen Hou Kangning Hospital (hereinafter referred to as "the Company") has engaged us to audit its financial statements for the year ended December 31, 2025. We have conducted our audit in accordance with the standards of the Institute of Certified Public Accountants of the People's Republic of China.

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

The audit was conducted in accordance with the standards of the Institute of Certified Public Accountants of the People's Republic of China. We have obtained sufficient and appropriate audit evidence to support our opinion.

The audit was conducted in accordance with the standards of the Institute of Certified Public Accountants of the People's Republic of China. We have obtained sufficient and appropriate audit evidence to support our opinion.

Responsibilities of Management and the Audit Committee

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable accounting standards, and for designing, implementing and maintaining an effective system of internal control to prevent, detect and correct errors and fraud. The Audit Committee is responsible for overseeing the financial reporting process and the effectiveness of the internal control system.

In conducting our audit, we have relied on the work of the internal control system of the Company. We have not audited the internal control system of the Company, and we do not express an opinion on the effectiveness of the internal control system of the Company.

The audit was conducted in accordance with the standards of the Institute of Certified Public Accountants of the People's Republic of China. We have obtained sufficient and appropriate audit evidence to support our opinion.

Auditor's Report

安永·华明会计师事务所(特殊普通合伙) 安永·华明会计师事务所(特殊普通合伙)

安永·华明会计师事务所(特殊普通合伙) 安永·华明会计师事务所(特殊普通合伙)

Auditor's Report

审计报告 ()

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Consolidated Balance Sheet

31 December 2025

(Amount in RMB)

Asset	Notes	Balance as at 31 December 2025	Balance as at 31 December 2024
Current assets:			
Cash and cash equivalents	5.1	294,039,860.88	261,749,010.62
Accounts receivable			
Prepaid expenses			
Other receivables	5.2	8,573,388.20	7,938,322.41
Inventory			
Other current assets	5.3	1,486,564.55	663,798.83
Financial assets	5.4	462,939,569.82	571,812,956.97
Other non-current assets			
Investments in subsidiaries	5.5	15,792,568.62	14,713,963.24
Investments in associates			
Other non-current assets			
Other non-current assets	5.6	77,790,656.08	81,354,941.59
Other non-current assets			
Other non-current assets	5.7	46,032,543.08	50,629,131.38
Other non-current assets			
Other non-current assets			
Other non-current assets	5.8		
Other non-current assets			
Other non-current assets	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	2025	Balance as at 31 December 2025	2024
Non-current assets:			
Long-term equity investments	5.10		14,000,000.00
Long-term receivables	5.11	95,912,391.92	99,413,985.20
Intangible assets	5.12	28,123,065.82	36,755,116.10
Financial assets	5.13	1,159,366,939.63	889,544,442.13
Contract assets	5.14	13,091,854.50	185,164,227.10
Other non-current assets			
Receivables	5.15	192,354,108.23	161,821,444.56
Inventory	5.16	285,757,258.42	291,535,792.26
Investments in subsidiaries			
D			
Investments in associates			
G	5.17	126,454,937.63	114,158,433.92
L	5.18	121,609,290.74	150,407,031.48
D	5.19	55,346,815.83	56,197,544.77
O	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

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Liability and Equity:
GUAN W

Reserve and Capital:
JIN H

Management and Director:
WANG M

Consolidated Balance Sheet

31 December 2025

(Amount in thousands of RMB)

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

Consolidated Balance Sheet

31 December 2025

(Amount in RMB)

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

Consolidated Balance Sheet

31 December 2025

(All amounts in RMB unless otherwise specified)

	N	Balance as at 31 December 2025	Balance as at 31 December 2024
Liabilities and shareholders' equity			
Owner's equity:			
Share capital	5.36	72,358,900.00	72,670,000.00
Other equity			
Investment reserve			
Profit reserve			
Capital reserve	5.37	760,645,326.71	790,024,238.03
Surplus reserve	5.38	47,815,625.17	22,366,848.64
Other reserves			
Minority interest	5.39	38,399,577.13	38,399,577.13
Reserves	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 = TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY

Liability Director:
GUAN W

Responsible Director:
JIN H

Head of Accounting:
WANG M

Company's Balance Sheet

31 December 2025

(Amount in RMB)

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			
Receivables			
Accounts receivable	16.1	36,684,264.84	69,696,752.09
Prepaid expenses		1,846,331.88	2,264,057.74
Other current assets	16.2	550,863,300.90	616,875,722.47
Intangible assets		10,183,513.42	10,162,306.19
Investments in subsidiaries			
Investments in associates			
Available-for-sale financial assets			
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	N 16	Balance as at 31 December 2025	Balance as at 31 December 2024
Non-current assets:			
Land use rights			
Intangible assets			
Long-term equity investments	16.3	858,672,101.34	834,837,987.87
Investments in subsidiaries		28,123,065.82	36,755,116.10
Investments in associates		272,207,527.96	280,273,134.88
Available-for-sale financial assets		1,025,192.00	622,132.50
Receivables			
Other receivables			
Prepaid expenses			
Other non-current assets		22,729,970.04	23,603,766.55
Investments in subsidiaries			
Investments in associates			
Other non-current assets			
Long-term equity investments		15,910,730.63	18,701,115.49
Investments in subsidiaries		18,521,653.76	17,876,806.13
Investments in associates		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

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L R :
GUAN W

R C A :
JIN H

H A D :
WANG M

Company's Balance Sheet

31 December 2025

(Amount in RMB)

Liabilities and shareholders' equity	N 16	Balance as at 31 December 2025	Balance as at 31 December 2024
Current liabilities:			
Short-term borrowings		93,720,000.00	75,000,000.00
Accounts payable		35,437,646.63	50,885,691.57
Prepaid expenses		4,504,580.09	4,828,444.68
Other payables		20,959,095.77	20,234,697.93
Contract liabilities		3,963,391.03	3,208,892.78
Other current liabilities		22,658,542.55	51,395,823.13
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
Lease liabilities		20,752,353.52	34,016,324.10
Other non-current liabilities		8,126,515.00	8,430,307.00
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 December 2025

(Amount in RMB)

	Balance as at	Balance as at
Liabilities and shareholders' equity	31 December 2025	31 December 2024
Owner's equity:		
Capital	72,358,900.00	72,670,000.00
Other comprehensive income		
Reserves		
Capital reserve	833,848,391.98	832,320,975.11
Surplus reserve	47,815,625.17	22,366,848.64
Special reserve		
Other reserves	38,399,577.13	38,399,577.13
Retained earnings	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

TOTAL ASSETS

Li Guan W

Chen JIN H

Hou Wang M

Consolidated Income Statement

Year 2025

(Amount in RMB)

Item	2025	Amount in 2025	2024
III. Operating profit (losses represented with “-” signs)		84,833,285.98	75,353,614.13
A. Operating profit (losses represented with “-” signs)	5.52	1,321,588.29	1,528,901.03
B. Operating profit (losses represented with “-” signs)	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
C. Pre-tax profit (total loss represented with “-” signs)	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) Net profit (net loss represented with “-” signs)			
1. Net profit (net loss represented with “-” signs)		36,603,923.23	50,397,711.37
2. Net profit (net loss represented with “-” signs)			
(II) Net profit (net loss represented with “-” signs)			
1. Net profit (net loss represented with “-” signs)		54,395,979.83	65,610,188.85
2. Net profit (net loss represented with “-” signs)		-17,792,056.60	-15,212,477.48
VI. Other comprehensive income, net of tax			
(I) Other comprehensive income, net of tax			
1. Other comprehensive income, net of tax			
2. Other comprehensive income, net of tax			
3. Other comprehensive income, net of tax			
4. Other comprehensive income, net of tax			

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 investments			
7. Other income			
Operating profit			
VII. Total comprehensive income		36,603,923.23	50,397,711.37
Attributable to equity holders of the parent company		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
 Prepared by: JIN HB
 Prepared by: WANG M

Company's Income Statement

Y. 2025

(A RMB)

Item	N 16	Amount in 2025	A RMB 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
E		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	16.5	2,025,584.92	1,695,251.38
I			
N			
G			
G		-1,962,024.32	742,239.73
A		-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

Year 2025

(Amount in RMB)

Item	2025	2024
V. Other comprehensive income, net of tax		
(I) Other comprehensive income arising from equity investments		
1. Change in fair value of equity investments		
2. Other comprehensive income arising from equity investments		
3. Change in fair value of equity investments		
4. Change in fair value of equity investments		
(II) Other comprehensive income arising from other sources		
1. Other comprehensive income arising from other sources		
2. Change in fair value of equity investments		
3. Available for sale financial assets		
4. Government grants		
5. Remeasurement of defined pension plans		
6. Exchange differences on translation of foreign operations		
7. Other comprehensive income arising from other sources		
VI. Total comprehensive income	32,939,727.23	38,090,066.22
VII. Earnings per share:		
(I) Basic earnings per share (RMB/)		
(II) Diluted earnings per share (RMB/)		

TOTAL

LIAISON: GUAN W
 RESPONSIBLE: JIN H
 HEAD: 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

Year 2025

(Amount in RMB)

Item	Unit	Amount in 2025	Amount in 2024
II. Cash flows from investing activities			
Cash received from disposal of fixed assets and other long-term assets		14,540,025.96	34,242,178.97
Cash received from disposal of intangible assets		12,086.31	
Net cash received from disposal of subsidiaries and other entities		173,819.70	1,844,120.17
Net cash received from disposal of associates and other entities			2,000,000.00
Cash received from disposal of financial assets	5.56	13,000,000.00	
Sub-total of cash inflows of investing activities		27,725,931.97	38,086,299.14
Cash paid for acquisition of fixed assets and other long-term assets		189,507,952.28	192,178,988.86
Cash paid for acquisition of intangible assets		1,200,000.00	17,020,000.00
Net cash paid for acquisition of subsidiaries and other entities		27,901,903.01	
Cash paid for acquisition of associates and other entities	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			
Cash received from issuing shares		14,000,000.00	7,210,500.00
Interest received from bank deposits		14,000,000.00	7,210,500.00
Cash received from bank deposits		433,102,530.08	448,460,250.00
Cash received from other financing activities	5.56	850,000.00	60,000,000.00
Sub-total of cash inflows of financing activities		447,952,530.08	515,670,750.00
Cash paid for acquisition of intangible assets		400,626,910.05	367,013,827.25
Cash paid for acquisition of property, plant and equipment		74,417,907.34	74,654,124.22
Interest paid on bank deposits		1,515,123.89	2,923,034.00
Cash paid for other financing activities	5.56	176,491,832.65	150,919,616.84
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
Net increase in cash and cash equivalents	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

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JIN HH A D :
WANG M

Company's Statements of Cash Flows

Year 2025

(Amount in 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
Other cash inflows		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 expenses		153,791,613.45	135,345,404.98
Cash paid for taxes		172,187,105.62	163,048,839.70
Cash paid for interest		5,232,958.43	3,350,063.92
Cash paid for dividends		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 subsidiaries			18,438,461.27
Net cash received from disposal of subsidiaries		33,949.00	21,024.00
Net cash received from disposal of subsidiaries			
Cash received from disposal of subsidiaries			
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 subsidiaries		176,657,200.00	184,882,800.00
Net cash paid for acquisition of subsidiaries			
Cash paid for acquisition of subsidiaries			
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 • • • • •		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

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JIN H ¥H • • • • • A ¥ • • • • • D • • • • • :
WANG M. ¥

Consolidated Statement of Changes in Shareholders' Equity

Y 2025

(A RMB)

Item	Equity attributable to owners of the company							Minority equity	Total owner's equity			
	Share capital	Preferred shares	Perpetual bond	Other equity instruments	Capital surplus	Less: treasury stock	Other comprehensive income			Specific reserve	Surplus reserve	Provision for general risk
(IV) Balance at 31 December 2024	72,358,900.00				760,645,326.71	47,815,625.17		38,399,577.13	364,230,299.84	1,187,818,478.51	123,811,419.81	1,311,629,898.32
(V) Changes during the year												
1. Issuance of shares												
2. Share repurchase												
3. Share-based payment												
4. Conversion of convertible preferred shares												
5. Other changes												
6. Other												
(VI) Balance at 31 December 2025												
(VII) Total												
(VIII) Total												
(IX) Total												
(X) Total												
(XI) Total												
(XII) Total												
(XIII) Total												
(XIV) Total												
(XV) Total												
(XVI) Total												
(XVII) Total												
(XVIII) Total												
(XIX) Total												
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(XXXIX) Total												
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(XLII) Total												
(XLIII) Total												
(XLIV) Total												
(XLV) Total												
(XLVI) Total												
(XLVII) Total												
(XLVIII) Total												
(XLIX) Total												
(L) Total												

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

Consolidated Statement of Changes in Shareholders' Equity

Year 2025

(All amounts in RMB)

	Balance at 31 December 2023	2025	Balance at 31 December 2024
I. Balance as at 31 December 2023	74,600,300.00	852,695,601.69	12,587,011.74
II. Changes in 2024 (decrease represented with "-")			
1. Issuance of shares			
2. Share repurchase			
3. Share-based payment			
4. Other			
III. Changes in 2024 (decrease represented with "-")			
1. Profit for the year			
2. Other comprehensive income			
3. Distribution of dividends			
4. Other			
Balance at 31 December 2024	74,600,300.00	852,695,601.69	12,587,011.74
IV. Balance as at 31 December 2024	74,600,300.00	852,695,601.69	12,587,011.74

Company's Statements of Changes in Shareholders' Equity

Year 2025

(All amounts in RMB)

	A Dec 2024					
	Shareholders' Equity	Reserves	Surplus Reserve	Other Reserves	Minority Interest	Total
I. 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) Total	-1,930,300.00	-38,909,633.53	9,779,836.90		4,809,476.22	-45,810,314.21
(II) Changes						
1. Capital Contributions	-1,930,300.00					
2. Changes in Reserves		-27,254,804.59	9,779,836.90			-38,964,941.49
3. Changes in Minority Interest		-31,435,114.37	9,779,836.90			-41,214,951.27
4. Other		3,997,509.78				3,997,509.78
(III) Total	-1,930,300.00	-38,909,633.53	9,779,836.90		4,809,476.22	-45,810,314.21
IV. Changes in Reserves						
1. Changes in Reserves						
2. Changes in Reserves						
3. Other						
4. Other						
5. Other						
6. Other						
7. Other						
8. Other						
9. Other						
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18. Other						
19. Other						
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21. Other						
22. Other						
23. Other						
24. Other						
25. Other						
26. Other						
27. Other						
28. Other						
29. Other						
30. Other						

Company's Statements of Changes in Shareholders' Equity

Year 2025

(Amount in RMB)

I	A 2024					T
	Balance at the beginning of the year	Issue of new shares	Share repurchase	Other changes	Balance at the end of the year	
(IV) Total	0	0	0	0	0	0
1. Capital reserve	0	0	0	0	0	0
2. Surplus reserve	0	0	0	0	0	0
3. Undistributed profit	0	0	0	0	0	0
4. Total	0	0	0	0	0	0
(V) Total	0	0	0	0	0	0
1. Total	0	0	0	0	0	0
2. Total	0	0	0	0	0	0
(VI) Total	0	0	0	0	0	0
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						

Prepared by: GUAN W
 Reviewed by: JIN H
 Approved by: WANG M
 Date: 2025.12.31

Notes to the Financial Statements

Fiscal Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

3

- 1. The Group has established a comprehensive system of internal control to ensure the reliability of financial reporting, the efficiency of operations, and compliance with applicable laws and regulations. The Group has conducted a self-evaluation of its internal control system and found that it is effective in all material aspects.
- 2. The Group has established a comprehensive system of internal control to ensure the reliability of financial reporting, the efficiency of operations, and compliance with applicable laws and regulations. The Group has conducted a self-evaluation of its internal control system and found that it is effective in all material aspects.
- 3. The Group has established a comprehensive system of internal control to ensure the reliability of financial reporting, the efficiency of operations, and compliance with applicable laws and regulations. The Group has conducted a self-evaluation of its internal control system and found that it is effective in all material aspects.

3.1 Statement of compliance with the Accounting Standards for Business Enterprises

The Group has prepared its financial statements in accordance with the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance of the People's Republic of China. The Group has also followed the relevant provisions of the Accounting Standards for Business Enterprises for the period ended 31 December 2025.

3.2 Accounting period

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

3.3 Operating cycle

The Group's operating cycle is 12 months.

3.4 Bookkeeping currency

The Group's bookkeeping currency is RMB.

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

Business combinations under common control are accounted for using the acquisition method. The identifiable intangible assets acquired in a business combination under common control are measured at their fair value. The goodwill arising from a business combination under common control is measured as the difference between the aggregate of the fair values of the identifiable intangible assets and the aggregate of the fair values of the net assets of the acquiree. Business combinations not under common control are accounted for using the acquisition method. The identifiable intangible assets acquired in a business combination not under common control are measured at their fair value. The goodwill arising from a business combination not under common control is measured as the difference between the aggregate of the fair values of the identifiable intangible assets and the aggregate of the fair values of the net assets of the acquiree.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

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

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

When the acquirer and the acquiree are under common control at the time of the business combination, the business combination is accounted for as an equity transaction. The acquirer shall not recognize goodwill or identify intangible assets. The acquiree's identifiable intangible assets shall be recognized only if they can be measured reliably at the time of the business combination. The acquirer shall recognize the difference between the consideration paid and the share of the acquiree's net assets as a capital reserve. The acquiree's net assets shall be measured at their carrying amounts at the time of the business combination. The acquiree's net assets shall be measured at their carrying amounts at the time of the business combination. The acquiree's net assets shall be measured at their carrying amounts at the time of the business combination.

When the acquirer and the acquiree are not under common control at the time of the business combination, the business combination is accounted for as an acquisition. The acquirer shall recognize goodwill or identify intangible assets. The acquiree's identifiable intangible assets shall be recognized only if they can be measured reliably at the time of the business combination. The acquirer shall recognize the difference between the consideration paid and the share of the acquiree's net assets as a capital reserve. The acquiree's net assets shall be measured at their fair values at the time of the business combination. The acquiree's net assets shall be measured at their fair values at the time of the business combination.

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

3.6.1 Control

The acquirer shall determine whether it has control over the acquiree based on the following criteria: (1) Power to govern the financial and operating policies of the acquiree; (2) Exposure to variable returns from the acquiree; (3) Ability to use its power to affect the amount of the variable returns. The acquirer shall determine whether it has control over the acquiree based on the following criteria: (1) Power to govern the financial and operating policies of the acquiree; (2) Exposure to variable returns from the acquiree; (3) Ability to use its power to affect the amount of the variable returns.

3.6.2 Consolidated financial statements

The acquirer shall prepare consolidated financial statements for the acquiree if it has control over the acquiree. The acquirer shall prepare consolidated financial statements for the acquiree if it has control over the acquiree.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3 Significant accounting policies (continued)

3.6 Criteria for determining control and methods for preparing consolidated financial statements (continued)

3.6.2 Control (continued)

The Group determines control over an investee based on the following factors: (1) Power to govern the financial and operating policies of the investee; (2) Exposure to variable returns from the investee; (3) Ability to exercise power over the investee to affect the amount of the variable returns. The Group exercises control over the investee if it has the power to govern the financial and operating policies of the investee and is exposed to variable returns from the investee.

(1) Investment in subsidiaries

The Group determines control over its subsidiaries based on the following factors: (1) Power to govern the financial and operating policies of the subsidiary; (2) Exposure to variable returns from the subsidiary; (3) Ability to exercise power over the subsidiary to affect the amount of the variable returns. The Group exercises control over the subsidiary if it has the power to govern the financial and operating policies of the subsidiary and is exposed to variable returns from the subsidiary.

The Group exercises control over the subsidiary if it has the power to govern the financial and operating policies of the subsidiary and is exposed to variable returns from the subsidiary.

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 (continued)

3.6 Criteria for determining control and methods for preparing consolidated financial statements (continued)

3.6.2 Control (continued)

(2) Determination of control

Generally, the following criteria are used to determine control:

Wen Hou Kangning Hospital Co., Ltd. holds the majority of the voting rights of the investee, and has the power to appoint or remove the majority of the members of the investee's board of directors. The board of directors of the investee has the power to make financial and operating decisions. Therefore, Wen Hou Kangning Hospital Co., Ltd. has control over the investee.

Subsidiaries are consolidated into the financial statements of Wen Hou Kangning Hospital Co., Ltd.

When the investee is a special purpose vehicle (SPV) established for the purpose of holding assets, the SPV is consolidated into the financial statements of Wen Hou Kangning Hospital Co., Ltd. if the SPV is controlled by Wen Hou Kangning Hospital Co., Ltd.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3. S... ()

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

3.6.2 C... ()

(2) D... ()

S... ()

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J... ()

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3. Significant accounting policies (continued)

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

3 Significant accounting policies (continued)

3.8 Criteria for determining cash and cash equivalents

Cash and cash equivalents are defined as assets that are held by the Company or on behalf of the Company, are readily convertible into known amounts of cash, and are subject to an insignificant risk of changes in value. Cash equivalents are those assets that are held for a short-term period, are highly liquid, and are convertible into cash without any material loss of value.

3.9 Foreign currency transactions and foreign currency financial statement translation

For the purpose of the financial statements, the Company uses the Renminbi (RMB) as its functional currency.

All foreign currency transactions are recorded in the functional currency at the exchange rate prevailing at the date of the transaction. At the end of each reporting period, foreign currency monetary items are translated into the functional currency at the closing rate. Non-monetary items that are measured in terms of historical cost are translated into the functional currency at the exchange rate prevailing at the date of the transaction. Non-monetary items that are measured at fair value are translated into the functional currency at the exchange rate prevailing at the date when the fair value was determined.

3.10 Financial instruments

The Company's financial instruments include cash, accounts receivable, accounts payable, and other financial assets and liabilities.

3.10.1 Cash and cash equivalents

At the end of the reporting period, the Company's cash and cash equivalents consist of the following:

The Company's cash and cash equivalents are classified as follows:

☑ Term deposits; and

☑ Current deposits.

Notes to the Financial Statements

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

3. Significant accounting policies (continued)

3.10 Financial instruments (continued)

3.10.1 Cash and cash equivalents (continued)

The Company's cash and cash equivalents include bank deposits, Treasury bills, and other highly liquid financial assets that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. The carrying amount of cash and cash equivalents is measured at fair value.

The Company's cash and cash equivalents are denominated in the following currencies:

Cash and cash equivalents denominated in RMB: RMB 1,234,567,890.12

Cash and cash equivalents denominated in US dollars: US\$ 123,456,789.01

The Company's cash and cash equivalents are held in various banks and financial institutions. The Company monitors the credit ratings of these institutions to ensure the safety of its cash and cash equivalents. The carrying amount of cash and cash equivalents is measured at fair value.

The Company's cash and cash equivalents are subject to the following risks:

The Company's cash and cash equivalents are subject to the following risks:

- 1) The Company's cash and cash equivalents are subject to the following risks:
- 2) The Company's cash and cash equivalents are subject to the following risks:
- 3) The Company's cash and cash equivalents are subject to the following risks:

The Company's cash and cash equivalents are subject to the following risks:

Notes to the Financial Statements

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

3 Significant Accounting Policies (Continued)

3.10 Financial instruments (Continued)

3.10.2 Recognition and measurement

(1) Financial assets

Financial assets are classified into three categories: financial assets at fair value through profit or loss, financial assets at amortized cost, and financial assets at fair value through other comprehensive income. The classification depends on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. For financial assets at fair value through profit or loss, the fair value is measured at each reporting date, and any changes in fair value are recognized in profit or loss. For financial assets at amortized cost, the amortized cost is measured at each reporting date, and any changes in amortized cost are recognized in profit or loss. For financial assets at fair value through other comprehensive income, the fair value is measured at each reporting date, and any changes in fair value are recognized in other comprehensive income, except for impairment losses and credit losses, which are recognized in profit or loss.

Interest income is recognized on an accrual basis using the effective interest rate method. Dividend income is recognized on an accrual basis when the company has the right to receive the dividend.

Financial liabilities are classified into financial liabilities at fair value through profit or loss and financial liabilities at amortized cost. For financial liabilities at fair value through profit or loss, the fair value is measured at each reporting date, and any changes in fair value are recognized in profit or loss. For financial liabilities at amortized cost, the amortized cost is measured at each reporting date, and any changes in amortized cost are recognized in profit or loss.

(2) Financial liabilities

Financial liabilities are classified into financial liabilities at fair value through profit or loss and financial liabilities at amortized cost. For financial liabilities at fair value through profit or loss, the fair value is measured at each reporting date, and any changes in fair value are recognized in profit or loss. For financial liabilities at amortized cost, the amortized cost is measured at each reporting date, and any changes in amortized cost are recognized in profit or loss. Interest expense is recognized on an accrual basis using the effective interest rate method. Dividend expense is recognized on an accrual basis when the company has the obligation to pay the dividend.

Financial assets and liabilities are measured at fair value at initial recognition. For financial assets and liabilities measured at fair value, the fair value is determined based on the quoted market prices in active markets. For financial assets and liabilities measured at amortized cost, the amortized cost is determined based on the fair value at initial recognition, less any impairment losses and credit losses, plus any interest income and expense.

Notes to the Financial Statements

Fiscal Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

3 Significant financial instruments (continued)

3.10 Financial instruments (continued)

3.10.2 Risk management (continued)

(3) Foreign exchange risk (continued)

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 Group's foreign exchange risk arises primarily from its operations in foreign currencies. The Group's foreign exchange risk is managed by the Group's Finance Department. The Group's Finance Department monitors foreign exchange rates and enters into foreign exchange contracts to hedge foreign exchange risk.

Under the Group's risk management strategy, the Group's Finance Department

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3. Significant accounting policies and estimates (continued)

3.10 Financial instruments (continued)

3.10.3 Recognition, measurement and derecognition (continued)

Trade receivables are recognized at the time of sale of goods or rendering of services, and are measured at the transaction price less discounts and allowances. Trade receivables are classified as financial assets at amortized cost. The Company uses the expected credit loss model to estimate the expected credit loss of trade receivables.

(1) Trade receivables are recognized at the time of sale of goods or rendering of services.

(2) Trade receivables are measured at the transaction price less discounts and allowances. The Company uses the expected credit loss model to estimate the expected credit loss of trade receivables.

Trade receivables are classified as financial assets at amortized cost. The Company uses the expected credit loss model to estimate the expected credit loss of trade receivables.

(1) Trade receivables are recognized at the time of sale of goods or rendering of services.

(2) Trade receivables are measured at the transaction price less discounts and allowances. The Company uses the expected credit loss model to estimate the expected credit loss of trade receivables.

Trade receivables are classified as financial assets at amortized cost. The Company uses the expected credit loss model to estimate the expected credit loss of trade receivables.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3.10 Financial instruments (continued)

3.10 Financial instruments (continued)

3.10.4 Derivatives

The Company enters into derivative contracts to hedge its foreign exchange risk. The Company's derivative contracts are primarily foreign exchange forward contracts. The Company's derivative contracts are classified as financial instruments. The Company's derivative contracts are measured at fair value. The Company's derivative contracts are classified as financial instruments. The Company's derivative contracts are measured at fair value.

The Company's derivative contracts are primarily foreign exchange forward contracts. The Company's derivative contracts are classified as financial instruments. The Company's derivative contracts are measured at fair value. The Company's derivative contracts are classified as financial instruments. The Company's derivative contracts are measured at fair value.

The Company's derivative contracts are primarily foreign exchange forward contracts. The Company's derivative contracts are classified as financial instruments. The Company's derivative contracts are measured at fair value. The Company's derivative contracts are classified as financial instruments. The Company's derivative contracts are measured at fair value.

The Company's derivative contracts are primarily foreign exchange forward contracts. The Company's derivative contracts are classified as financial instruments. The Company's derivative contracts are measured at fair value. The Company's derivative contracts are classified as financial instruments. The Company's derivative contracts are measured at fair value.

3.10.5 Monetary instruments

The Company's monetary instruments are primarily cash and cash equivalents. The Company's monetary instruments are classified as financial instruments. The Company's monetary instruments are measured at fair value. The Company's monetary instruments are classified as financial instruments. The Company's monetary instruments are measured at fair value.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3. Significant accounting policies and estimates (continued)

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3. **3.10 Financial instruments** (in RMB)

3.10.6 **Financial instruments** (in RMB)

3.10.6.1 **Monetary instruments** (in RMB)

↓ **Cash and cash equivalents** (in RMB)

3.11 Inventory

3.11.1 **Cost of inventory**

↓ **Inventory** (in RMB)

↓ **Inventory** (in RMB)

3.11.2 **Valuation**

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Notes to the Financial Statements

Fiscal Year ended 31 December 2025
(All figures in RMB unless otherwise specified)

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

3. Long-term equity investments (RMB million)

3.13 Long-term equity investments (RMB million)

3.13.2 Details of long-term equity investments

(1) Long-term equity investments in subsidiaries

For the year ended 31 December 2025, the Company's long-term equity investments in subsidiaries are as follows:

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3. Long-term equity investments (RMB million)

3.13 Long-term equity investments (RMB million)

3.13.3 Subsidiaries (RMB million)

(2) Long-term equity investments in subsidiaries

Long-term equity investments in subsidiaries are measured at cost. The carrying amount of long-term equity investments in subsidiaries is determined based on the cost of acquisition, less any impairment losses recognized. Dividends received from subsidiaries are recognized as income when received.

The carrying amount of long-term equity investments in subsidiaries is determined based on the cost of acquisition, less any impairment losses recognized. Dividends received from subsidiaries are recognized as income when received.

When the carrying amount of long-term equity investments in subsidiaries is determined based on the cost of acquisition, less any impairment losses recognized. Dividends received from subsidiaries are recognized as income when received.

When the carrying amount of long-term equity investments in subsidiaries is determined based on the cost of acquisition, less any impairment losses recognized. Dividends received from subsidiaries are recognized as income when received.

When the carrying amount of long-term equity investments in subsidiaries is determined based on the cost of acquisition, less any impairment losses recognized. Dividends received from subsidiaries are recognized as income when received.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3. Long-term equity investments (RMB million)

3.13 Long-term equity investments (RMB million)

3.13.3 Subsidiaries (RMB million)

(3) Details of subsidiaries:

Tianjin Kangning Hospital Co., Ltd. (Kangning Hospital) is a wholly-owned subsidiary of the Company. The Company holds 100% of the shares of Kangning Hospital. The registered capital of Kangning Hospital is RMB 100 million. The Company's investment in Kangning Hospital is RMB 100 million.

Wenhou Kangning Hospital Co., Ltd. (Wenhou Hospital) is a wholly-owned subsidiary of the Company. The Company holds 100% of the shares of Wenhou Hospital. The registered capital of Wenhou Hospital is RMB 100 million. The Company's investment in Wenhou Hospital is RMB 100 million.

Wenhou Kangning Hospital Co., Ltd. (Wenhou Hospital) is a wholly-owned subsidiary of the Company. The Company holds 100% of the shares of Wenhou Hospital. The registered capital of Wenhou Hospital is RMB 100 million. The Company's investment in Wenhou Hospital is RMB 100 million.

Wenhou Kangning Hospital Co., Ltd. (Wenhou Hospital) is a wholly-owned subsidiary of the Company. The Company holds 100% of the shares of Wenhou Hospital. The registered capital of Wenhou Hospital is RMB 100 million. The Company's investment in Wenhou Hospital is RMB 100 million.

Wenhou Kangning Hospital Co., Ltd. (Wenhou Hospital) is a wholly-owned subsidiary of the Company. The Company holds 100% of the shares of Wenhou Hospital. The registered capital of Wenhou Hospital is RMB 100 million. The Company's investment in Wenhou Hospital is RMB 100 million.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3.14.3

3.14 Fixed assets (in RMB)

3.14.3

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3. Borrowing costs ()

3.16 Borrowing costs ()

3.16.2 Capitalized borrowing costs

The capitalized borrowing costs are calculated based on the weighted average of the borrowing costs incurred during the period, multiplied by the amount of the qualifying assets.

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

(1) Assets that are ready for sale or use at the reporting date:

(2) Assets that are not ready for sale or use at the reporting date:

(3) Assets that are not ready for sale or use at the reporting date, but the borrowing costs are not capitalized:

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

3.16.3 Borrowing costs not capitalized

Borrowing costs that do not meet the criteria for capitalization are recognized as an expense in the period in which they are incurred. Borrowing costs that are not capitalized are included in the profit or loss account.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3. Borrowing costs ()

3.16 Borrowing costs ()

3.16.4 Capitalized borrowing costs ()

For the year ended December 31, 2025, the Company capitalized borrowing costs of RMB 1,234,567.89. The amount of capitalized borrowing costs for the year ended December 31, 2025 is RMB 1,234,567.89, which is included in the cost of the related assets. The amount of capitalized borrowing costs for the year ended December 31, 2024 is RMB 1,123,456.78.

For the year ended December 31, 2025, the Company capitalized borrowing costs of RMB 1,234,567.89. The amount of capitalized borrowing costs for the year ended December 31, 2025 is RMB 1,234,567.89, which is included in the cost of the related assets. The amount of capitalized borrowing costs for the year ended December 31, 2024 is RMB 1,123,456.78.

Details of capitalized borrowing costs are as follows:

Item	2025	2024
Capitalized borrowing costs	1,234,567.89	1,123,456.78

3.17 Intangible assets

3.17.1 Intangible assets ()

(1) Trademarks ()

The Company has registered trademarks for its products. The carrying amount of trademarks as of December 31, 2025 is RMB 1,234,567.89, and as of December 31, 2024 is RMB 1,123,456.78.

(2) Software ()

The Company has purchased software licenses. The carrying amount of software as of December 31, 2025 is RMB 1,234,567.89, and as of December 31, 2024 is RMB 1,123,456.78.

The Company has purchased software licenses. The carrying amount of software as of December 31, 2025 is RMB 1,234,567.89, and as of December 31, 2024 is RMB 1,123,456.78.

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

3. Intangible assets (RMB million)

3.17 Intangible assets (RMB million)

3.17.2 E

I	Estimated useful lives (years)	Amortisation method	Basis
L, R	40-50	S	L, R

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3. Significant accounting estimates (continued)

3.18 Impairment of long-term assets

Long-term assets are reviewed for impairment at the end of each reporting period. If the carrying amount of an asset exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount. The recoverable amount is the maximum of the asset's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects the time value of money and the risks specific to the asset. For assets that will generate cash flows independently of other assets, each cash-generating asset is tested for impairment. For assets that do not generate cash flows independently, but which are cash-generating units, the cash-generating unit as a whole is tested for impairment. If the carrying amount of a cash-generating unit exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount. The impairment loss is recognized in the profit or loss account.

For long-term assets, the impairment loss is recognized in the profit or loss account. For long-term assets, the impairment loss is recognized in the profit or loss account.

The carrying amount of long-term assets is reviewed for impairment at the end of each reporting period. If the carrying amount of an asset exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount. The recoverable amount is the maximum of the asset's fair value less costs of disposal and its value in use.

When the carrying amount of an asset exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount. The recoverable amount is the maximum of the asset's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects the time value of money and the risks specific to the asset.

Q. The carrying amount of long-term assets is reviewed for impairment at the end of each reporting period.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

3. Long-term deferred expenses

3.19 Long-term deferred expenses

Long-term deferred expenses include the following items:

3.20 Contract liabilities

Contract liabilities include the following items:

3.21 Employee benefits

3.21.1 A Employee benefits

Total employee benefits include the following items:

Total employee benefits include the following items:

Employee benefits include the following items:



Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB Yuan)

3.21 Employee benefits (in RMB)

3.21 Employee benefits (in RMB)

3.21.2 A. Employee benefits (in RMB)

(2) Details of employee benefits (in RMB)

Item	2025	2024
Short-term employee benefits	1,234,567	987,654
Long-term employee benefits	567,890	345,678
Termination benefits	123,456	78,901
Other employee benefits	345,678	234,567
Total	2,271,591	1,646,800

3.21.3 A. Details of employee benefits (in RMB)

Item	2025	2024
Short-term employee benefits	1,234,567	987,654
Long-term employee benefits	567,890	345,678
Termination benefits	123,456	78,901
Other employee benefits	345,678	234,567
Total	2,271,591	1,646,800

3.22 Provisions

Warranties and other provisions are recognized when the company has a present obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

(1) Provisions for employee benefits (in RMB)

(2) Provisions for employee benefits (in RMB)

(3) Provisions for employee benefits (in RMB)

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

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

3.22 Provisions (in RMB)

Item	2025	2024
Provision for doubtful accounts	1,234,567	987,654
Provision for inventory obsolescence	567,890	432,109
Provision for employee benefits	345,678	210,987
Provision for litigation	123,456	87,654
Provision for other	78,901	65,432
Total	2,350,492	1,763,836

3.23 Share-based payments

Item	2025	2024
Share-based payment expense	1,234,567	987,654
Share-based payment expense	567,890	432,109
Share-based payment expense	345,678	210,987
Share-based payment expense	123,456	87,654
Share-based payment expense	78,901	65,432
Total	2,350,492	1,763,836

Notes to the Financial Statements

Fiscal Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

3. Significant accounting estimates and assumptions (continued)

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

3 Share-based payments ()

3.23 Share-based payments ()

3.23.2 Cost of share-based payments ()

Under the share-based payment plan, the Company granted restricted stock to employees. The cost of share-based payments is measured at the fair value of the restricted stock at the grant date. The cost is recognized over the vesting period. The Company has recognized the cost of share-based payments as follows:

Item	2025	2024
Cost of share-based payments	()	()

The Company has also recognized the cost of share-based payments as follows:

Item	2025	2024
Cost of share-based payments	()	()

3.24 Revenue

3.24.1 A Revenue from operations ()

The Company's revenue from operations is primarily derived from the provision of medical services. The revenue is recognized when the services are rendered and the amount is fixed and determinable. The Company has recognized the revenue from operations as follows:

Item	2025	2024
Revenue from operations	()	()

For the year ended December 31, 2025, the Company has recognized the revenue from operations as follows:

Item	2025	2024
Revenue from operations	()	()

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3 Significant Accounting Policies (Continued)

3.24 Revenue (Continued)

3.24.1 A Revenue from Sales of Goods (Continued)

The Company's revenue from sales of goods is derived from the sale of medical supplies, pharmaceuticals, and other medical products. Revenue is recognized when the Company has transferred control of the goods to the customer, which typically occurs at the time of shipment. The amount of revenue recognized is the net amount, after deducting discounts, returns, and allowances. The Company's revenue from sales of goods is recorded in the following table:

The Company's revenue from sales of goods is recorded in the following table:

The Company's revenue from sales of goods is recorded in the following table:

The Company's revenue from sales of goods is recorded in the following table:

The Company's revenue from sales of goods is recorded in the following table:

The Company's revenue from sales of goods is recorded in the following table:

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The Company's revenue from sales of goods is recorded in the following table:

The Company's revenue from sales of goods is recorded in the following table:

The Company's revenue from sales of goods is recorded in the following table:

The Company's revenue from sales of goods is recorded in the following table:

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3.24 Revenue (RMB million)

3.24 Revenue (RMB million)

3.24.1 A Revenue from operations (RMB million)

T C Revenue from operations, including revenue from operations of subsidiaries, is as follows:

T C Revenue from operations of subsidiaries is as follows:

T C Revenue from operations of subsidiaries is as follows:

T C Revenue from operations of subsidiaries is as follows:

T Revenue from operations of subsidiaries is as follows:

T C Revenue from operations of subsidiaries is as follows:



Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

3.25 Government grants

3.25 Government grants

3.25.1 T

Government grants are recognized when the entity can reasonably be assured that the grantor will pay the grant and the entity will comply with the conditions attached to the grant. Government grants are recognized in the profit or loss account on a systematic basis over the periods in which the grant is used to purchase, develop or otherwise acquire non-current assets. Government grants are recognized in the profit or loss account when the grantor has approved the grant and the entity has met the conditions attached to the grant.

3.25.2 R

Government grants are recognized when the entity can reasonably be assured that the grantor will pay the grant and the entity will comply with the conditions attached to the grant.

3.25.3 A

Government grants are recognized when the entity can reasonably be assured that the grantor will pay the grant and the entity will comply with the conditions attached to the grant. Government grants are recognized in the profit or loss account on a systematic basis over the periods in which the grant is used to purchase, develop or otherwise acquire non-current assets. Government grants are recognized in the profit or loss account when the grantor has approved the grant and the entity has met the conditions attached to the grant.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

3.25 Government grants (RMB million)

3.25 Government grants (RMB million)

3.25.3 A Government grants (RMB million)

The Company has received government grants for the following purposes:

- (1) In accordance with the relevant government policies, the Company has received government grants for research and development activities. These grants are used to support the Company's research and development activities, which are essential for the development of new products and technologies. The grants are recorded as income in the profit and loss account.
- (2) The Company has received government grants for the purchase of fixed assets. These grants are used to purchase fixed assets, which are essential for the Company's operations. The grants are recorded as income in the profit and loss account.

3.26 Deferred tax assets and deferred tax liabilities

The Company has recognized deferred tax assets and deferred tax liabilities in accordance with the relevant tax laws and regulations. The deferred tax assets are recognized for the following purposes:

Deferred tax assets are recognized for the following purposes:

Notes to the Financial Statements

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

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

Statement of Financial Position as at December 31, 2025:

Item

Net deferred tax assets and liabilities (in RMB)

For the year ended December 31, 2025, the Company has recognized deferred tax assets of RMB 100,000,000 and deferred tax liabilities of RMB 50,000,000. The net deferred tax assets are primarily related to the Company's investment in subsidiaries and the recognition of deferred tax assets on the Company's share of income from these subsidiaries.

On December 31, 2025, the Company's net deferred tax assets are RMB 100,000,000, and net deferred tax liabilities are RMB 50,000,000.

On December 31, 2024, the Company's net deferred tax assets are RMB 80,000,000, and net deferred tax liabilities are RMB 30,000,000.

When the Company's net deferred tax assets are recognized, the Company has assessed the recoverability of these assets based on the Company's financial position and the expected future taxable income.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

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

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

Our deferred tax assets and liabilities are primarily related to the following items:

Temporary differences arising from the recognition of deferred tax assets and liabilities;

Deferred tax assets and liabilities are recognized for all temporary differences, except for those related to the initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting income nor taxable income.

3.27 Leases

As of December 31, 2025, the Company has entered into various lease contracts for office space, equipment, and other assets. The Company uses the simplified approach to lease accounting, recognizing lease liabilities and right-of-use assets at the lease commencement date.

The Company's lease liabilities are primarily related to office space and equipment leases.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3.27 Leases (in RMB million)

3.27 Leases (in RMB million)

3.27.1 Total

(1) Right-of-use assets

On December 31, 2025, the Company's right-of-use assets are primarily related to the use of office buildings, land use rights, and other assets. The carrying amount of right-of-use assets is RMB 1,234,567 million.

The carrying amount of right-of-use assets is RMB 1,234,567 million.

Leases with a term of 12 months or less, and leases that do not contain a purchase option, are classified as short-term leases. The Company does not recognize right-of-use assets for these leases.

Leases with a term of 12 months or less, and leases that do not contain a purchase option, are classified as short-term leases.

For leases with a term of 12 months or less, and leases that do not contain a purchase option, the Company recognizes a liability for the amount of the lease payments that are due within the reporting period.

The Company's right-of-use assets are primarily related to the use of office buildings, land use rights, and other assets. The carrying amount of right-of-use assets is RMB 1,234,567 million. The Company's right-of-use assets are primarily related to the use of office buildings, land use rights, and other assets. The carrying amount of right-of-use assets is RMB 1,234,567 million.

The Company's right-of-use assets are primarily related to the use of office buildings, land use rights, and other assets. The carrying amount of right-of-use assets is RMB 1,234,567 million. The Company's right-of-use assets are primarily related to the use of office buildings, land use rights, and other assets. The carrying amount of right-of-use assets is RMB 1,234,567 million.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3.27 Leases (in RMB million)

3.27 Leases (in RMB million)

3.27.1 Total (in RMB million)

(2) Lease

On December 31, 2025, the Company's lease liabilities are as follows:

For the year ended December 31, 2025, the Company's lease expenses are as follows:

Variable lease payments are as follows:

All lease liabilities are classified as current liabilities.

For the year ended December 31, 2025, the Company's cash flows from operating activities related to leases are as follows:

For the year ended December 31, 2025, the Company's cash flows from investing activities related to leases are as follows:

Total cash flows from operating activities related to leases are as follows:

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3.27 Leases (in RMB)

3.27 Leases (in RMB)

3.27.1

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3.27 Leases (in RMB million)

3.27 Leases (in RMB million)

3.27.1 Total (in RMB million)

(4) Lease

When the lease term is 12 months or less, or the lease asset is low value, the Company does not recognize a right-of-use asset and a lease liability. Instead, the Company recognizes lease expense on a straight-line basis over the lease term.

The Company's lease contracts do not contain any lease incentives. The Company's lease contracts do not contain any variable lease payments.

The Company's lease contracts do not contain any leasehold improvements. The Company's lease contracts do not contain any termination clauses.

The Company's lease contracts do not contain any purchase options. The Company's lease contracts do not contain any renewal options.

The Company's lease contracts do not contain any sublease provisions. The Company's lease contracts do not contain any assignment provisions.

3.27.2 Total (in RMB million)

The Company's lease contracts do not contain any other provisions. The Company's lease contracts do not contain any other provisions.

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 million)

3.27 Leases (in RMB million)

3.27.2 Total (in RMB million)

(1) Assets (in RMB million)

Leases are classified as operating leases or finance leases. Operating leases are leases in which the lessee does not have substantially all the risks and rewards of ownership. Finance leases are leases in which the lessee has substantially all the risks and rewards of ownership. The Company's leases include operating leases and finance leases. The Company's operating leases include land use rights, buildings, and equipment. The Company's finance leases include land use rights, buildings, and equipment. The Company's operating leases are generally non-cancellable and have fixed lease terms. The Company's finance leases are generally non-cancellable and have fixed lease terms. The Company's operating leases are generally non-cancellable and have fixed lease terms. The Company's finance leases are generally non-cancellable and have fixed lease terms.

(2) Liabilities (in RMB million)

Operating lease liabilities are recognized at the present value of the lease payments that are not paid at the reporting date. The lease payments are discounted using the incremental borrowing rate. The incremental borrowing rate is the rate that the lessee would have to pay to borrow over a similar term, and with a similar amount, the same currency, and on a similar basis, the funds necessary to obtain the lease asset. The Company's operating lease liabilities are generally non-cancellable and have fixed lease terms. The Company's operating lease liabilities are generally non-cancellable and have fixed lease terms.

Finance lease liabilities are recognized at the present value of the lease payments that are not paid at the reporting date. The lease payments are discounted using the incremental borrowing rate. The incremental borrowing rate is the rate that the lessee would have to pay to borrow over a similar term, and with a similar amount, the same currency, and on a similar basis, the funds necessary to obtain the lease asset. The Company's finance lease liabilities are generally non-cancellable and have fixed lease terms. The Company's finance lease liabilities are generally non-cancellable and have fixed lease terms.

The Company's operating lease liabilities are generally non-cancellable and have fixed lease terms. The Company's operating lease liabilities are generally non-cancellable and have fixed lease terms. The Company's operating lease liabilities are generally non-cancellable and have fixed lease terms. The Company's operating lease liabilities are generally non-cancellable and have fixed lease terms.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3.27 Leases (in RMB million)

3.27 Leases (in RMB million)

3.27.2 Total (in RMB million)

(2) Assets (in RMB million)

Under the terms of the lease agreements, the Company is required to pay the lease fee as follows:

The lease fee is payable in advance, with a total amount of RMB 10.0 million.

The lease fee is payable in advance, with a total amount of RMB 10.0 million.

Under the terms of the lease agreements, the Company is required to pay the lease fee as follows:

The lease fee is payable in advance, with a total amount of RMB 10.0 million.

The lease fee is payable in advance, with a total amount of RMB 10.0 million.

3.27.3 Sub-leases (in RMB million)

Total (in RMB million) N/A

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3.27 Leases (RMB million)

3.27 Leases (RMB million)

3.27.3 Short-term leases (RMB million)

(1) Assets
 ↓
 The Company has entered into short-term lease contracts for office space and equipment. These leases are classified as short-term leases because they do not transfer substantially all the risks and rewards of ownership. The Company recognizes a liability for the lease payments at the end of each reporting period, which is measured at the present value of the lease payments. The Company also recognizes an expense for the lease payments, which is measured at the present value of the lease payments. The Company also recognizes an expense for the lease payments, which is measured at the present value of the lease payments.

Assets
 ↓
 The Company has entered into short-term lease contracts for office space and equipment. These leases are classified as short-term leases because they do not transfer substantially all the risks and rewards of ownership. The Company recognizes a liability for the lease payments at the end of each reporting period, which is measured at the present value of the lease payments. The Company also recognizes an expense for the lease payments, which is measured at the present value of the lease payments. The Company also recognizes an expense for the lease payments, which is measured at the present value of the lease payments.

↓
 The Company has entered into short-term lease contracts for office space and equipment. These leases are classified as short-term leases because they do not transfer substantially all the risks and rewards of ownership. The Company recognizes a liability for the lease payments at the end of each reporting period, which is measured at the present value of the lease payments. The Company also recognizes an expense for the lease payments, which is measured at the present value of the lease payments. The Company also recognizes an expense for the lease payments, which is measured at the present value of the lease payments.

(2) Assets
 ↓
 The Company has entered into short-term lease contracts for office space and equipment. These leases are classified as short-term leases because they do not transfer substantially all the risks and rewards of ownership. The Company recognizes a liability for the lease payments at the end of each reporting period, which is measured at the present value of the lease payments. The Company also recognizes an expense for the lease payments, which is measured at the present value of the lease payments. The Company also recognizes an expense for the lease payments, which is measured at the present value of the lease payments.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

3 Significant changes in the company's financial position (continued)

3.28 Repurchase of the Company's shares.

The Company repurchased 1,000,000 shares of its ordinary shares at a price of RMB 5.37 per share.

3.29 Method and basis for determining materiality standards

I	Significance standards
Sales revenue	10% of sales revenue; RMB1
Revenue	10% of revenue; RMB1
Assets	10% of assets; RMB1
Shareholders' equity	10% of shareholders' equity; RMB1
Shareholders' equity	10% of shareholders' equity; RMB5
Shareholders' equity	5% of shareholders' equity; RMB15
Shareholders' equity	10% of shareholders' equity; RMB20
Shareholders' equity	5% of shareholders' equity; RMB20
Shareholders' equity	10% of shareholders' equity; RMB20
Shareholders' equity	5% of shareholders' equity; RMB20
Shareholders' equity	10% of shareholders' equity; RMB20

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3. Significant accounting estimates and judgments

3.30 Key accounting estimates and judgments

The Company's financial statements are prepared using accounting estimates and judgments. The following are the key accounting estimates and judgments used in the preparation of the financial statements:

1. Impairment of non-current assets

At the end of each reporting period, the Company assesses whether there is any indication that non-current assets may be impaired. If such an indication exists, the carrying amount of the asset is compared with its recoverable amount, which is the maximum amount of cash or cash equivalents that can be derived from the asset. If the carrying amount exceeds the recoverable amount, the carrying amount is reduced to the recoverable amount. The recoverable amount is determined as the maximum of the fair value less costs of disposal and the value in use. The fair value less costs of disposal is determined as the highest amount obtainable from the disposal of the asset, less the costs of disposal. The value in use is the present value of the estimated future cash flows expected to be derived from the asset. The impairment loss is recognized in the profit or loss account.

2. Impairment of financial assets

The Company assesses the impairment of financial assets based on the expected credit loss model. The Company uses a simplified approach to measure the expected credit loss for financial assets that are not subject to significant changes in credit risk. For these assets, the Company uses a provision matrix to estimate the expected credit loss. The provision matrix is based on the Company's historical credit loss experience, adjusted for current and forward-looking information on macroeconomic factors that may affect the collectability of the receivables. The provision is recognized in the profit or loss account.

The Company also assesses the impairment of financial assets that are subject to significant changes in credit risk. For these assets, the Company uses a more detailed approach to measure the expected credit loss. The Company considers the credit risk of the asset at the end of the reporting period and compares it with the credit risk at the date of initial recognition. If the credit risk has increased significantly, the Company measures the expected credit loss as the difference between the carrying amount and the present value of the estimated future cash flows. The impairment loss is recognized in the profit or loss account.

3. Impairment of investment properties

The Company assesses the impairment of investment properties based on the fair value less costs of disposal. The fair value less costs of disposal is determined as the highest amount obtainable from the disposal of the asset, less the costs of disposal. The impairment loss is recognized in the profit or loss account.

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

3.31 Changes in significant accounting policies and accounting estimates

3.31.1 Changes in accounting estimates

On August 8, 2025, Management has reviewed the Q&A section of the 2025 Annual Report and identified certain areas where the accounting estimates used in the financial statements may need to be revised. The management has conducted a comprehensive assessment of the impact of these changes on the financial statements for the year ended December 31, 2025. The changes primarily affect the recognition and measurement of certain assets and liabilities, which are expected to result in a decrease in net income and equity for the year ended December 31, 2025. The management has also evaluated the impact of these changes on the company's financial position and cash flows, and has determined that the changes are necessary to ensure the accuracy and reliability of the financial statements. The management has also consulted with the independent auditors and has obtained their consent to the changes. The changes will be applied retrospectively to the beginning of the reporting period in which they are first adopted, and the impact of these changes will be disclosed in the financial statements for the year ended December 31, 2025.

According to the National Securities Information System (NSIS) and the 2025 Annual Report (CK 2025 N. 33), the company has implemented the changes in accounting estimates as described above. The management has also disclosed the changes in the financial statements and the impact of these changes on the company's financial position and cash flows. The management has also disclosed the reasons for the changes and the impact of these changes on the company's financial position and cash flows. The management has also disclosed the impact of these changes on the company's financial position and cash flows, and has determined that the changes are necessary to ensure the accuracy and reliability of the financial statements.

Notes to the Financial Statements

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

4 Tax

4.1 Main tax types and rates

Tax types	Tax basis	Tax rate
Value-added tax	Turnover tax	3%, 6%, 13%
Corporate income tax	Corporate income	25%
Individual income tax	Individual income	3% - 45%
City maintenance tax	Turnover tax	1%, 5%, 7%
Education surcharge	Turnover tax	2%, 3%, 4%
Local education surcharge	Turnover tax	1%, 2%, 3%
Deed tax	Deed	3%
Stamp duty	Stamp	0.5%
Land use tax	Land use	0.5%
Property tax	Property	0.5%
Income tax	Name of taxpayer	Income tax rate
Wenhou Kangning Hospital Co., Ltd.		15%
Jiangsu Houtan Co., Ltd.		15%
Wenhou Kangning Jiangsu Fuyuan Co., Ltd.		20%
Hubei Kangning Hospital Co., Ltd.		20%
Wenhou Kangning Deyuan Co., Ltd.		20%
Wenhou Kangning Ningde Sheng Co., Ltd.		20%

Notes to the Financial Statements

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

5 Notes to the Financial Statements

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	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 are in RMB unless otherwise specified)

5 Notes to the Financial Statements

5.3 Notes receivable

5.3.1 Balance as at 31 December 2025 and 31 December 2024

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

Category	Balance as at 31 December 2025				Book value	Balance as at 31 December 2024		
	Book balance	Provision for bad debts	Proportion of provision	Book value		Book balance	Provision for bad debts	Proportion of provision
	Amount	Proportion (%)	Amount	Proportion (%)	A	B	C	D
Notes receivable	1,486,564.55	100.00			663,798.83	100.00		663,798.83
Notes receivable	1,486,564.55	100.00			663,798.83	100.00		663,798.83
Total	1,486,564.55	100.00			663,798.83	100.00		663,798.83

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

Item	Amount derecognised as at 31 December 2025	Amount derecognised as at 31 December 2024
Notes receivable		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 stated)

5 Notes to the Financial Statements (continued)

5.4 Accounts receivable

5.4.1 Accounts receivable

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

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

5.4 Accounts receivable (in RMB)

5.4.2 Details of accounts receivable (in RMB)

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

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

Notes: The accounts receivable are primarily from the sale of medical services.

The accounts receivable are classified as follows:

As at 31 December 2025:

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

5 Notes to the Financial Statements (continued)

5.4 Accounts receivable (continued)

5.4.3 Balance as at 31 December 2025

Category	Balance as at 31 December 2024		Balance as at 31 December 2025		Balance as at 31 December 2025
	RMB	US\$	RMB	US\$	
Trade receivables	12,337,791.47	10,881,530.33	8,047,478.00		15,171,843.80
Other receivables	21,394,822.78	3,604,119.27		44,387.29	25,043,329.34
Total	33,732,614.25	14,485,649.60	8,047,478.00	44,387.29	40,215,173.14

5.4.4 Accounts receivable written off during 2025

Category	Amount written off
Trade receivables	8,047,478.00

Accounts receivable written off during 2025 are as follows:

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

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)

5.5 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
1-2 years	3,707,179.00	20.02	3,707,179.00	20.36

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 (in RMB)

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

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise stated)

5 Notes to the Financial Statements

5.6 Other receivables (RMB million)

5.6.2 Other receivables (RMB million)

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

Other receivables are classified as follows:

Name	Balance as at 31 December 2025			Provision basis	Balance as at 31 December 2024	
	Book balance	Provision for bad debts	Proportion of provision (%)		Book balance	RMB million
Houhou Hospital Co., Ltd.					8,000,000.00	8,000,000.00
Sun Hospital Co., Ltd.	10,204,311.69	10,204,311.69	100.00	Expected to be difficult to recover	10,204,311.69	10,204,311.69
Wang Co., Ltd.	3,490,447.08	3,490,447.08	100.00	Expected to be difficult to recover	3,490,447.08	3,490,447.08
T	13,694,758.77	13,694,758.77	/ /		21,694,758.77	21,694,758.77

Notes: The above receivables are all due within 3.10 years.

Receivables are classified as follows:

Particulars:

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

Notes to the Financial Statements

Fiscal Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

5 Notes to the Financial Statements (continued)

5.6 Other receivables (RMB million)

5.6.2 Other receivables (RMB million)

(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)	
Balance at 31 December 2024	2,457,854.75		21,694,758.77	24,152,613.52
For 2025, Balance at 31 December 2024				
- Transferred to Stage II				
- Transferred to Stage III				
- Remeasured to Stage II				
- Remeasured to Stage I				
Balance at 2025			579,202.91	579,202.91
Revised at 2025	479,979.23		8,000,000.00	8,479,979.23
Write-off at 2025				
Change at 2025	2,000.00			2,000.00
Other changes	-16,912.81			-16,912.81
Balance at 31 December 2025	1,992,788.33		14,273,961.68	16,266,750.01

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise stated)

5. Notes to the Financial Statements (continued)

5.6 Other receivables (continued)

5.6.2 Other receivables (continued)

(3) Receivables from related parties (continued)

Settlements of receivables from related parties are made on credit terms. The carrying amount of receivables from related parties as at 31 December 2025:

In March 2025, the Group has received 65% of the receivable from H. Y. H. Co., Ltd. in RMB. The Group has also received RMB8 million from C. Co., Ltd. in RMB.

(4) Receivables from other parties (continued) 2025

Category	Balance at 31 December 2024	Change during 2025	Balance as at 31 December 2025
	RMB million	RMB million	

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are expressed in RMB unless otherwise stated)

5 Notes to the Financial Statements (continued)

5.6 Other receivables (RMB million)

5.6.2 Other receivables (RMB million)

(6) Classification of other receivables

Nature of payment	Book balance	Book balance
	as at 31 December 2025	31 December 2024
Debtors	18,920,171.46	19,433,847.49
Due from related parties	34,457,000.00	38,067,000.00
Due from other parties	4,623,062.39	3,878,281.89
Accounts receivable	2,222,809.83	256,914.93
Receivables from government	32,452,361.95	39,121,016.95
Others	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 value
Materials	567,310.08		567,310.08	657,701.74
Supplies	45,089,109.86		45,089,109.86	48,151,521.38
Goods	376,123.14		376,123.14	1,819,908.26
TOTAL	46,032,543.08		46,032,543.08	50,629,131.38

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)

5.8 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
Other receivables				14,000,000.00	14,000,000.00
Total				14,000,000.00	14,000,000.00

Other information:

In 2025, the Company received 14,000,000.00 RMB from related parties and other receivables, which are classified as long-term receivables. The Company has provided a provision for bad debts of 0.00 RMB for these receivables.

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 2025
	Original investment	Other changes	Investment	Disposal	Investment	Disposal	Investment	Disposal	
Hubei Baoma Medical Technology Co., Ltd.	6,869,165.91				2,447,498.74				9,316,664.65
Wuhan Biliyuan Healthcare Co., Ltd.	56,424,778.61				(421,913.82)				56,002,864.79
Sichuan Shengmu Healthcare Co., Ltd.	21,989,636.75				(1,097,977.41)				20,891,659.34
Chongqing Hubei Kangning Healthcare Co., Ltd.	6,247,309.77	10,745,274.26			3,238,079.21	(2,177,854.80)			831,375.76
Chongqing Feibei Technology Co., Ltd.	4,911,260.44				(358,741.63)				4,552,518.81
Wuhan Bohai Medical Co., Ltd.	2,971,833.72	1,200,000.00			145,474.85				4,317,308.57
Hubei Biyun Medical Co., Ltd.									
Mingyi Healthcare Co., Ltd.									
TOTAL	99,413,985.20	10,745,274.26	1,200,000.00	3,238,079.21	(4,663,514.07)				95,912,391.92

Other information:

- In March 2025, the Company's subsidiary Hubei Kangning Healthcare Co., Ltd. issued a convertible bond with a total amount of RMB20,000,000.00. The bond is convertible into shares of the Company at a conversion price of RMB20,000,000.00 / 245,270,000 shares, resulting in a conversion price of approximately RMB81.56 per share. The bond was issued to the Company's subsidiary Hubei Kangning Healthcare Co., Ltd. for a total amount of RMB20,000,000.00.

Notes to the Financial Statements

Financial Statements as at 31 December 2025

(All amounts are in RMB unless otherwise stated)

5 Notes to the Financial Statements (continued)

5.10 Long-term equity investments (RMB)

5.10.2 Investment in subsidiaries

In 2025, the Company held 100% shares of Wenhou Kangning Hospital Co., Ltd. (Wenhou Kangning Hospital Co., Ltd.), which is a wholly-owned subsidiary of the Company. The carrying amount of the investment in subsidiaries 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 subsidiaries	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

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

5.12.2 Fixed assets (in RMB)

5.12.2.1

5.12.2.1.1

	2025	2024
Original value	1,000,000	1,000,000
Accumulated depreciation	(100,000)	(100,000)
Net book value	900,000	900,000

1,000,000

(1) Balance at 31 December 2024

97,2024

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise stated)

5 Notes to the Financial Statements (continued)

5.13 Construction in progress (in RMB)

5.13.2 Information on construction in progress

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

F o r t h e y e a r e n d e d 3 1 D e c e m b e r 2 0 2 5

(A l l a m o u n t s a r e i n R M B u n l e s s o t h e r w i s e s t a t e d)

5 N o n - c u r r e n t a s s e t s (i n R M B)

5.14 Right-of-use assets

Project	Houses and buildings	Total
1. Q u a n t i t y o f r i g h t - o f - u s e a s s e t s		
(1) B e g i n n i n g o f t h e y e a r 3 1 D e c e m b e r 2 0 2 4	307,410,601.64	307,410,601.64
(2) I n c r e a s e d d u r i n g t h e y e a r 2 0 2 5	93,672,400.33	93,672,400.33
<i>□</i> N e w a c q u i r e d	40,384,947.64	40,384,947.64
<i>□</i> I n c r e a s e d d u r i n g t h e y e a r 2 0 2 5	65,103,775.00	65,103,775.00
<i>□</i> R e v e n u e a c c o u n t i n g	-11,816,322.31	-11,816,322.31
(3) D e c r e a s e d d u r i n g t h e y e a r 2 0 2 5	51,156,610.95	51,156,610.95
<i>□</i> D e p r e c i a t i o n	51,156,610.95	51,156,610.95
(4) B e n e f i t o f t h e y e a r 3 1 D e c e m b e r 2 0 2 5	349,926,391.02	349,926,391.02
2. A m o u n t o f r i g h t - o f - u s e a s s e t s		
(1) B e g i n n i n g o f t h e y e a r 3 1 D e c e m b e r 2 0 2 4	145,589,157.08	145,589,157.08
(2) I n c r e a s e d d u r i n g t h e y e a r 2 0 2 5	59,105,611.82	59,105,611.82
<i>□</i> R e v e n u e a c c o u n t i n g	38,080,052.61	38,080,052.61
<i>□</i> I n c r e a s e d d u r i n g t h e y e a r 2 0 2 5	23,216,969.86	23,216,969.86
<i>□</i> R e v e n u e a c c o u n t i n g	-2,191,410.65	-2,191,410.65
(3) D e c r e a s e d d u r i n g t h e y e a r 2 0 2 5	47,122,486.11	47,122,486.11
<i>□</i> D e p r e c i a t i o n	47,122,486.11	47,122,486.11
(4) B e n e f i t o f t h e y e a r 3 1 D e c e m b e r 2 0 2 5	157,572,282.79	157,572,282.79
3. I n t e r e s t i n r e a l e s t a t e		
(1) B e g i n n i n g o f t h e y e a r 3 1 D e c e m b e r 2 0 2 4		
(2) I n c r e a s e d d u r i n g t h e y e a r 2 0 2 5		
(3) D e c r e a s e d d u r i n g t h e y e a r 2 0 2 5		
(4) B e n e f i t o f t h e y e a r 3 1 D e c e m b e r 2 0 2 5		
4. B a l a n c e o f r i g h t - o f - u s e a s s e t s		
(1) B e g i n n i n g o f t h e y e a r 3 1 D e c e m b e r 2 0 2 5	192,354,108.23	192,354,108.23
(2) B e n e f i t o f t h e y e a r 3 1 D e c e m b e r 2 0 2 4	161,821,444.56	161,821,444.56

Notes to the Financial Statements

Fiscal Year Ended 31 December 2025

(All amounts are expressed in RMB unless otherwise specified)

5 Notes to the Financial Statements (continued)

5.15 Intangible assets

5.15.1 Intangible assets

Project	Land use rights	Trademark right	Software	Medical practice	Contractual rights to	Total
				qualification	provide management services	
1. 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 in 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 in 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. Other intangible assets						
(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 in 2025	2,861,820.77	330,015.42	2,591,353.29	18,780,633.64	1,842,857.20	26,406,680.32
Purchase 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 in 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. Other intangible assets						
(1) Balance at 31 December 2024						
(2) Increase in 2025				14,000,000.04		14,000,000.04
Purchase of intangible assets				14,000,000.04		14,000,000.04
(3) Decrease in 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 is 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 are in RMB unless otherwise stated)

5 Notes to the Financial Statements (continued)

5.15 Intangible assets (in RMB)

5.15.2 Intangible assets

In 2025, the Company acquired intangible assets from the acquisition of Henan Kangning Hospital Co., Ltd. and Henan Kangning Hospital Co., Ltd. The carrying amount of intangible assets at the end of the reporting period is RMB19,088,193.09, which is an increase of RMB2,502,854.13 from the carrying amount of RMB14,000,000.04 at the end of the reporting period in 2024. See Note 5.16 for details.

5.16 Goodwill

5.16.1 Goodwill

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

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise stated)

5 Notes to the Financial Statements (continued)

5.16 Goodwill (RMB)

5.16.1 Cost of Goodwill (RMB)

Name of the investee or matters forming goodwill	31 December 2024		31 December 2025		Balance as at 31 December 2025
	RMB	US\$	RMB	US\$	
H. Beijing Huiliang Hospital Co., Ltd.		12,898,816.77			12,898,816.77
W. Beijing Deyuan Hospital Co., Ltd.		11,081,970.63			11,081,970.63
Subtotal	144,445,442.66	23,980,787.40		228,538.31	168,197,691.75
Intangible Assets					
B. Beijing Huiliang Hospital Co., Ltd.	22,987,331.04				22,987,331.04
G. Beijing Huiliang Hospital Co., Ltd.	1,549,022.38				1,549,022.38
J. Beijing Shijiazhuang Huiliang Hospital Co., Ltd.	5,060,323.85				5,060,323.85
H. Beijing Peking University Hospital Co., Ltd.	690,331.47				690,331.47
D. Beijing Huiliang Hospital Co., Ltd.		2,502,854.13			2,502,854.13
W. Beijing Nanyang Peking University Hospital Co., Ltd.		7,705,714.73			7,705,714.73
H. Beijing Deyuan Hospital Co., Ltd.		1,247,176.52			1,247,176.52
Subtotal	30,287,008.74	11,455,745.38			41,742,754.12
Balance	114,158,433.92	23,980,787.40	-11,455,745.38	228,538.31	126,454,937.63

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)

5.16 Goodwill (RMB million)

Notes to the Financial Statements

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

Name

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)

5.16 Goodwill (RMB million)

5.16.4 Key parameters of forecast period

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

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are expressed in RMB Yuan unless otherwise stated)

5 Notes to the Financial Statements (continued)

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

5.18.2 Details of deferred tax assets and liabilities

Item	Balance as at 31 December 2025		Balance as at 31 December 2024	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Assets				
Income tax assets	165,697,546.44	41,424,386.62	162,308,548.18	40,577,137.06
Other assets	13,879,270.75	2,081,890.61	15,841,295.07	2,376,194.26
Liabilities				
Income tax liabilities	47,809.41	7,171.41	561,601.28	116,423.68
Other liabilities	192,354,108.28	48,061,288.32	162,649,241.29	40,662,310.34
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 (continued)

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
Income tax assets	50,754,678.64	55,346,815.83	43,419,006.66	56,197,544.77
Other assets	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 are in RMB unless otherwise stated)

5 Notes to the Financial Statements (continued)

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

5.18.4 Deferred tax assets and liabilities

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

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

Year	Balance as at 31 December 2025	Balance as at 31 December 2024	Change
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		
T	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
T	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 (continued)

5.20 Assets with restricted ownership or use

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

5.21 Short-term borrowings

Project	Balance as at 31 December 2025	Balance as at 31 December 2024
Mortgage borrowings	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

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)

5.22 Financial liabilities held for trading

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Financial liabilities held for trading	1,805,503.25	14,000,000.00
Other	1,805,503.25	14,000,000.00
T	1,805,503.25	14,000,000.00

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

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Payable for purchase of raw materials	1,805,503.25	
T	1,805,503.25	

The Company's financial liabilities held for trading are classified as current liabilities. The Company's financial liabilities held for trading are measured at fair value. The fair value of the financial liabilities held for trading is determined based on the market price of the underlying assets.

Notes to the Financial Statements

Fiscal Year Ended 31 December 2025

(All amounts 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
Wages payable	156,277,714.53	127,861,415.20

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are expressed in RMB unless otherwise stated)

5 Notes to the Financial Statements (continued)

5.25 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 31 December 2025, the revenue contract liabilities are primarily related to the contracts entered into with patients for medical services.

5.26 Employee benefits payable

5.26.1 Defined contribution plans

Item	Balance as at 31 December 2024	Increase in 2025	Decrease in 2025	Balance as at 31 December 2025
State pension plan	82,608,332.00	613,701,105.60	615,376,119.42	80,933,318.18
Provisional pension plan	3,138,964.61	45,758,780.58	45,399,570.47	3,498,174.72
Defined contribution plan		313,991.65	313,991.65	
Total	85,747,296.61	659,773,877.83	661,089,681.54	84,431,492.90

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise stated)

5 Notes to the Financial Statements (continued)

5.26 Employee benefits payable (continued)

5.26.2 Short-term employee benefits

Item	Balance			Balance as at 31 December 2025
	31 December 2024	January 2025	December 2025	
(1) Wages, salaries, bonuses, commissions and other short-term employee benefits	80,188,073.48	544,324,112.27	546,082,627.19	78,429,558.56
(2) Employee benefits payable	459,887.66	21,364,687.28	21,365,740.40	458,834.54
(3) Short-term employee benefits payable	1,731,246.32	23,626,510.83	23,544,883.55	1,812,873.60
I. Short-term employee benefits payable	1,630,346.45	22,260,947.60	22,167,107.34	1,724,186.71
Wages, salaries, bonuses, commissions and other short-term employee benefits	100,899.87	1,311,987.95	1,324,200.93	88,686.89
Employee benefits payable		53,575.28	53,575.28	
(4) Health insurance, medical insurance, housing fund, unemployment insurance and other employee benefits payable	205,600.44	24,207,778.50	24,208,340.50	205,038.44
(5) Unpaid social security contributions	23,524.10	178,016.72	174,527.78	27,013.04
T	82,608,332.00	613,701,105.60	615,376,119.42	80,933,318.18

5.26.3 Deferred employee benefits

Item	Balance			Balance as at 31 December 2025
	31 December 2024	January 2025	December 2025	
Deferred employee benefits payable	3,047,812.97	44,438,784.95	44,087,546.83	3,399,051.09
Unpaid employee benefits payable	91,151.64	1,319,995.63	1,312,023.64	99,123.63
T	3,138,964.61	45,758,780.58	45,399,570.47	3,498,174.72

Other information:

As at 31 December 2025, the Group has no employee benefits payable (including short-term employee benefits payable and deferred employee benefits payable) that are not provided for by the Group's insurance policies.

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)

5.27 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
Enterprise Income Tax	139,810.92	65,721.04
Land Use Tax	940,760.98	778,342.55
Sales Tax	69,573.69	195,717.23
Enterprise Income Tax	3,906.48	2,121.00
Withholding 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
Interest		1,919,729.45
Dividends	3,600,000.00	1,090,000.00
Others	88,259,119.30	78,277,703.70
T	91,859,119.30	81,287,433.15

Notes to the Financial Statements

Financial Year ended 31 December 2025
(All amounts in RMB unless otherwise stated)

5 Notes to the Financial Statements (continued)

5.28 Other payables (in RMB)

5.28.1 Interest

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Interest on bank deposits		1,919,729.45
T		1,919,729.45

5.28.2 Dividends

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Dividends receivable	3,600,000.00	1,090,000.00
T	3,600,000.00	1,090,000.00

5.28.3 Other

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

Notes to the Financial Statements

Financial Year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

5 Non-current liabilities due within one year (RMB)

5.29 Non-current liabilities due within one year

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Long-term debt	132,990,000.00	164,170,000.00
Long-term payable	31,995,109.32	38,367,421.50
Long-term lease liability	36,422,400.23	26,733,022.63
T	201,407,509.55	229,270,444.13

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)

5.31 Long-term borrowings (RMB million)

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise stated)

5 Notes to the Financial Statements (continued)

5.33 Long-term payables

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

Notes to the Financial Statements

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

5 Notes to the Financial Statements (continued)

5.33 Long-term payables (in RMB)

5.33.2 Statement

Item	Balance as at 31 December 2024	Increase in 2025	Decrease in 2025	Balance as at 31 December 2025	Forming reason
Financial guarantees	4,320,000.00	5,760,000.00	10,080,000.00		Subsidiary's bank loans
T	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
Government grants	8,430,307.00	10,080,000.00	303,792.00	18,206,515.00	Government grants
T	8,430,307.00	10,080,000.00	303,792.00	18,206,515.00	/

Notes to the Financial Statements

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

5 Notes to the Financial Statements (Continued)

5.36 Capital surplus

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

Other comprehensive income for the year ended 31 December 2025:

- In 2025, the Company's share of profit from the equity method investee, Wenhou Kangning Hospital Co., Ltd. (Wenhou Kangning Hospital Co., Ltd.), increased by RMB4,503,685.30. The Company's share of profit from the equity method investee, Wenhou Kangning Hospital Co., Ltd. (Wenhou Kangning Hospital Co., Ltd.), decreased by RMB30,943,297.66. The Company's share of profit from the equity method investee, Wenhou Kangning Hospital Co., Ltd. (Wenhou Kangning Hospital Co., Ltd.), increased by RMB7.20.
- The Company's share of profit from the equity method investee, Wenhou Kangning Hospital Co., Ltd. (Wenhou Kangning Hospital Co., Ltd.), decreased by RMB4,503,685.30. The Company's share of profit from the equity method investee, Wenhou Kangning Hospital Co., Ltd. (Wenhou Kangning Hospital Co., Ltd.), decreased by RMB4,503,685.30.
- The Company's share of profit from the equity method investee, Wenhou Kangning Hospital Co., Ltd. (Wenhou Kangning Hospital Co., Ltd.), decreased by RMB2,270,900.00. The Company's share of profit from the equity method investee, Wenhou Kangning Hospital Co., Ltd. (Wenhou Kangning Hospital Co., Ltd.), decreased by RMB311,100.00. The Company's share of profit from the equity method investee, Wenhou Kangning Hospital Co., Ltd. (Wenhou Kangning Hospital Co., Ltd.), decreased by RMB1,959,800.00. The Company's share of profit from the equity method investee, Wenhou Kangning Hospital Co., Ltd. (Wenhou Kangning Hospital Co., Ltd.), decreased by 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 (continued)

5.37 Treasury share

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

On 31 December 2025, the company has the following treasury shares:

(1) As at 31 December 2025, the company has repurchased 3,419,975 shares of its ordinary shares at a total cost of RMB28,666,701.91.

(2) In 2025, the company has repurchased 2,270,900 shares of its ordinary shares at a total cost of RMB22,399,322.22, and has cancelled 311,100 shares of its ordinary shares at a total cost of RMB3,250,398.96.

5.38 Surplus reserve

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

Notes to the Financial Statements (continued)

In accordance with the Company Law of the PRC, the company is required to allocate 10% of its profit after tax to the statutory surplus reserve until it reaches 50% of the registered capital. The company has not allocated any profit after tax to the statutory surplus reserve in 2025.

Notes to the Financial Statements

For the 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		Amount in 2024	
	Revenue	Cost	Revenue	Cost
Medical services	1,448,705,601.11	1,074,924,943.42	1,517,773,042.05	1,125,416,714.47
Other services	171,078,809.67	125,790,274.94	136,516,371.18	90,468,771.15
Total	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	Amount in 2024
Revenue from medical services	1,448,705,601.11	1,517,773,042.05
Revenue from other services	171,078,809.67	136,516,371.18
Cost of sales for medical services	1,074,924,943.42	1,125,416,714.47
Cost of sales for other services	125,790,274.94	90,468,771.15
Total	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
Revenue	1,619,784,410.78	1,654,289,413.23
Total	1,619,784,410.78	1,654,289,413.23

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB)

5 Notes to the Financial Statements (continued)

Notes to the Financial Statements

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

5 Notes to the Financial Statements (Continued)

5.42 Selling expenses

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

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)

5.43 Administrative expenses

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

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

5 Notes to the Financial Statements (continued)

5.46 Other income

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

5.47 Investment income

Item	Amount in 2025	Amount in 2024
Losses from disposal of financial assets	-1,463,514.07	-1,089,495.22
Interest income	4,804,189.70	1,844,372.15
Interest income	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	Amount in 2024
Financial assets	745,794.27	588,023.88
Others	-1,962,024.32	742,239.73
Financial assets	-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
(Amounts in thousands of RMB)

5 Notes to the Financial Statements (continued)

5.49 Credit impairment losses

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

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

5 Non-current assets and liabilities (continued)

5.52 Non-operating revenue

Item	Amount in 2025	A \$ 2024	A \$
Government grants	35,042.85	157,773.18	35,042.85
Interest income	35,042.85	157,773.18	35,042.85
Others	267,263.75	46,960.37	267,263.75
Government grants		86,363.28	
Research grants	233,000.00		233,000.00
Vendor rebates		89,700.00	
Patent income	722,808.91	86,864.89	722,808.91
Others	63,472.78	1,061,239.31	63,472.78
T	1,321,588.29	1,528,901.03	1,321,588.29

5.53 Non-operating expenses

Item	Amount in 2025	A \$ 2024	A \$
Loss on disposal of non-current assets	1,372,524.38	1,117,414.85	1,372,524.38
Interest expense	1,368,774.38	1,117,414.85	1,368,774.38
Others	3,750.00		3,750.00
Employee benefits	3,069,645.91	2,697,864.84	3,069,645.91
Employee benefits	5,483.03	20,094.09	5,483.03
Interest expense	59,434.72	49,092.37	59,434.72
Finance charges	8,852,014.48	1,606,766.04	8,852,014.48
Cost of sales	1,190,606.08	2,668,838.80	1,190,606.08
Others	2,347,434.42	622,957.51	2,347,434.42
T	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 (Continued)

5.54 Income tax expense

5.54.1 Income tax expense

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

5.54.2 Analysis of income tax expense

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

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)

5.55 Earnings per share

5.55.1 Basic earnings per share

Basic earnings per share is calculated as follows:

Item Amount in 2025 A RMB 2024

Notes to the Financial Statements

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

5 Notes to the Financial Statements (continued)

5.56 Items of statement of cash flows

5.56.1



Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

5 Notes to the Financial Statements (continued)

5.56 Items of statement of cash flows (continued)

5.56.3 Cash flows from operating activities

(1) Cash flows from operating activities

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

(2) Cash flows from investing activities

Item	Amount in 2025	Amount in 2024
Cash paid for the purchase of property, plant and equipment	32,439,993.04	61,246,345.17
Cash paid for the purchase of intangible assets	88,603,663.62	31,637,451.28
Cash received from the disposal of property, plant and equipment	28,448,175.99	48,214,658.67
Cash received from the disposal of intangible assets		9,821,161.72
Cash received from the disposal of financial 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 (continued)

5.57 Supplementary information to the statement of cash flows

5.57.1 Supplementary information to the statement of cash flows

Supplementary information	Amount in 2025	Amount in 2024
1. Net cash and cash equivalents	36,603,923.23	50,397,711.37
2. Cash and cash equivalents	6,584,873.28	26,454,997.91
3. Accounts receivable	25,455,745.42	16,495,929.58
4. Prepaid expenses	59,277,046.66	49,240,319.63
5. Other receivables	38,080,052.61	36,130,781.58
6. Accounts payable	25,315,210.36	40,516,786.29
7. Accounts payable	38,081,274.32	28,899,252.81
8. Other payables	(2,384,033.43)	69,932.29
9. Other non-current assets	1,337,481.53	959,641.67
10. Financial assets	3,021,733.30	269,736.39
11. Financial liabilities	39,088,809.56	42,602,761.73
12. Other non-current liabilities	(3,352,761.94)	(754,876.93)
13. Other non-current liabilities	2,901,611.52	(11,051,274.17)
14. Other non-current liabilities	506,999.64	(6,992,997.53)
15. Other non-current liabilities	5,469,515.35	9,971,048.87
16. Other non-current liabilities	65,949,382.96	(66,194,329.87)
17. Other non-current liabilities	93,546,438.19	(121,374,427.72)
18. Other non-current liabilities	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 in RMB unless otherwise specified)

5 Notes to the Financial Statements

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

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

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

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

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 are in RMB unless otherwise specified)

5 Notes to the Financial Statements (continued)

5.57 Supplementary information to the statement of cash flows (continued)

5.57.3 Net change in cash and cash equivalents

Item	Amount
Change in cash and cash equivalents, 2025	
Initial balance: H. Y. M. E. R. D. C., L.	
Final balance: H. Y. M. E. R. D. C., L.	29,192.78
Initial balance: H. Y. M. E. R. D. C., L.	29,192.78
Final balance: H. Y. M. E. R. D. C., L.	-29,192.78

5.57.4 Balance sheet

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
I. C.	287,674,751.45	255,232,744.16
Initial balance: H. Y. M. E. R. D. C., L.	231,487.96	192,804.35

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise stated)

5 Notes to the Financial Statements (continued)

5.57 Supplementary information to the statement of cash flows (continued)

5.57.5 Significant non-cash transactions

(1) The Company has entered into a significant non-cash transaction with its subsidiary, Wenhou Kangning Hospital Co., Ltd. (Wenhou Kangning Hospital) in the form of a share repurchase agreement.

On 31 December 2025, the Company repurchased 10,000,000 shares of its ordinary shares from Wenhou Kangning Hospital at a price of RMB 1.00 per share, resulting in a total repurchase amount of RMB 100,000,000.

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 Lease

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

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

6 Contents

6.1 Business combination not under common control

6.1.1 Business combination not under common control in 2025

Name of the acquiree	Date of acquisition	Initial investment cost (RMB)	Percentage of ownership interest acquired (%)	Business combination type	RMB		
					Identifiable Intangible Assets	Goodwill	Minority Interest
Hubei Yuhong Hospital (31 M 2025)	35,600,000.00	65.00%	Control	19,744,154.59	-4,258,984.02	-4,140,576.81	
Wenhou Kangning Hospital (31 AB 2025)	16,000,000.00	100.00%	Control	11,889,168.62	526,879.67	-658,162.01	

6.1.2 Details of business combination not under common control

Category	Hubei Yuhong Hospital (RMB)	Wenhou Kangning Hospital (RMB)
Control		
☑ Cash	28,000,000.00	16,000,000.00
☑ Financial assets		
☑ Financial assets	7,600,000.00	
☑ Financial assets		
☑ Financial assets		
☑ Financial assets		
☑ Other		
Total	35,600,000.00	16,000,000.00
Liabilities		
T8 (T ₉₅₁)	22,701,183.23	4,918,029.37
	2,898,8160.70	1,081,9170630

Notes to the Financial Statements

For the Year Ended December 31, 2025

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

6 Business combinations (in RMB Yuan)

6.1 Business combination not under common control (in RMB Yuan)

6.1.3 Investment in subsidiaries not under common control

	Balance at the beginning of the year	Change during the year	Balance at the end of the year	Balance at the beginning of the year
	Original value	Original value	Original value	Original value
Investment in subsidiaries:				
Wenhou Kangning Hospital Co., Ltd.	88,586,325.58	70,800,279.48	10,080,947.55	10,080,947.55
Chengde Kangning Hospital Co., Ltd.	10,683,725.70	10,683,725.70	5,414,371.29	5,414,371.29
Rongde Kangning Hospital Co., Ltd.	5,611,315.68	5,611,315.68	4,640,769.51	4,640,769.51
Anguo Kangning Hospital Co., Ltd.	11,966.69	11,966.69	24,750.00	24,750.00
Intelligence Kangning Hospital Co., Ltd.	872,927.05	872,927.05		
Fuzhou Kangning Hospital Co., Ltd.	1,598,098.97	484,744.28		
Intelligence Kangning Hospital Co., Ltd.	24,042,500.04	1,091,469.96		
Rongde Kangning Hospital Co., Ltd.	41,886,805.14	41,886,805.14		
Luoyang Kangning Hospital Co., Ltd.	1,828,479.92	1,828,479.92		
Daxing Kangning Hospital Co., Ltd.	2,050,506.39	8,328,845.06	1,056.75	1,056.75
Investment in associates:				
Pingliang Kangning Hospital Co., Ltd.	57,753,735.99	57,753,735.99	5,162,918.18	5,162,918.18
Pingliang Kangning Hospital Co., Ltd.	2,819,655.50	2,819,655.50	750,490.02	750,490.02
Rongde Kangning Hospital Co., Ltd.	923,339.06	923,339.06	725,473.00	725,473.00
Enshi Kangning Hospital Co., Ltd.	1,472,442.86	1,472,442.86	3,509,669.27	3,509,669.27
Tianjin Kangning Hospital Co., Ltd.	31,295.32	31,295.32	177,285.89	177,285.89
Beijing Kangning Hospital Co., Ltd.	52,507,003.25	52,507,003.25		
Investment in other entities:				
Ningde Kangning Hospital Co., Ltd.	30,832,589.59	13,046,543.49	4,918,029.37	4,918,029.37
Luoyang Kangning Hospital Co., Ltd.	8,131,406.36	4,566,290.22		
Anguo Kangning Hospital Co., Ltd.	22,701,183.23	8,480,253.27	4,918,029.37	4,918,029.37

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

6 Disposal of subsidiaries

6.2 Disposal of subsidiaries

6.2.1 Disposal of subsidiaries

Name of subsidiary	Disposal price at the time of loss of control	Proportion of disposal at the time of loss of control (%)	Disposal method at the time of loss of control	Time point of loss of control	Judgment basis for the time point of losing the control	Difference between the disposal price and the share of net assets of the subsidiary enjoyed by the disposal investment at the consolidated financial statement level	Proportion of residual equity of loss of control	Book value of the remaining equity at the level of consolidated financial statements on the date of loss of control	Fair value of the remaining equity on the date of loss of control in consolidated financial statements	Gain or loss from remeasurement of the remaining equity at fair value	Method and key assumptions for determining fair value of remaining equity on the date of loss of control in consolidated financial statements	Amount of other comprehensive income related to original subsidiary equity transferred to investment earnings
H. Y. M. R. Co., Ltd.	30,000.00	100.00	S	12/31/2025	EB, C, L.	807.22						

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's Shareholding (%)	Shareholding (%)	Shareholding (%)	Shareholding (%)
Wenhou Kangning Hospital (Shanghai) Co., Ltd.	33,000.00	100.00	100.00	100.00	100.00
Chengde Kangning Hospital Co., Ltd.	1,000.00	100.00	100.00	100.00	100.00
Wenhou Kangning Hospital (Chengde) Co., Ltd.	1,000.00	65.00	65.00	65.00	65.00
Wenhou Kangning Hospital (Chengde) Co., Ltd.	2,585.98	100.00	100.00	100.00	100.00
Peichang Kangning Hospital Co., Ltd.	3,057.47	100.00	100.00	100.00	100.00
Yibei Kangning Hospital (Wenhou) Co., Ltd.	9,800.00	100.00	100.00	100.00	100.00
Wenhou Kangning Hospital (Chengde) Co., Ltd.	500.00	100.00	100.00	100.00	100.00
Huibe Kangning Hospital (Chengde) Co., Ltd.	5,000.00	65.00	65.00	65.00	65.00
Wenhou Kangning Hospital (Chengde) Co., Ltd.	200.00	100.00	100.00	100.00	100.00
Wenhou Kangning Hospital (Chengde) Co., Ltd.	100.00	100.00	100.00	100.00	100.00
Yibei Kangning Hospital (Chengde) Co., Ltd.	1,000.00	100.00	100.00	100.00	100.00
Kangning Hospital (Chengde) Co., Ltd.	20,000.00	100.00	100.00	100.00	100.00
Peichang Kangning Hospital (Chengde) Co., Ltd.	600.00	100.00	100.00	100.00	100.00

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

Notes	Company	Parent	Subsidiaries	Percentage (%)
Wen Hou Kangning Hospital Co., Ltd.		6,000.00	Wen Hou Kangning Hospital Co., Ltd.	

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are 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	Company's Shareholding (%)	Company's Shareholding (%)	Company's Shareholding (%)	Company's Shareholding (%)	Company's Shareholding (%)	Company's Shareholding (%)	Company's Shareholding (%)
Wenhou Kangning Hospital Fuzhou City	50.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Wenhou Kangning Hospital Yunnan	10,000.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
Yunnan Kangning Hospital Jianshi	2,700.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Jianshi Kangning Hospital Luzhou	2,398.26	55.00	55.00	55.00	55.00	55.00	55.00	55.00
Luzhou Kangning Hospital Chongqing	2,040.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00
Dongfang Kangning Hospital Chongqing	1,800.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00
Wenhou Kangning Hospital Chongqing	50.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Jianshi Kangning Hospital Economic Development Zone (Luzhou)	6,001.00	61.27	25.80	61.27	25.80	61.27	25.80	61.27
Qianjiang Kangning Hospital Mingyuan	2,764.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Entity information and other details are provided in the following table:

All subsidiaries are wholly owned by Wenhou Kangning Hospital Co., Ltd. The company holds 100% of the shares in all subsidiaries.

Business scope and other details are provided in the following table:

The company holds 90% of the shares in Hubei Kangning Hospital Co., Ltd. As of December 31, 2025, Hubei Kangning Hospital Co., Ltd. is a subsidiary of the company. The company holds 90% of the shares in Guizhou Kangning Hospital Co., Ltd.

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are 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
Wenhou Kangning Hospital Co., Ltd.	40.00	-556,708.88		37,565,639.83
Jiangsu Kangning Hospital Co., Ltd.	45.00	-2,030,443.47		13,278,391.92
Henan Kangning Hospital Co., Ltd.	20.00	47,364.17	401,123.89	21,104,045.97
Hubei Kangning Hospital 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					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Wenhou 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 Kangning Hospital 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
Henan Kangning Hospital Co., Ltd.	172,867,810.34	853,963.27	173,721,773.61	112,153,608.69		112,153,608.69
Hubei Kangning Hospital 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					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Wenhou 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 Kangning Hospital 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
Henan Kangning Hospital 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 Kangning Hospital 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 financial information of subsidiaries

Subsidiary Name	Amount in 2025				Amount in 2024			
	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities
Wenhou Kangning Hospital Co., Ltd.	13,761.47	-1,391,772.19	-1,391,772.19	44,202,706.15	-	-	-	-
Jiangsu Heli 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
Peking University Health Science Center	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
Heli 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 Non-wholly owned subsidiaries

In January 2025, the Company increased its ownership interest in Jiangsu Heli Hospital Co., Ltd. from 11.73% to 14.93%. The Company's share of the net profit of Jiangsu Heli Hospital Co., Ltd. for the year ended December 31, 2025 is RMB4,512,096.60. The Company's share of the cash flow from operating activities of Jiangsu Heli Hospital Co., Ltd. for the year ended December 31, 2025 is RMB914,868.71. The Company's share of the total comprehensive income of Jiangsu Heli Hospital Co., Ltd. for the year ended December 31, 2025 is RMB4,512,096.60. The Company's share of the operating revenue of Jiangsu Heli Hospital Co., Ltd. for the year ended December 31, 2025 is RMB23,791,240.26.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

7.1 Investment in subsidiaries

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

(in RMB)

7.2.1 Investment in Chengdu Yining

	Chengdu Yining
Initial investment	27,000,000.00
Additional investment	27,000,000.00
Dividends received	27,000,000.00
Share repurchase	-3,943,297.66
Share transfer	30,943,297.66
Share disposal	30,943,297.66
Share acquisition	
Share disposal	

7.3 Equity in joint venture arrangements or associates

7.3.1 Significant joint venture arrangements or associates

Name of the joint venture arrangement or associate	Business nature	Investor	Investment amount (RMB)	Investment percentage (%)	Shareholder information	
					Shareholder name	Shareholding percentage (%)
Sichuan Shengde Hospital	Hospital	Xinsheng Hospital	Xinsheng Hospital	30.00	Shengde Hospital	70.00
Wenhou Kangning Hospital	Hospital	Wenhou Kangning Hospital	Wenhou Kangning Hospital	45.00	Wenhou Kangning Hospital	55.00

Notes to the Financial Statements

Financial Year ended 31 December 2025
(All amounts in RMB unless otherwise specified)
7.3 Equity in joint venture arrangements or associates (RMB)

7.3 Equity in joint venture arrangements or associates (RMB)

7.3.2 Key financial information

	Balance as at 31 December		Balance as at 31 December	
	2025/Amount in 2025		2024/Amount in 2024	
	Shanxi Shanda	Longwan Yining	Shanxi Shanda	Longwan Yining
Cost	52,325,788.02	1,862,472.90	48,352,443.86	196,852.44
Net book value	121,989,736.52	255,093,748.77	120,536,919.01	219,142,045.33
Total	174,315,524.54	256,956,221.67	168,889,362.87	219,338,897.77
Cost	98,820,684.44	41,510,269.10	90,135,768.43	38,926,869.26
Net book value	15,000,000.00	90,995,141.93	15,000,000.00	55,023,631.60
Total	113,820,684.44	132,505,411.03	105,135,768.43	93,950,500.86
Minority interest	19,373,422.12		19,872,251.77	
Equity in joint venture arrangements or associates	41,121,417.98	124,450,810.64	43,881,342.67	125,388,396.91
Net book value	12,336,425.39	56,002,864.79	13,164,402.80	56,424,778.61
Accumulated losses	8,555,233.95		8,825,233.95	
Goodwill	8,825,233.95		8,825,233.95	
Unrealized gains				
Other	-270,000.00	56,002,864.79	56,420,269.60	219,142,955.77

Notes to the Financial Statements

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

8 Government Grants

8.1 Government grants included in the current profit or loss

Type	Amount in 2025	Amount in 2024
Operating grants	303,792.00	303,792.00
Non-operating grants	22,976,119.83	12,841,137.16

Total: 23,279,911.83 (2024: 13,144,929.16)

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

9 Risks

9.1 Various risks arising from financial instruments (in RMB)

9.1.1 Credit risk

Our credit risk is primarily concentrated in our receivables and other financial assets. We have established a credit management system to assess the creditworthiness of our customers and to monitor the credit risk of our receivables.

The carrying amount of our receivables represents the maximum credit risk. We have provided allowances for expected credit losses based on the historical loss experience and current economic conditions. The carrying amount of our receivables is RMB 1,234,567,890 as of December 31, 2025.

The carrying amount of our other financial assets is RMB 567,890,123 as of December 31, 2025. We have provided allowances for expected credit losses based on the historical loss experience and current economic conditions. The carrying amount of our other financial assets is RMB 567,890,123 as of December 31, 2025.

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 (in RMB)

9.1.2 Liquidity risk (in RMB)

The Company's liquidity risk is primarily related to the maturity of its financial instruments. The Company monitors the maturity of its financial instruments to ensure that it has sufficient cash resources to meet its obligations as they fall due.

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

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

Fiscal Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

9 Risks

9.1 Various risks arising from financial instruments (in RMB)

9.1.3 Market risk

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

(1) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in interest rates. The Company's financial instruments are primarily denominated in RMB, and the majority of the Company's loans and deposits are at floating interest rates.

For the purpose of this analysis, the Company has assumed that the interest rate on all floating rate financial instruments will adjust to the current market rate at the reporting date. The Company's interest rate risk is primarily related to its floating rate loans and deposits. The Company's interest rate risk is managed through a variety of financial instruments, including interest rate swaps and forward rate agreements. The Company's interest rate risk is managed through a variety of financial instruments, including interest rate swaps and forward rate agreements.

As of 31 December 2025, the Company's interest rate risk is primarily related to its floating rate loans and deposits. The Company's interest rate risk is managed through a variety of financial instruments, including interest rate swaps and forward rate agreements.

(2) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's financial instruments are primarily denominated in RMB, and the majority of the Company's loans and deposits are at floating interest rates.

The Company's foreign exchange risk is primarily related to its foreign currency loans and deposits. The Company's foreign exchange risk is managed through a variety of financial instruments, including foreign exchange swaps and forward rate agreements. The Company's foreign exchange risk is managed through a variety of financial instruments, including foreign exchange swaps and forward rate agreements.

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

9 Risks (RMB million)

9.1 Various risks arising from financial instruments (RMB million)

9.1.3 Market risk (RMB million)

(2) Exchange rate risk (RMB million)

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

10 Derivatives

The Company has entered into the following derivatives:

Level 1: Forward foreign exchange contracts entered into to hedge the foreign exchange risk of the Company's foreign currency receivables and payables.

Level 2: Forward foreign exchange contracts entered into to hedge the foreign exchange risk of the Company's foreign currency receivables and payables.

Level 3: Forward foreign exchange contracts entered into to hedge the foreign exchange risk of the Company's foreign currency receivables and payables.

The Company's derivatives are classified as Level 1, Level 2 and Level 3 based on the fair value measurement hierarchy.

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				
Financial assets			8,573,388.20	8,573,388.20
1. Financial assets measured at fair value			8,573,388.20	8,573,388.20
(1) Derivatives				
(2) Equity instruments			8,573,388.20	8,573,388.20
(3) Debt instruments				
(4) Other				
2. Debt instruments measured at fair value				
(1) Derivatives				
(2) Other				
Financial liabilities				
Other				
Other				

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

10 December 2025

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

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

Notes to the Financial Statements

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

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

Item	Fair value as at		R. (W)
	31 December 2025	Value	
Equity instruments	8,573,388.20	Value	8%
Other			

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

11.5.1 Related-party transactions

Related party	Related-party transaction content	Amount in 2025	Amount in 2024
Wen Hou Kangning Hospital Co., Ltd.	Medical services	447,789.38	117,517.37
Yanming Hospital Co., Ltd.	Medical services	627,851.53	933,864.76
Huashan Hospital Co., Ltd.	Medical services		300,000.00

Total

Related party	Related-party transaction content	Amount in 2025	Amount in 2024
Yanming Hospital Co., Ltd.	Medical services	2,227,722.78	2,970,297.04
	Medical services	487,044.25	

Notes to the Financial Statements

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

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

11 Related Party Transactions (Continued)

11.5 Related-party transaction (Continued)

11.5.2 Guarantees (Continued)

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

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

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

11 Related-party transactions (Continued)

11.5 Related-party transaction (Continued)

11.5.3 Lending/borrowing

Related party	Lending/borrowing amount	Start date	Maturity date	Description
Bank				
Wenhou Kangning Hospital Co., Ltd.	1,095,000.00	2023/9/29		Short-term loan
Wenhou Kangning Hospital Co., Ltd.	2,508,250.00	2022/6/13		Short-term loan
Wenhou Kangning Hospital Co., Ltd.	13,500,000.00	2023/1/10	2026/1/9	Long-term loan
Shanghai Pudong Hospital Co., Ltd.	10,204,311.69	2015/6/1		Long-term loan
Wenhou Kangning Hospital Co., Ltd.	3,490,447.08	2015/9/1		Long-term loan

11.5.4 Receivables

Item	Amount in 2025	Amount in 2024
Accounts receivable	10,661,260.51	8,625,385.30
Other receivables	1,851,645.21	1,863,108.72

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

11 Receivables and payables of related parties (CNY)

11.6 Unsettled items such as receivables and payables of related parties

11.6.1 Receivables

Item name	Related party
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Notes to the Financial Statements

For the Year Ended December 31, 2025

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

11 R (C)

11.7 Director interests and rights

RMB Yuan, unless otherwise specified. 2025

Name	Remuneration	Salary and subsidies	Social insurance plan contributions	Performance bonus	Other allowances and benefits	Equity incentives	Total
Executive directors							
Ge W	200,000.00	404,160.00	84,787.98	89,108.80	1,700.00		779,756.78
W L	150,000.00	492,132.00		158,099.94	26,200.00	542,692.81	1,369,124.75
W J	150,000.00	600,000.00	80,200.80		27,050.00		857,250.80
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 are in RMB unless otherwise stated)

11 RMB (CNY)

11.7 Director interests and rights (CNY)

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

11 Remuneration of key management personnel (continued)

11.8 Top five highest remunerated individuals

All amounts are in RMB unless otherwise specified. For the year ended 31 December 2025, the top five highest remunerated individuals received a total remuneration of 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 salaries	1,203,855.32	1,557,020.71
Short-term incentive	332,164.74	253,590.18
Long-term incentive	1,722,787.77	509,164.51
Other benefits	148,401.60	102,767.30
Share-based payment	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 payments (Continued)

12.1 Equity-settled share-based payments

Determination method of the fair value of equity instruments on the date of grant	Market method
Initial recognition	Cost
Subsequent measurement	Cost
Reversal	
Amount	53,358,569.28

12.2 Share-based payment expenses

Grant object	Amount in 2025		Amount in 2024	
	Equity-settled share-based payments	Cash-settled share-based payments	Equity-settled share-based payments	Cash-settled share-based payments
Healthcare	4,503,685.30	4,503,685.30	767,673.68	767,673.68
T	4,503,685.30	4,503,685.30	767,673.68	767,673.68

13 Contingencies

13.1 Significant commitments

13.1.1 Contingent liabilities

The Company has no significant contingent liabilities.

Item	31 December 2025	31 December 2024
Healthcare	25,533,926.00	122,040,000.00
T	25,533,926.00	122,040,000.00

13.2 Contingencies

The Company has no significant contingencies.



WEN HOU KANGNING HOSPITAL CO., LTD.
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Notes to the Financial Statements

Fiscal Year ended 31 December 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 Non-current assets

16.1 Accounts receivable

16.1.1 Accounts receivable

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

Total accounts receivable as at 31 December 2025 is RMB 36,684,264.84 (2024: RMB 69,696,752.09).

16.1.2 Details of accounts receivable

Category	Balance as at 31 December 2025				Book value	Balance as at 31 December 2024				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Accounts receivable	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	
Prepaid expenses	11,916,666.11	24.21	11,916,666.11	100.00	10,763,194.65		10,725,880.17		37,314.48	
Accounts receivable	37,312,133.47	75.79	627,868.63	1.68	36,684,264.84	70,459,871.30	86.75	800,433.69	1.14	69,659,437.61
Total	37,312,133.47	75.79	627,868.63	1.68	36,684,264.84	70,459,871.30	86.75	800,433.69	1.14	69,659,437.61
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 are in RMB unless otherwise stated)

16 Notes to the Financial Statements (Continued)

16.1 Accounts receivable (Continued)

16.1.3 Breakdown of accounts receivable by category 2025

Category	Balance as at 31 December 2024		Balance as at 31 December 2025		Balance as at 31 December 2025
	RMB	US\$	RMB	US\$	
Accounts receivable	10,725,880.17	4,405,824.83	3,215,038.89		11,916,666.11
Other receivables	800,433.69		172,565.06		627,868.63
T	11,526,313.86	4,405,824.83	3,387,603.95		12,544,534.74

16.1.4 Accounts receivable by geographical area 2025

Geographical area	Balance as at 31 December 2025
China	3,215,038.89

16.2 Other receivables

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

Notes to the Financial Statements

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

16 Non-current assets (CNY)

16.2 Other receivables (CNY)

16.2.1 Interest receivables

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Trade receivables	787,500.00	787,500.00
Other receivables	787,500.00	787,500.00
Total	787,500.00	787,500.00

16.2.2 Investment receivables

Project (or investee)	Balance as at 31 December 2025	Balance as at 31 December 2024
Chengde Kangning Hospital Co., Ltd.	12,400,000.00	4,400,000.00
Yunnan Chengde Hospital Co., Ltd.	7,000,000.00	7,000,000.00
Qinghai Kangning Hospital Co., Ltd.	5,300,000.00	16,000,000.00

Notes to the Financial Statements

Fiscal 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	129,893,005.85	532,356,857.00
1-2 years	189,701,628.70	32,666,417.15
2-3 years	109,787,806.90	8,304,612.39
3-4 years	52,311,522.50	496,167.22
4-5 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				Book value	Balance as at 31 December 2024				
	Book balance Amount	Proportion (%)	Provision for bad debts Amount	Provision ratio (%)		Book balance Amount	Proportion (%)	Provision for bad debts Amount	Provision ratio (%)	
Accounts receivable	482,893,111.13	100.00	1,217,310.23	0.25	481,675,800.90	574,530,404.28	100.00	1,842,181.81	0.32	572,688,222.47
Other receivables	54,961,446.39	11.38	1,217,310.23	2.21	53,744,136.16	65,297,554.50	11.37	1,842,181.81	2.82	63,455,372.69
Other receivables	427,931,664.74	88.62	-	-	427,931,664.74	509,232,849.78	88.63	-	-	509,232,849.78
Total	482,893,111.13	100.00	1,217,310.23	-	481,675,800.90	574,530,404.28	100.00	1,842,181.81	-	572,688,222.47

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

16.2 Other receivables (CNY million)

16.2 Other receivables (CNY million)

16.2.3 Other receivables (CNY million)

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

Receivables from related parties

Provision for bad debts

Name	Balance as at 31 December 2025		
	Other receivables	Provision for bad debts	Proportion of provision (%)
Receivables from related parties	54,961,446.39	1,217,310.23	2.21
Other receivables	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 as at 31 December 2024	1,842,181.81			1,842,181.81
For the Year Ended 31 December 2025				
- Total provision for bad debts				
- RMB million, Stage II				
- RMB million, Stage III				
- RMB million, Stage II				
- RMB million, Stage I				
Receivables as at 31 December 2025	624,871.58			624,871.58
Receivables as at 31 December 2025				
Write-off as at 31 December 2025				
Write-off as at 31 December 2025				
Other receivables				
Balance as 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 (CNY million)

16.2 Other receivables (CNY million)

16.2.3 Other receivables (CNY million)

(4) Receivables from related parties (CNY million)

Category	Balance as at 31 December 2024		Balance as at 31 December 2025	
	RMB million	US\$ million	RMB million	US\$ million
Accounts receivable	1,842,181.81		624,871.58	
T	1,842,181.81		624,871.58	

(5) Receivables from other parties (CNY million)

Nature of payment	Book balance as at 31 December 2025		Balance as at 31 December 2024	
	RMB million	US\$ million	RMB million	US\$ million
Receivables from related parties	427,931,664.74		509,232,849.78	
Receivables from other parties	34,457,000.00		38,067,000.00	
Contract receivables	2,216,316.97		1,354,960.78	
Due from subsidiaries	1,937,991.24		2,487,401.88	
Others	677,919.00		1,075,972.66	
R	15,672,219.18		22,312,219.18	
T	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	RMB million	US\$ million
Investment in subsidiaries	793,352,571.90		793,352,571.90	771,544,043.35	771,544,043.35
Investment in other entities	65,319,529.44		65,319,529.44	63,293,944.52	63,293,944.52
T	858,672,101.34		858,672,101.34	834,837,987.87	834,837,987.87

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

16 Non-current assets (CNY 1,234,567,890)

16.3 Long-term equity investments (CNY 1,234,567,890)

16.3.2 Investment in equity instruments

CNY 2025

Investee	31 December 2024	31 December 2024	A, RMB	R, B	Balance of	
					Balance (Book value) as at 31 December 2025	provision for impairment as at 31 December 2025

Notes to the Financial Statements

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

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
Drugs, medical devices, etc.	Typically 1-3 months	On credit	Drugs, medical devices, etc.	Yes	No	No

16.5 Investment income

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

Wen Hou Kangning Hospital Co., Ltd.
(Wholly-owned subsidiary)
March 23, 2026

Definitions

AGM•	Annual General Meeting of the Company, 2025
A	Company
ABC	ABC
B Y H	Beijing Yinan Hospital Co., Ltd. (北京怡寧醫院有限公司), PRC, ABC 17, 2015, C
B D B	B D B C
C K H	Cangnan Kangning Hospital Co., Ltd. (蒼南康寧醫院有限公司), PRC, J 15, 2012, C
CGC	CGC, 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	C J Y P H C, L, (C Y H C, L,), J 29, 2010, C
C K H	Chuan'an Kangning Huangfeng Hospital Co., Ltd. (淳安康寧黃鋒醫院有限公司), PRC, A 16, 2020, C
C W K H	Wenhou Kangning Hospital Co., Ltd., PRC, HS M B H K S E (S C, :2120)
C S	C H K L R M. GUAN W M. WANG L

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

<p>L. C. H. •</p>	<p>L. C. H. C., L., (臨海慈寧醫院有限公司), PRC D 11, 2020, C 2</p>
<p>M •</p>	<p>M S A R PRC</p>
<p>M, C, •</p>	<p>M, C, S T D, L, I • A C3 H, K, L R</p>
<p>N C •</p>	<p>B,</p>
<p>N - A •</p>	<p>M 11, 2015 C</p>
<p>P. C. Y. H. •</p>	<p>P. C. Y. H. C., L., C J 14, 2021, •</p>
<p>PY H. •</p>	<p>PY H. H. C., L., (浦江怡寧黃鋒醫院有限公司), PRC S 3, 2018, C</p>
<p>PRC • C •</p>	<p>P R C, • • •, H, K, M, T</p>
<p>PRC C L •</p>	<p>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 (</p>
<p>R, F, D, •</p>	<p>RMB3.2 S (• D 31, 2025 • S AGM, • R, F, D, •</p>
<p>R •</p>	<p>C N 10, 2015</p>

温州康 院