ong ong E chang s and Ce ar ng ..t d and Th Stock E chang of ong ong ..t d tak no r spons b t for th cont nts of th s announe ..nt, ..ak no r pr s ntat on as to ts accurac or co..pe t n ss ande pr ss d sc a ..an ab t hatso v r for an oss ho so v r ar s ng fro..or n r ane upon th hœ or an part of th cont nts of th s announe ..nt.

溫州康寧醫院股份有限公司

Wenzhou Kangning Hospital Co., Ltd.

(A joint stock limited liability company incorporated in the People's Republic of C)

2 FINANCIAL HIGHLIGHTS

2.1 Principal Financial Data and Indicators

	For the year ended December 31,	
	2025	**2024**
	(RMB'000)	*(RMB'000)*
Revenue	**1,619,784**	1,654,289
Profit before income tax	**69,219**	68,099
Income tax expenses	**32,615**	17,702
Net profit	**36,604**	50,398
Net profit attributable to Shareholders of the Company	**54,396**	65,610
Non-controlling interests	**-17,792**	-15,212

	As at December 31, 2025	As at December 31, 2024
	(RMB'000)	*(RMB'000)*
Total assets	**3,025,567**	3,004,953
Total liabilities	**1,713,937**	1,661,651
Total equity	**1,311,630**	1,343,302
Equity attributable to Shareholders of the Company	**1,187,819**	1,223,013
Non-controlling interests	**123,811**	120,289

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

3 BUSINESS REVIEW AND OUTLOOK

3.1 Business Review

In 2025, th th cont nuous g opo t ca conf cts around th or d and th s gn f cant ncr as n co pe t and une rta nt of th e t rna e nv ron nt, th do st c d ca ndustr has e ntr d a cr t ca phas h r th r for of d ca nsurane pa nt as furth r pro ot d, th ndustr co p t t on andscap has cont nuous r structur d, and th soc a d ca s rv e has ace e rat d to transfor nto standard zat on and sp c a zat on. Fac ng th s tuat on th t pe nt rna ande t rna pr ssur s nt rt n d, th roup adh r d to th d v op nt strat g of „ps ch atr c h a thcar as th foundat on ande d r h a thcar as th strat g c gro th out t–, targ t ng „ ua t ande ff c nc prov nt, e an op rat on, and stabe co p ane – to anag bus n ss d v op nt, r sk pr v nt on and contro and ong-t r a out, and th ov ra bus n ss r an d stabe dur ng th a port ng e r od.

Dur ng th a port ng e r od, th roup r cord d tota r v nu of B1,619.8 on, r pr s nt ng a d cr as of 2.1% as co par d th 2024. A ong th , th r v nu fro op rat ng ts o n d hosp ta s a ount d to B1,448.7 on, r pr s nt ng a d cr as of 4.6% as co par d th 2024. Dur ng th a port ng e r od, th roup's n t prof t attr butabe to Shar ho d rs of th Co pan a ount d to B54.4 on, r pr s nt ng a d cr as of 17.1% as co par d th 2024. As of D e b r 31, 2025, th roup has 34 o n d hosp ta s (D e b r 31, 2024: 32), nc ud ng an nd p nd nt e stab sh d nt rn t hosp ta (n ng s cho og Int rn t osp ta), and th nu b r of op rat ng b ds r an d at 11,508 (D e b r 31, 2024: 11,508).

Psychiatric Healthcare Business

a v nu d c n d und r pr ssur but ov ra op rat on stabe and contro abe

In 2025, und r th co b nat on of t pe factors such as th nor a zat on of d ca nsurane cost contro and th r s ng abor cost of d ca staff, r v nu fro th roup's ps ch atr c h a thcar bus n ss has d c n d as co par d th th sa p r od ast e ar, and th prof t nge nd of th bus n ss as und r obv ous pr ssur . o e v r, th th ncr as ng r g d d and for ps ch atr c h a thcar , b e v rag ng atur sp c a t op rat on capab t s and good r g ona brand advantag s, th roup act v h dg de t rna pacts through standard d op rat on, d ff r nt at d pos t on ng, r f n d anag nt and cost r duct on the ff c nc e nhane nt. Th ov ra op rat on ntu of th ps ch atr c h a thcar bus n ss r an d stabe , and ts cor funda nta s r an d st ad .

3.2 Business Highlights

In 2025, gu d d b an nnovat on-dr v n approach, th roup de p n d th coord nat d d v op nt a ong var ous ndustr e s, and ach v d a nu b r of acco p sh nts n th f ds of d g ta transfor at on, d sc p n construct on and sc nt f c r s arch nnovat on, and ndustr s n rg , h ch furth r nhan d ts cor co p t t v n ss, and ov ra pr s nt d a sound d v op nt tr nd of "stab ng foundat on, fost r ng gro th dr v rs, str ngth n ng barr rs and opt z ng structur ".

In t rms of d g ta transfor at on, th roup pro ct d h gh- ua t d v op nt through d g ta e po r nt, co pr h ns v upgrad d th n g n rat on of osp ta Infor at on S st e e ctron c d ca r cord and th h a thcar and support s st , nd p nd nt d v op d th "drug trac ab t cod ", and aunch d th p ot app cat on of AI d ca r cord r t ng and ua t contro s st and d ca nsuranc nt g nt sup rv s on s st , s gn f cant e nhanc ng th nfor at on nfrastructur 's capab t s n support ng r f n d op rat ons and co p ane anag nt.

In t rms of d sc p n construct on and sc nt f c r s arch nnovat on, th roup as approv d for 3 pr cts und r Zh ang rov nc 's "Top So d rs (尖兵)", "L ad ng ee s (領雁)" 2.00.053 &D e Br akh

3.3 Business Outlook

The roup's f nanc a pos t on and op rat ng er su ts ar a n sube ct to th fo o ng r sks:

( ) r sk er at ng to h gh er burs nt a ount fro pub c d ca nsurane . Fro 2023 to 2025, er burs nt a ount fro pub c d ca nsurane account d for or than 50% of th cash e v d fro sa s of goods and nd r ng of s rv e for th r sp ct v e ars. If th roup's h a thcar fac te s ar unabe to a nta n th of d s gnat d d ca nsurane nst tut ons n th futur , or th r ar adv rs chang s on th nat ona pub c d ca nsurane po c n r sp ct of tr at nt of nta n ss and g ront c n ss, th roup's op rat ng er su ts b aff ct d adv rs ;

( ) r sk er at ng to shortag of prof ss ona d ca tæ nts. nd r th a s and r gu at ons of th C, h a thcar fac te s sha a nta n a r ta n nu b r of d ca staff. W th th nor as n th nu b r of h a thcar fac te s of th roup, f e ar unabe to r cru t or a nta n ad uat d ca staff, e fae d ff cu te s to prov d pat nts th th d s rabe d ca s rv e s, h ch n r turn adv rs aff ct our op rat ng r su ts; and

( ) r sk er at ng to fa ur to r n ua f cat ons and e ns s r u r d for our op rat ons. e a thcar fac te s ar r u r d to obta n th d ca pract e e ns b for carr ng out th r bus n ss s, h ch usua has a va d p r od and r u r s r gu ar nsp ct ons b th r gu ator author te s. If th h a thcar fac te s of th roup ar unabe to r n th r e ns s n th futur du to poor a nag nt or non-co p ant op rat on, our op rat ng er su ts b aff ct d adv rs .

Prospect

In 2026, a though th r b une rta nt e s n th r cov r of th g oba e cono , and nor a d pr e contro ov r do st c d ca nsurane and fe re ndustr co p t t on cont nu n th short t r , th cont nuous nhane nt of pub c h a th a ar n ss and th constant de p n ng of popu at on ag ng n Ch na a a foundat on for th ong-t r r g d d and n th ps ch atr c h a thcar ande d r h a th bus n ss. e an he , th d r ct on of soc a h a thcar s obv ous h ad ng to ards standard z at on, sp c a z at on, and brand cone ntrat on. B ng th f rst e ar of th "15th F v - e ar an–", 2026 s an portant e ar for th roup s transfor at on and d v op nt strat g , and th roup adh r to th g n ra pr nc pe of "se k ng progr ss h e a nta n ng stab t , and ak ng br akthroughs n nnovat on–", and ace e rat th transfor at on of ts d v op nt od fro scæ e pans on to connotat on prov nt and r f n d op rat on. Th roup cont nu to upho d th cor va u s of "be ss ng v s and s rv ng th hu t –", sta tru to th e ss ne of h a thcar s rv e s, and purs u th d r ct on of "Sp c a z at on and Innovat on, Qua t Improv nt and Eff c nc Enhane nt–". B e v rag ng art f c a nt g ne toe e vat e an op rat ons, th roup s z th d v op nt opportun te s ar s ng fro th t o a or fe ds of ps ch atr c h a thcar ande d r h a thcar , and fu f ts r spons b t as a d ca pract t on r th b tt r and ar r h a thcar s rv e s to cr at ong-t r stabe va u for Shar ho d rs.

4 MANAGEMENT DISCUSSION AND ANALYSIS

4.1 Financial Review

The roup recorded revenue of ₹ B1,619.8 m. on during the eporting eriod, epresenting a decrease of 2.1% from 2024, of hich revenue from the operation of o n d hospitals amounted to ₹ B1,448.7 m. on, epresenting a decrease of 4.6% from 2024. During the eporting eriod, the gross profit margin of o n d hospitals as 25.8% (2024: 25.9%), and the roup's overall gross profit decreased to ₹ B419.1 m. on, epresenting a decrease of 4.4% from 2024. et profit attributable to Shareholders of the Company for the eporting eriod as ₹ B54.4 m. on, epresenting a decrease of 17.1% from 2024. During the eporting eriod, the roup's net cash generated from operating activities as ₹ B440.0 m. on (2024: ₹ B99.6 m. on), epresenting an increase of ₹ B340.3 m. on from 2024.

4.1.1 Revenue and Cost of Revenue

The roup generates revenue mainly through the following three reas: (i) revenue from operating ts o n d hospitals; (ii) revenue from other healthcare related business ss; and (iii) other revenue not related to healthcare business ss.

The table below sets forth a breakdown of total revenue for the periods indicated:

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

Revenue and cost of revenue from operating hospitals

Revenue from operating hospitals consists of fees (the "**Billing Revenue**") charged for outpatient visits and inpatient services at the Group's various hospitals, which can be divided into treatment and general healthcare services and pharmaceutical cases, as well as variable considerations for medical services provided by the Group, minus including medical insurance settlement differences.

The table below sets forth a breakdown of the Billing Revenue of the Group's owned hospitals adjusted to operating revenue by psychiatric healthcare business and oncology healthcare business for the periods indicated:

	For the year ended December 31,	
	2025	2024
	(RMB'000)	*(RMB'000)*
Billing Revenue from o		

Dur ng th a port ng e r od, th roup's o n d hosp ta B ng a v nu amount d to B1,479.0 m. on, r pr s nt ng a d cr as of 6.5% fro 2024, pr mar du to th d cr as n nco dr v n b th d cr as n av rag outpat nt sp nd ng p r v s t and av rag npat nt sp nd ng p r da p r b d. Dur ng th a port ng e r od, th var abl cons d rat on as B30.3 m. on, r pr s nt ng a d cr as of B34.0 m. on fro 2024, and th var abl cons d rat on as a p r ntag of B ng a v nu d cr as d to 2.1% (2024: 4.1%).

Th tabl b lo s ts forth a br akdo n of th B ng a v nu , cost of r v nu and gross prof t of th roup's o n d hosp ta s b ps ch atr c h a thcar bus n ss and d r h a thcar bus n ss for th p r ods nd cat d:

	For the year ended December 31,	
	2025	2024
	(RMB'000)	*(B'000)*
Billing Revenue from psychiatric healthcare business	**1,047,554**	1,107,269
Cost of r v nu	**712,285**	745,959
ross prof t	**335,269**	361,310
Billing Revenue from elderly healthcare business	**431,473**	474,785
Cost of r v nu	**362,640**	379,458
ross prof t	**68,833**	95,327

Dur ng th a port ng e r od, B ng a v nu n o n d hosp ta s of th roup a ount d to B1,479.0 m. on, r pr s nt ng a d cr as of B103.0 m. on fro 2024, ma n du to th d cr as n B ng a v nu of W nzhou angn ng osp ta , e r atr c osp ta , ong a angn ng osp ta , ng ang Changg ng n ng osp ta and B ng n ng osp ta . Dur ng th a port ng e r od, th gross prof t of th roup's o n d hosp ta s n t r s of B ng a v nu has d cr as d b 11.5% as co par d th that n 2024, ma n du to th d cr as n npat nt sp nd ng p r da p r b d.

The table below sets forth a breakdown of Beijing Revenue of the Group's owned hospitals by inpatients and outpatients by psychiatric healthcare business and healthcare business for the periods indicated, the relevant operating data:

Psychiatric healthcare business

	For the year ended December 31,	
	2025	2024
Inpatients		
Inpatient beds as at period end	**8,708**	8,928
Effective inpatient service bed-day capacity	**3,178,420**	3,267,648
Utilization rate *(%)*	**91.4**	88.4
Number of inpatient bed-days	**2,904,367**	2,889,163
Treatment and general healthcare service revenue attributable to inpatients *(RMB'000)*	**791,185**	844,076
Average inpatient spending per bed-day on treatment and general healthcare services *(RMB)*	**272**	292
Pharmaceutical case service revenue attributable to inpatients *(RMB'000)*	**87,657**	89,656
Average inpatient spending per bed-day on pharmaceutical cases *(RMB)*	**30**	31
Total inpatient revenue *(RMB'000)*	**878,842**	933,732
Total average inpatient spending per bed-day *(RMB)*	**303**	323
Outpatients		
Number of outpatient visits	**657,802**	474,581
Treatment and general healthcare service revenue attributable to outpatients *(RMB'000)*	**43,256**	45,078
Average outpatient spending per visit on treatment and general healthcare services *(RMB)*	**66**	95
Pharmaceutical case service revenue attributable to outpatients *(RMB'000)*	**125,456**	128,459
Average outpatient spending per visit on pharmaceutical cases *(RMB)*	**191**	271
Total outpatient revenue *(RMB'000)*	**168,712**	173,537
Total average outpatient spending per visit *(RMB)*	**257**	366

	For the year ended December 31,	
	2025	2024
Total treatment and general healthcare services revenue *(RMB'000)*	**834,441**	889,154
Total pharmaceutical sales revenue *(RMB'000)*	**213,113**	218,115

Dur ng th a port ng e r od, npate nt B ng a v nu fro th ps ch atr c bus n ss as B878.8 on, r pr s nt ng a d cr as of 5.9% fro 2024, a n du to s o do n n th gro th rat of o n d hosp ta s nc ud ng W nzhou angn ng osp ta , ong a angn ng osp ta , Ta zhou angn ng osp ta , u ao C n ng osp ta and ua nan angn ng osp ta , r su t ng n th d cr as n sp nd ng p r b d p r da of th ps ch atr c h a thcar bus n ss b 6.2% as co par d th th sa p r od n 2024. Inpate nt B ng a v nu of th ps ch atr c h a thcar bus n ss account d for 83.9% (2024: 84.3%) of th B ng a v nu of th ps ch atr c h a thcar bus n ss.

Dur ng th a port ng e r od, outpate nt B ng a v nu fro th ps ch atr c h a thcar

Elderly healthcare business

	For the year ended December 31,	
	2025	2024
Inpatients		
Inpatient beds as at period end	**2,800**	2,580
Effective inpatient service bed-day capacity	**1,022,000**	944,280
Utilization rate *(%)*	**89.6**	96.1
Number of inpatient bed-days	**916,061**	907,255
Treatment and general healthcare service revenue attributable to inpatients *(RMB'000)*	**316,454**	346,074
Average inpatient spending per treatment and general healthcare services *(RMB)*	**346**	382
Pharmaceutical sales revenue attributable to inpatients *(RMB'000)*	**92,910**	93,599
Average inpatient spending per bed-day on pharmaceutical sales *(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 outpatient visits	**62,353**	83,661
Treatment and general healthcare service revenue attributable to outpatients *(RMB'000)*	**9,812**	15,632
Average outpatient spending per treatment and general healthcare services *(RMB)*	**157**	187
Pharmaceutical sales revenue attributable to outpatients *(RMB'000)*	**12,297**	19,480
Average outpatient spending per pharmaceutical sales *(RMB)*	**197**	233
Total outpatient revenue *(RMB'000)*	**22,109**	35,112
Total average outpatient spending per visit *(RMB)*	**355**	420
Total treatment and general healthcare services revenue *(RMB'000)*	**326,266**	361,706
Total pharmaceutical sales revenue *(RMB'000)*	**105,207**	113,079

Dur ng th a port ng e r od, npate nt B ng a v nu fro th e d r h a thcar bus n ss a ount d to B409.4 on, r pr s nt ng a d cr as of 6.9% as co par d to 2024, a n du to a d cr as of 7.8% n av rag npate nt sp nd ng p r b d p r da n r sp ct of th e d r h a thcar bus n ss at th e r atr cs osp ta co par d to 2024 du to ad ust nts of bus n ss structur . Inpate nt B ng a v nu fro th e d r h a thcar bus n ss account d for 94.9% (2024: 92.6%) of th B ng a v nu fro th e d r h a thcar bus n ss.

Dur ng th a port ng e r od, outpate nt B ng a v nu fro th e d r h a thcar bus n ss a ount d to B22.1 on, r pr s nt ng a d cr as of 37.0% as co par d th 2024, pr ar du to th d cr as of 25.5% n th nu b r of outpate nt v s ts and th d cr as of 15.5% n th av rag outpate nt sp nd ng p r v s t r su d fro th d c n d outpate nt bus n ss of ng ang Changg ng n ng osp ta . Outpate nt B ng a v nu fro th e d r h a thcar bus n ss account d for 5.1% (2024: 7.4%) of th B ng a v nu fro th e d r h a thcar bus n ss.

Dur ng th a port ng e r od, as th npate nt and outpate nt s g nt und r th e d r h a thcar bus n ss both d c n d, B ng a v nu fro tr at nts and g n ra h a thcar s rv s und r th g r atr c h a thcar bus n ss d cr as d b 9.8% fro 2024, th ts proport on to th B ng a v nu fro e d r h a thcar bus n ss of o n d hosp ta s d cr as d to 75.6% (2024: 76.2%), and th B ng a v nu fro phar ae ut ca sa s und r th e d r h a thcar bus n ss d cr as d b 7.0% as co par d th 2024, account ng for 24.4% (2024: 23.8%) of th B ng a v nu fro th e d r h a thcar bus n ss. In part cu ar, th proport on of npate nt B ng a v nu fro phar ae ut ca sa s to th tota npate nt B ng a v nu fro th e d r h a thcar bus n ss n cr as d to 22.7% (2024: 21.3%), and th proport on of outpate nt B ng a v nu fro phar ae ut ca sa s to th tota outpate nt B ng a v nu fro th e d r h a thcar bus n ss n cr as d to 55.6% (2024: 55.5%).

Cost of r v nu of th roup's o n d hosp ta s pr ar cons st d of phar ae ut ca s and consu abe s us d, e up oee b n f ts and e p ns s, d pr c at on and a ort at on of ong-t r ass ts, cante ne p ns s and t st ng fe s. Th tabe b o s ts forth a bre akdo n of cost of r v nu of th roup's o n d hosp ta s for th p r ods nd cat d:

	For the year ended December 31,	
	2025	2024
	(RMB'000)	*(RMB'000)*
har ae ut ca s and consu abe s us d	**300,340**	340,120
E up oee b n f ts and e p ns s	**472,192**	464,874
D pr c at on and a ort at on of ong-t r ass ts	**105,477**	127,032
Cante ne p ns s	**67,903**	68,571
T st ng fe s	**10,700**	16,112
Oth rs	**118,313**	108,708
Cost of revenue of owned hospitals	**1,074,925**	1,125,417

Dur ng th a port ng e r od, th cost of r v nu of th roup's o n d hosp ta s

	For the year ended December 31,	
	2025	2024
O n d hosp ta s bus n ss s	**25.8%**	25.9%
s ch atr c h a thcar bus n ss	**30.2%**	29.4%
E d r h a thcar bus n ss	**15.4%**	17.8%
Oth r bus n sses s	**26.5%**	33.7%
Consolidated gross profit margin	**25.9%**	26.5%

Dur ng th a port ng e r od, conso dat d gross prof t arg n of th roup d cr as d to 25.9% (2024: 26.5%).

4.1.3 Tax and Surcharge

Dur ng th a port ng e r od, th ta and surcharg of th roup a ount d to B11.2 on (2024: B12.3 on), of h ch hous prop rt ta of s f-o n d prop rt s as B8.1 on.

4.1.4 Selling Expenses

Dur ng th a port ng e r od, th s nge p ns s of th roup a ount d to B7.7 on (2024: B10.0 on), a n cr pr s nt ng pro ot one p ns s cr at ng to phar ae ut ca co pan s, Int rn t hosp ta s and oth r non-o n d hosp ta s. Th proport on of s nge p ns s to th r v nu fro op rat ng o n d hosp ta s of th roup as 0.5% (2024: 0.7%).

4.1.5 Administrative Expenses

Dur ng th a port ng e r od, ad n strat v e p ns s of th roup pr ar cons st of e p oee b n f ts ande p ns s, d pr c at on and a ort zat on, consu tanc e p ns s, trav nge p ns s and oth re p ns s. Th tabe b o s ts forth a br akdo n of ad n strat v e p ns s of th roup for th p r ods nd cat d:

	For the year ended December 31,	
	2025	2024
	(RMB'000)	*(B'000)*
E p oee b n f ts ande p ns s	**140,740**	133,002
D pr c at on and a ort zat on	**31,379**	30,792
Consu tanc e p ns s	**9,423**	9,037
Trav nge p ns s	**4,661**	4,978
Oth rs	**46,903**	49,537
Total administrative expenses	**233,106**	227,346

Dur ng th a port ng e r od, th ad n strat v e p ns s of th roup a ount d to B233.1 on, cr pr s nt ng an ncr as of 2.5% as co par d th 2024, h ch as a n du to an ncr as ne p oee b n f ts ande p ns s of 5.8% as co par d th 2024. Th proport on of th ad n strat v e p ns s to th r v nu fro op rat ng o n d hosp ta s of th roup as 16.1% (2024: 15.0%).

4.1.6 Research and Development Expenses

Dur ng th a port ng e r od, th roup's r s arch and d v op nte p ns s a n cons st d of c n ca r s arch, d v op nt of nfor at zat on soft ar and construct on of Int rn t hosp ta p atfor . Th tabe b o s ts forth th br akdo n of th roup's r s arch and d v op nte p ns s for th p r ods nd cat d:

	For the year ended December 31,	
	2025	2024
	(RMB'000)	*(RMB'000)*
C n ca r s arch	**23,313**	25,088
D v op nt of nfor at zat on soft ar	**5,339**	9,827
Construct on of Int rn t hosp ta p atfor	**1,472**	1,604
Total	**30,124**	36,519

Dur ng th a port ng e r od, th roup's r s arch and d v op nte p ns s a ount d to RMB30.1 on (2024: RMB36.5 on), r pr s nt ng a d cr as of 17.5% as co par d th 2024. Th proport on of r s arch and d v op nte p ns s to th r v nu fro op rat ng o n d hosp ta s of th roup d cr as d to 2.1% (2024: 2.4%).

4.1.7 Finance Expenses – Net

Our f nan nco nc ud s nt r st nco fro bank d pos ts, and th f nan e p ns s nc ud bank borro ng nt r st p ns , nt r st p ns s on e as ab t s and nt r st p ns s on f nan e as s. Th tabe b o s ts forth th br akdo n of our f nan e p ns s for th p r ods nd cat d:

	For the year ended December 31,	
	2025	2024
	(RMB'000)	*(RMB'000)*
Int r st nco	**-842**	-3,123
For gn ch ang oss s	**30**	157
Bank borro ng nt r st p ns	**27,289**	33,143
Int r st p ns s on e as ab t s	**11,522**	8,458
Int r st p ns s on f nan e as s	**6,942**	7,900
Oth rs	**1,315**	1,058
Finance expenses – net	**46,256**	47,593

Dur ng th a port ng e r od, th n t f nan e p ns of th roup a ount d to RMB46.3 on, r pr s nt ng a d cr as of RMB1.3 on as co par d th 2024, a ong th , bank borro ng nt r st p ns d cr as d b RMB5.9 on as co par d th 2024, a n du to o e r nt r st rat s of bank borro ng of th roup.

4.1.8 Investment Gains

Our investment gains consist of the share of investment losses/gains accounted for under the equity method and gains on disposal of long-term equity investments and investment gains from wealth management products. The table below sets forth the breakdown of our investment gains for the periods indicated:

	For the year ended December 31,	
	2025	2024
	(RMB'000)	*(RMB'000)*
Share of investment losses/gains accounted for under the equity method	**-1,464**	-1,089
Gains on disposal of long-term equity investments	**4,804**	1,844
Investment gains from wealth management products	**12**	
	3,352	755

4.1.11 Non-Operating Income and Non-Operating Expenses

Our non-op rat ng nco . a n cons sts of gov rn nt grants and donat ons r e v d, and our non-op rat nge p ns s a n cons st of oss s on scrapp ng of non-curr nt ass ts, donat one p ns s, and e p ns s on d ca d sput s. Th tabe b o s ts forth th bre akdo n of our non-op rat ng nco . and non-op rat nge p ns s for th p r ods nd cat d:

	For the year ended December 31,	
	2025	2024
	(RMB'000)	*(RMB'000)*
ov rn nt grants	**–**	86
Donat ons r e v d	**267**	47
Oth r non-op rat ng nco .	**1,054**	1,396
Non-operating income	**1,321**	1,529
oss s on scrapp ng of non-curr nt ass ts	**1,373**	1,117
Donat one p ns s	**3,070**	2,698
E p ns s on d ca d sput s	**1,191**	2,669
Oth r non-op rat nge p ns s	**11,303**	2,299
Non-operating expenses	**16,937**	8,783

Dur ng th r p rt ng e r od, th non-op rat ng nco . of th roup a .ount d to RMB1.3 .. on, r pr s nt ng a d cr as of RMB0.2 .. on as co.par d th 2024. Dur ng th r p rt ng e r od, th non-op rat nge p ns s of th roup ncr as d RMB8.2 .. on as co.par d th 2024, .a n du to th d cr as of RMB1.5 .. on ne p ns s on d ca d sput s as co.par d th 2024 and th ncr as of RMB9.0 .. on n oth r non-op rat nge p ns s as co.par d th 2024.

4.1.12 Income Tax Expense

Dur ng th r p rt ng e r od, nco . ta e p ns a .ount d to RMB32.6 .. on (2024: RMB17.7 .. on), r pr s nt ng an ncr as of 84.3% as co.par d th 2024. Th ncr as as .a n du to th fact that d f rr d ta ass ts e r ut r d to offs t oss s or r v rs d upon .atur t . In 2025 and 2024, oure ff ct v ta rat as 47.1% and 26.0%, r sp ct v .

4.2 Financial Position

4.2.1 Inventory

As of De e mb r 31, 2025, th ba ane of nv ntor amount d to ₹ B46.0 m on (as of De e mb r 31, 2024: ₹ B50.6 m on), a n nc ud ng th md ca nv ntor and turnov r mat r a s.

4.2.2 Accounts Receivable

As of De e mb r 31, 2025, th ba ane of accounts r e vab amount d to ₹ B462.9 m on (as of De e mb r 31, 2024: ₹ B571.8 m on), r pr s nt ng a d cr as of 19.0% as co mpar d th th ba ane as of De e mb r 31, 2024, ma n attr butab to th d cr as n th amount r s rv d n th e ar nd f na accounts as a r su t of th ncr as n th da pr -s tte m nt amount du to th chang n pr -s tte m nt rm s of th md ca nou2 d ca r -s tte m nt ara025 T 0 -1.167 Td(th md ca n 2.338 tte Dur 0.02

4.2.7 Construction in Progress

As of Dec mber 31, 2025, the ba ance of construct on n progr ss amount d to ฿ B13.1 m. on (as of Dec mber 31, 2024: the ba ance of construct on n progr ss amount d to ฿ B185.2 m. on). The d cr as n construct on n progr ss as ma n due to the transf r upon co mpe t on of the n construct on proj cts of uch ng n ng osp ta and ong uan angn ng osp ta .

4.2.8 Right-of-use Assets

As of Dec mber 31, 2025, r ght-of-us ass ts ncr as d to ฿ B192.4 m. on (as of Dec mber 31, 2024: ฿ B161.8 m. on).

4.2.9 Intangible Assets

As of Dec mber 31, 2025, ntang ble ass ts d cr as d to ฿ B285.8 m. on (as of Dec mber 31, 2024: ฿ B291.5 m. on).

4.2.10 Goodwill

As of Dec mber 31, 2025, good ncr as d to ฿ B126.5 m. on (as of Dec mber 31, 2024: ฿ B114.2 m. on).

4.2.11 Long-term Prepaid Expenses

As of Dec mber 31, 2025, ong-t rm pr pa de p ns s d cr as d to ฿ B121.6 m. on (as of Dec mber 31, 2024: ฿ B150.4 m. on), ma n attr butable to the n d corat one p ns s of ฿ B9.7 m. on and the amort zat on of d corat on costs of ฿ B38.0 m. on dur ng the r port ng e r od.

4.2.12 Deferred Tax Assets

As of Dec mber 31, 2025, d f rr d ta ass ts d cr as d to ฿ B55.3 m. on (as of Dec mber 31, 2024: ฿ B56.2 m. on).

4.2.13 Accounts Payable

As of Dec mber 31, 2025, accounts pa able ncr as d to ฿ B160.8 m. on (as of Dec mber 31, 2024: ฿ B131.9 m. on).

4.2.14 Receipts in Advance

As of December 31, 2025, receipts in advance and contract liabilities increased to RMB23.3 million (as of December 31, 2024: RMB21.3 million).

4.2.15 Other Payables

As of December 31, 2025, other payables increased to RMB91.9 million (as of December 31, 2024: RMB81.3 million).

4.3 Liquidity and Capital Resources

The table below sets forth the information as extracted from the consolidated cash flow statements of the group for the periods indicated:

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

4.3.1 Net Cash Generated from Operating Activities

During the reporting period, net cash generated from operating activities amounted to RMB440.0 million, primary consisting of net profit attributable to the parent company of RMB54.4 million, adjustments of RMB32.0 million for credit impairment losses and asset impairment losses and adjustment of RMB160.8 million for depreciation and amortization of various assets. The cash inflow from changing in working capital amounted to RMB165.0 million mainly due to the decrease in accounts receivable balances.

4.3.2 Net Cash Used in Investing Activities

During the reporting period, net cash used in investing activities amounted to RMB203.9 million, primary due to the amount of RMB189.5 million for purchasing property, plant and equipment, including, among others, the investments in the infrastructure of Tongguan Tangning Hospital, Luchang Ning Hospital and Inha Cining Hospital.

4.3.3 Net Cash Generated from Financing Activities

During the reporting period, net cash generated from financing activities amounted to RMB-203.6 million, of which the cash outflow from dividends distributed to shareholders as RMB34.5 million and the cash outflow from shareholder purchases used for cancellation as RMB22.4 million.

4.3.4 Significant Investment, Acquisition and Disposal

Th roup had no s gn f cant nv st nt, ac u s t on and d sposa dur ng th a port ng e r od.

As of th dat of th s announe nt, th roup d d not r e v an sp c f c p an th author zat on fro th Board on s gn f cant nv st nt n or ac u s t on of cap ta ass ts.

4.4 Indebtedness

4.4.1 Bank Borrowings

As of D e b r 31, 2025, th ba ane of bank borro ngs of th roup a ount d to B989.2 on (as of D e b r 31, 2024: B946.2 on), pr ar attr butabe to r pa nt of borro ngs of B400.6 on and an ncr as n borro ngs of B443.6 on dur ng th a port ng e r od.

4.4.2 Contingent Liabilities

As of D e b r 31, 2025, th roup d d not hav an cont ng nt ab t or guarante that ou d hav a at r a pact on th f nanc a pos t on or op rat on of th roup.

4.4.3 Asset Pledge

Th roup's Wnzhou angn ng osp ta pe dg d r a e stat prop rt th e rt f cat nub r of Wnfang Quanzh ng uch ng D str ct o. 826751, Wnfang Quanzh ng uch ng D str ct o. 826750, Zh (2016) Wnzhou a Estat ghts o. 0010144, Zh (2016) Wnzhou a Estat ghts o. 0010142, Zh (2021) Wnzhou a Estat ghts o. 0081628, Wn uo ong (2015) o. 1-11836, and Wn uo ong (2015) o. 1-11833 to nsh ng Bank Wnzhou ong an Sub-branch, and Zh (2017) Cangnan Count a Estat ghts o. 0018361 to ICBC Bank Ouha Sub-branch for obta n ng bank oans. As of D e b r 31, 2025, th ba ane of such pe dg d borro ngs a ount d to B385.2 on. uch ng n ng osp ta pe dg d th r a e stat prop rt th e rt f cat nub r of Zh (2020) Wnzhou a Estat ghts o. 0068897 to BOCO Wnzhou Co rc a C t Sub-branch. As of D e b r 31, 2025, th ba ane of such pe dg d borro ng a ount d to B112.0 on. J n un Shun ng osp ta pe dg d th r a e stat prop rt th e rt f cat nub r of Zh (2022) J n un a Estat ghts o. 0002503 and th bu d ngs and oth r attach nts on th ground th e rt f cat nub r of J an Z o. 331122202000043 to Zh ang J n un ura Co rc a Bank Wu un Sub-branch. As of D e b r 31, 2025, th ba ane of such pe dg d borro ng a ount d to B35.0 on. Quzhou n ng osp ta pe dg d th r a e stat prop rt th e rt f cat nub r of Zh (2022) Quzhou a Estat ghts o. 0045588 to Ch na CITIC Bank Wnzhou Branch. As of D e b r 31, 2025, th ba ane of such pe dg d borro ng a ount d to B57.8 on. ong uan angn ng osp ta pe dg d th r a e stat prop rt th e rt f cat nub r of Zh (2023) ong uan a Estat ghts o. 0004112 to Ch na CITIC Bank Wnzhou Branch. As of D e b r 31, 2025, th ba ane of such pe dg d borro ng a ount d to B60.0 on.

4.4.4 Lease Liabilities

The lease liabilities of the Group primarily consist of operating lease arrangements. As of December 31, 2025, the present value of unsettled lease payments under non-cancellable lease agreements, after deducting an amount of ₹ B36.4 million which is due within one year, as ₹ B148.5 million.

4.4.5 Financial Instruments

Financial instruments of the Group consist of accounts receivable, other non-current financial assets, other receivables, cash and cash equivalents, bank borrowings, accounts payable and other payables. The Company's management manages and monitors these risks to ensure effective measures are implemented in a timely manner.

4.4.6 Exposure to Fluctuation in Exchange Rates

The Group deposits certain of its financial assets in foreign currencies, which may involve risks of fluctuation in the change rate of Dollar against ₹ B. The Group is therefore posed to foreign exchange risks.

As of December 31, 2025, the Group did not use any derivative financial instruments to hedge against its exposure to exchange rate risk. The management of the Company manages the exchange rate risk by closely monitoring the movement of foreign currency rates, and considering hedging against significant foreign currency exposures should such need arise.

4.4.7 Gearing Ratio

As of December 31, 2025, the Group's gearing ratio (total liabilities divided by total assets) increased to 56.6% (as of December 31, 2024: 55.3%).

4.4.8 Employees and Remuneration Policy

As of December 31, 2025, the Group had a total of 5,354 full-time employees (as of December 31, 2024: 4,869 full-time employees). During the reporting period, employees' remuneration (including salaries and other forms of employee benefits) amounted to approximately ₹ B659.8 million (2024: ₹ B644.1 million). The average remuneration of our employees amounted to ₹ B126.9 thousand per year (including expenses on social insurance schemes and housing provident fund schemes borne by the Group). Remuneration of any employee is determined therefore to the salary level in the same industry and the qualifications, experience and performance of such employee.

4.4.8.1E u t Ine nt v Sch .

In ord r to fu ob e th e nthus as of s n or anag nt and co r d chn ca p rsonn of th roup, th Co pan has for u at d th E u t Ine nt v Sch . for th e ar 2018 of W nzhou angn ng osp ta Co., td. (th **Equity Incentive Scheme**), h ch as cons d r d and approv d at th annua g n ra e t ng of th Co pan for th e ar 2017 conv n d on Jun 13, 2018. In ord r to e t th r u r nt of as rta n d shar cap ta for th Co pan 's A shar st ng app cat on n th futur , th Board of th Co pan cons d r d and approv d th

4.4.8.2 Shar A ard and Trust Sch .

To attract, ot vat and er ta ne et ns v sk e d and e p re ne d, cor backbon . b rs of th ct chn c ans and anag nt– to cont nuous str v for th cont nu ng op rat on and d v op nt of th Co pan n th futur , n accordane th th r u r nts of th Co pan a of th e ope 's pub c of Ch na and oth r r e vant a s, ad n strat v r gu at ons, r gu ator docu nts and th Art c s of Assoc at on, th Co pan has for u at d th Shar A ard and Trust Sch , h ch as cons d r d and approv d b th 2023 f rst traord nar g n ra e t ng of th Co pan conv n d on S pt b r 27, 2023. ne ss th cont t oth r s r u r s, cap ta d d r s us d h r naft r sha hav th sa . an ngs as thos d f n d n th c rcu ar of th Co pan dat d S pt b r 8, 2023 and th announ nts of th Co pan dat d S pt b r 27, 2023, Apr 12, 2024, Apr 23, 2024 and Jun 18, 2024.

ursuant to th Shar A ard and Trust Sch , a trust de d b e nt r d nto b t ee n th Co pan and th truste . Th trust b const tut d to s rv th Shar A ard and Trust Sch h r b th truste sha ass st th th ad n strat on of th Shar A ard and Trust Sch and sha , sub ect to th r e vant prov s ons of th trust de d and upon th nstruct on of th Co pan , ac u r Shar s through on-mark t transact ons and such Shar s sha b ac u r d b th trust through th funds transf rr d b th Co pan and sha b r ta n d and d spos d of b th truste at th Co pan 's nstruct ons. Such Shar s und r th Shar A ard and Trust Sch sha not account for or than 5% (b ng 3,730,015 shar s) of th tota shar cap ta of th Co pan fo o ng th dat on h ch th andat of th Shar A ard and Trust Sch s grant d or at th dat on h ch th approva of updat ng th t s obta n d. Th a ards grant d to th s e ct d part c pants sha b h d b th truste for th b n f t of th s e ct d part c pants, and th truste sha , for th purpos s of v st ng of th a ards and upon th nstruct on of th Board and/or ts d e gat s, r e as fro th trust th a ard shar s to th s e ct d part c pants or s th a ard shar s so v st d through on-mark t transact ons at th pr va ng mark t pr e and pa th s e ct d part c pants th proe ds fro such sa n accordane th ru s of th Shar A ard and Trust Sch and r e vant prov s ons und r th trust de d.

nd r th Shar A ard and Trust Sch , th s e ct d part c pants (nc ud ng conn ct d p rsons) of th f rst actua grant co pr s d a tota of 36 p rsons, th 364,100 a ard shar s b ng grant d. Th s e ct d part c pants (nc ud ng conn ct d p rsons) of th s cond phas of th actua grant co pr s d a tota of 36 p rsons, th 616,000 ne nt v shar s b ng grant d. Th s e ct d part c pants (nc ud ng conn ct d p rsons) of th th rd phas of th actua grant co pr s d a tota of 52 p rsons, th 335,000 a ard shar s b ng grant d. As of th dat of th s announ nt, a tota of 10 part c pants e ct d, cor spond ng to a tota of 92,000 a ard shar s. As of th dat of th s announ nt, th s e ct d part c pants of th actua grant und r th Shar A ard and Trust Sch co pr s d 98 p rsons, and a tota of 1,240,100 a ard shar s had b n grant d, and 12,750 shar s had b n fof t d. Th a ard shar s grant d account d for appro at 1.7615% of th tota ss u d shar cap ta of th Co pan (c ud ng th Shar s r purchas d but not e t cane e d b th Co pan) as of th dat of th s announ nt. For d ta s of th grant p an, p as r f r to th c rcu ar of th Co pan dat d S pt b r 8, 2023 and th announ nts of th Co pan dat d S pt b r 27, 2023, Apr 12, 2024, Apr 23, 2024 and Jun 18, 2024.

5 SIGNIFICANT EVENTS

5.1 Proposed Final Dividend

The Board has recommended the payment of a proposed Final Dividend. Based on the total share capital (excluding the Shares repurchased but not yet cancelled by the Company) before the record date determined by the implementation of the proposed distribution of profit for the year 2025 (as of the date of this announcement, the Company's total share capital is 72,358,900 Shares. After deducting 1,959,800 Shares repurchased but not yet cancelled by the Company, the total issued share capital amounted to 70,399,100 shares), a Shareholders be paid a cash dividend of RMB3.2 (inclusive of tax) per 10 Shares of the Company, with the total proposed cash dividend amounting to RMB22,527,712 (inclusive of tax), representing 41.4% of the net profit attributable to shareholders of the parent company as set out in the consolidated statements of accounts for the reporting period (the total amount of retained dividend and proposed Final Dividend for 2025 is RMB35,271,550, representing 64.8% of the net profit attributable to shareholders of the parent company as set out in the consolidated statements of accounts for the reporting period). The proposed Final Dividend be denominated and declared in RMB, payable in RMB to holders of Domestic Shares and in HKD to holders of Shares. The exchange rate for the proposed Final Dividend payable in HKD is the average of the benchmarked exchange rates of HKD against RMB as announced by the people's Bank of China for the five business days prior to the date of declaration of the proposed Final Dividend (i.e. the date of the annual general meeting of the Company). The proposed distribution of profit for the year 2025 is subject to the consideration and approval of the Company at the AGM of the Company.

Subject to the approval of the proposed Final Dividend by the Shareholders at the forthcoming AGM, it is expected that the payment date of the proposed Final Dividend be no later than June 8, 2026. The Company will announce in due course the date of the AGM and the closure of the register of members of the Shares for the purposes of determining the list of Shareholders entitled to attend and vote at the AGM and to qualify for the proposed Final Dividend.

Pursuant to the Enterprise Income Tax Law of the people's Republic of China and its implementing regulations, which came into effect on January 1, 2008, the Company is required to withhold and pay on behalf of the Shareholders of non-resident enterprises whose names appear on the register of members of the Company's H-Shareholders the enterprise income tax at a rate of 10% on the distribution of cash dividends. Any Shares registered in the name of non-individual Shareholders (including in the name of Hong Kong Securities Clearing Company Limited, other nominees, agents or trustees or other organizations or bodies) will be regarded as Shares held by non-resident enterprise Shareholders. Accordingly, dividends payable to such Shareholders are subject to withholding corporate income tax. If Shareholders wish to change their status as Shareholders, please contact their nominee or trustee for the relevant procedures. The Company will withhold corporate income tax on behalf of the relevant Shareholders whose names appear on the register of members of the H Shares on the Record Date in strict accordance with the applicable requirements by the relevant government authorities.

If th nd v dua ho d rs of Shar s ar r s d nts of ong ong or acau or r s d nts of countr s h ch hav e nt r d nto r e vant ta agr m nts th th C n r sp ct of th d str but on of cash d v d nds to th at a rat of 10%, th Co pan thho d p rsona nco ta at a rat of 10% on b ha f of th r e vant Shar ho d rs. If an nd v dua ho d r of Shar s s a r s d nt of a countr h ch has nt r d nto a ta agr m nt th th C at a ta rat o e r than 10% on d v d nds, th Co pan thho d p rsona nco ta at a rat of 10% on b ha f of th r e vant Shar ho d r. In such cas , f th r e vant nd v dua ho d r of Shar s sh s to app for a r fund of th e ss ta thh d as a r su t of th app cat on of th 10% ta rat , th Co pan a proc ss th app cat on on b ha f of th r e vant nd v dua ho d r n accordan th th r e vant pr f r nt a ta agr m nt, prov d d that th r e vant Shar ho d r sub ts to Co put rshar ong ong Inv stor S rv c s t d th support ng nfor at on as r u r d b th not e of th ta agr m nt. pon approva b th co p t nt ta author t s, th Co pan ass st n r fund ng th e ss ta thh d. If an nd v dua ho d r of Shar s s a r s d nt of a countr h ch has nt r d nto a ta agr m nt th th C th a d v d nd ta rat h gh r than 10% but o e r than 20%, th Co pan thho d and pa on b ha f of th nd v dua nco ta at th e ff ct v ta rat und r th r e vant ta agr m nt. If th nd v dua ho d r of Shar s s a r s d nt of a countr that has nt r d nto a ta agr m nt th th C th a d v d nd ta rat of 20%, or a r s d nt of a countr n h ch th C has not nt r d nto an ta agr m nt, or oth r s , th Co pan thho d and pa p rsona nco ta at th rat of 20%.

As of D c mb r 31, 2025, no Shar ho d rs has a v d or agr d to a v an d v d nds.

6 PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Dur ng th a port ng p r od, th Shar a purchas s cou d hav nor as d n t ass t va u p r Shar and/or arn ngs p r Shar , h ch as n th nt r sts of th Co pan and th Shar ho d rs as a h l , th Co pan r purchas d a tota of 2,270,900 Shar s for an aggr gat cons d rat on of D24,515,933.18 on th ong ong Stock E chang (th "**Repurchased Shares**"). D ta s of th a purchas d Shar s ar as fo o s:

Repurchase month	Number of Repurchased Shares	Price paid per Share Highest	Lowest	Total consideration Shar ('

7 REVIEW OF ANNUAL RESULTS

The Audit Committee consists of two independent non-executive Directors, Ms. ZHOU Wentang (the chairlady of the Audit Committee) and Mr. JIANG Ning, and one non-executive Director, Mr. LI Changhao. Among them, Ms. ZHOU Wentang has the appropriate professional qualification (a Chinese certified public accountant accredited by the Chinese Institute of Certified Public Accountants).

The Audit Committee has reviewed the Group's annual results for the financial year ended December 31, 2025 and opined that applicable accounting standards and requirements have been complied with and that adequate disclosures have been made by the Company.

8 COMPLIANCE WITH CG CODE

According to the Notes on Structure Implementing the Accounting Standards for

Items	For the year ended December 31, 2025	2024
Taxes and surcharges	**11,246,125**	12,336,886
Selling and distribution expenses		

Items	For the year ended December 31, 2025	2024
VI. Other comprehensive income, net of tax		
Other comprehensive income attributable to shareholders of the parent company, net of tax		
(I) Other comprehensive income that cannot be reclassified to profit and loss		
1. Changes arising from remeasurement of defined benefit plan	–	
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method	–	
3. Changes in fair value of other equity instrument investments	–	
4. Changes in fair value due to the enterprise's own credit risk	–	
(II) Other comprehensive income that can be reclassified to profit and loss		
1. Other comprehensive income that can be reclassified to profit or loss under the equity method	–	
2. Changes in fair value of other debt investments	–	
3. Amount of financial assets reclassified into other comprehensive income	–	
4. Credit impairment provisions for other debt investments	–	
5. Reserves for cash flow hedges	–	
6. Exchange differences on translation of financial statements in foreign currencies	–	
7. Others	–	
Other comprehensive income attributable to non-controlling interests, net of tax	–	
VII. Total comprehensive income	36,603,923	50,397,711
Attributable to shareholders of the parent company	54,395,980	65,610,189
Attributable to non-controlling interests	**-17,792,057**	-15,212,477
VIII. Earnings per Share:		
(I) Basic Earnings per Share (RMB per Share)	0.76	0.88
(II) Diluted Earnings per Share (RMB per Share)	0.76	0.88

12.2.2 Annual Consolidated Balance Sheets

(Amounts in Bhuan unless otherwise stated)

December 31, December 31,

ASSETS	December 31, 2025	December 31, 2024
Development expenditure	–	–
Goodwill	**126,454,938**	114,158,434
Long-term prepaid expenses	**121,609,291**	150,407,031
Deferred tax assets	**55,346,816**	56,197,545
Other non-current assets	**15,514,861**	11,233,664
Total non-current assets	**2,093,531,524**	2,010,231,682
TOTAL ASSETS	**3,025,567,371**	3,004,953,161

LIABILITIES AND SHAREHOLDERS' EQUITY	December 31, 2025	December 31, 2024
Current liabilities:		
Short-term borrowings	**109,243,677**	91,000,000
Borrowings from central bank	–	–
Placements from banks and other financial institutions	–	–
Financial liabilities held for trading	**1,805,503**	14,000,000
Derivative financial liabilities	–	–
Notes payable	–	–
Accounts payable	**160,803,092**	131,936,380
Receipts in advance	**23,327,087**	21,319,198
Contract liabilities	**161,105**	49,771
Financial assets sold under repurchase agreements	–	–
Deposit of deposits from other banks	–	–
Funds received as agent of stockexchange	–	–
Funds received as stock underwriter	–	–
Employee benefits payable	**84,431,493**	85,747,297
Taxes payable	**35,809,004**	39,128,084
Other payables	**91,859,119**	81,287,433
Fees and commissions payable	–	–
Insurance accounts payable	–	–
Liabilities held for sale	–	–
Non-current liabilities due within one year	**201,407,510**	229,270,444
Other current liabilities	**3,214,867**	615,218
Total current liabilities	**712,062,458**	694,353,825

LIABILITIES AND SHAREHOLDERS' EQUITY	December 31, 2025	December 31, 2024
Non-current liabilities:		
Provision for insurance contracts	–	–
Long-term borrowings	**746,952,957**	691,017,337
Bonds payable	–	–
Including: preferred shares	–	–
perpetual bonds	–	–
Lease liabilities	**148,475,651**	151,300,063
Long-term payables	**47,419,833**	76,236,879
Long-term employee benefits payables	–	–
Estimated liabilities	–	–
Deferred income	**18,206,515**	8,430,307
Deferred tax liabilities	**40,820,058**	40,313,059
Other non-current liabilities	–	–
Total non-current liabilities	**1,001,875,015**	967,297,645
Total liabilities	**1,713,937,473**	1,661,651,470
Shareholders' equity:		
Share capital	**72,358,900**	72,670,000
Other equity instruments	–	–
Including: preferred shares	–	–
perpetual bonds	–	–
Capital surplus	**760,645,327**	790,024,238
Less: Treasury stock	**47,815,625**	22,366,849
Other comprehensive income	–	–
Special reserves	–	–
Surplus reserves	**38,399,577**	38,399,577
Provision for general risks	–	–
Retained earnings	**364,230,300**	344,285,828
Total equity attributable to shareholders of the parent company	**1,187,818,478**	1,223,012,795
Non-controlling interests	**123,811,420**	120,288,896
Total shareholders' equity	**1,311,629,898**	1,343,301,691
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3,025,567,371**	3,004,953,161

12.2.3 Annual Consolidated Statements of Cash Flow

(Amounts in Renminbi Yuan unless otherwise stated)

Items	For the year ended December 31, 2025	2024
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	**1,772,490,027**	1,387,505,398
Net increase in customer deposits and interbank deposits	–	
Net increase in borrowings from central bank	–	
Net increase in placements from other financial institutions	–	
Cash received from original insurance contract premium	–	
Net cash received from reinsurance business	–	
Net increase in deposits and investments from policyholders	–	
Cash received from interests, fees and commissions	–	
Net increase in placements from banks and other financial institutions	–	
Net increase in cash from repurchase business	–	
Net cash received from securities brokerage services	–	
Refund of taxes and levies	–	
Cash received relating to other operating activities	**73,327,922**	46,542,855
Sub-total of cash inflows of operating activities	**1,845,817,950**	1,434,048,253
Cash paid for goods and services	**570,409,686**	536,137,779
Net increase in customer loans and advances	–	
Net increase in deposits with central bank and other banks	–	
Cash paid for compensation under original insurance contract	–	
Net increase in placements with banks and other financial institutions	–	
Cash paid for interests, fees and commissions	–	
Cash paid for policyholders' dividends	–	
Cash paid to and on behalf of employees	**664,306,093**	642,555,983
Amounts of taxes and surcharges	**58,559,038**	63,003,045
Cash paid relating to other operating activities	**112,573,575**	92,712,942
Sub-total of cash outflows of operating activities	**1,405,848,392**	1,334,409,749
Net cash flows from operating activities	**439,969,558**	99,638,504

Items	For the year ended December 31, 2025	2024
II. Cash flows from investing activities		
Cash received from disposal of investments	**14,540,026**	34,242,179
Cash received from returns on investments	**12,086**	-
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**173,820**	1,844,120
Net cash received from disposal of subsidiaries and other business units	**–**	2,000,000
Cash received relating to other investing activities	**13,000,000**	-
Sub-total of cash inflows of investing activities	**27,725,932**	38,086,299
Cash paid to acquire fixed assets, intangible assets and other long-term assets	**189,507,952**	192,178,989
Cash paid to acquire investments	**1,200,000**	17,020,000
Net increase in pledged loans	**–**	-
Net cash paid to acquire subsidiaries and other business units	**27,901,903**	-
Cash paid relating to other investing activities	**13,029,193**	942,428
Sub-total of cash outflows of investing activities	**231,639,048**	210,141,417
Net cash flows from investing activities	**-203,913,116**	-172,055,118
III. Cash flows from financing activities		
Cash received from capital contributions	**14,000,000**	7,210,500
Including: Cash received from capital contributions by non-controlling shareholders of subsidiaries	**14,000,000**	7,210,500
Cash received from borrowings	**433,102,530**	448,460,250
Cash received relating to other financing activities	**850,000**	60,000,000
Sub-total of cash inflows of financing activities	**447,952,530**	515,670,750
Cash repayments of borrowings	**400,626,910**	367,013,827
Cash payments for distribution of dividends, profits or interest expenses	**74,417,907**	74,654,124
Including: Cash payments for distribution of dividends and profits by subsidiaries to non-controlling shareholders	**1,515,124**	2,923,034
Cash paid relating to other financing activities	**176,491,833**	150,919,617
Sub-total of cash outflows of financing activities	**651,536,650**	592,587,568
Net cash flows from financing activities	**-203,584,120**	-76,916,818

Items	For the year ended December 31, 2025	2024
IV. Effect of foreign exchange rate changes on cash and cash equivalents	**-30,315**	-157,162
V. Net increase in cash and cash equivalents	**32,442,007**	-149,490,595
Add: Cash and cash equivalents at the beginning of the period	**255,232,744**	404,723,339
VI. Cash and cash equivalents at the end of the period	**287,674,751**	255,232,744

12.2.4 Consolidated Statement of Changes in Shareholders' Equity

(Amounts in RMB Yuan unless otherwise stated)

	Amount for the current period													
	Equity attributable to owners of the parent company													
	Other equity instruments													
Items	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risk	Retained earnings	Subtotal	Non-controlling interests	Total owners' equity
I. Balance as at the end of the previous year	72,670,000	-	-	-	790,024,238	22,366,849	-	-	38,399,577	-	344,285,828	1,223,012,795	120,288,896	1,343,301,691
Plus: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-		-
Correction of accounting errors in prior periods	-	-	-	-	-	-	-	-	-	-	-	-		-
Business combinations under common control	-	-	-	-	-	-	-	-	-	-	-	-		-
Others	-	-	-	-	-	-	-	-	-	-		-	-	-
II. Balance as at the beginning of the current year	72,670,000	-	-	-	790,024,238	22,366,849	-	-	38,399,577	-	344,285,828	1,223,012,795	120,288,896	1,343,301,691
III. Increase/decrease in the current period ("-" for decrease)	-311,100	-	-	-	-29,378,911	25,448,777	-	-	-	-	19,944,472	-35,194,316	3,522,524	-31,671,793
(I) Total comprehensive income	-	-	-	-			-	-	-	-	54,395,980	54,395,980	-17,792,057	36,603,923
(II) Owner contribution and capital decrease	-311,100	-	-	-	1,564,386	25,448,777	-	-	-	-	-	-24,195,490	25,399,704	1,144,214
1. Common stock contributed by owners	-311,100	-	-	-	-2,939,299	25,448,777	-	-	-	-	-	-28,699,175	25,399,704	-3,359,471
2. Capital invested by holders of other equity instruments	-	-	-	-		-	-	-	-	-	-			
3. Amounts of share-based payments recognized in owner's equity	-	-	-	-	4,503,685	-	-	-	-	-	-	4,503,685		4,503,685
4. Others		-	-	-	-	-	-	-	-	-	-		-	

Amount for the current period

Items	Equity attributable to owners of the parent company												Non – controlling interests	Total owners' equity
	Other equity instruments					Less:	Other							
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserve	Treasury stock	comprehensive income	Special reserve	Surplus reserve	Provision for general risk	Retained earnings	Subtotal		
(III) D s5.021														

	Amount for the previous period							
	Other equity instruments				Equity attributable to owners of the parent company			
						Less:		
Notes	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserve	Treasury stock	Preferred shares	

Items	Amount for the previous period Equity attributable to owners of the parent company Other equity instruments					Less: Other							Non-controlling interests	Total owners' equity
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserve	Treasury stock	Comprehensive income	Special reserve	Surplus reserve	Provision for general risk	Retained earnings	Subtotal		
(III) Distribution of profits											-33,280,590	-33,280,590	-2,891,517	-36,172,107
1. Withdrawal of surplus reserves														
2. Withdrawal of provision for general risk														
3. Profit distributed to owners (or shareholders)											-33,280,590	-33,280,590	-2,891,517	-36,172,107
4. Others														
(IV) Internal carry-forward of owners' equity														
1. Conversion of capital reserves into paid-in capital (or share capital)														
2. Conversion of surplus reserves into paid-in capital (or share capital)														
3. Surplus reserves offsetting losses														
4. Carry-forward of changes in the defined benefit plan for retained earnings														
5. Carry-forward of other comprehensive income for retained earnings														
6. Others														
(V) Special reserves														
1. Withdrawal for the period														
2. Usage for the period														
(VI) Others					-35,233,759							-35,233,759		-35,233,759
IV. Balance as at the end of the period	72,670,000				790,024,238	22,366,849			38,399,577		344,285,828	1,223,012,795	120,288,896	1,343,301,691

12.3 Notes to the Consolidated Annual Financial Information prepared in accordance with the China Accounting Standard for Business Enterprises

12.3.1 Accounts receivable

The aging analysis of accounts receivable is based on the billing date is as follows:

	December 31, 2025	December 31, 2024
	RMB	*RMB*
Within 1 year	**461,352,555**	576,106,514
1-2 years	**25,588,614**	20,258,896
2-3 years	**8,844,668**	4,413,822
Over 3 years	**7,368,906**	4,766,339
Subtotal	**503,154,743**	605,545,571
Less: Provision for bad debts	**40,215,173**	33,732,614
Total	**462,939,570**	571,812,957

Accounts receivable shown by classification of bad debt provisions

	December 31, 2025				
	Balance of carrying amount		Provision for bad debts		
	Amount	Proportion (%)	Amount	Percent of provision (%)	Book value
Accounts receivable with provision for bad debts on the individual basis	**15,171,844**	**3.0**	**15,171,844**	**100.0**	**0.00**
Including:					
Amount due from related parties	**15,171,844**	**3.0**	**15,171,844**	**100.0**	**0.00**
Accounts receivable with provision for bad debts on the grouping basis	**487,982,899**	**97.0**	**25,043,329**	**5.1**	**462,939,570**
Including:					
Overdue data grouping	**487,982,899**	**97.0**	**25,043,329**	**5.1**	**462,939,570**
Total	**503,154,743**	**100.0**	**40,215,173**	**8.0**	**462,939,570**

	December 31, 2024				
	Balance of carrying amount		Provisions for bad debt		Book value
	Amount	Proportion (%)	Amount	Percentage of provision (%)	Amount
Accounts receivable with provision for bad debts on the individual basis	12,375,106	2.0	12,337,791	99.7	37,315
Including:					
Amount due from related parties	12,375,106	2.0	12,337,791	99.7	37,315
Accounts receivable with provision for bad debts on the grouping basis	593,170,465	98.0	21,394,823	3.6	571,775,642
Including:					
Overdue days grouping	593,170,465	98.0	21,394,823	3.6	571,775,642
Total	605,545,571	100.0	33,732,614	5.6	571,812,957

12.3.2 Accounts payable

The aging analysis of accounts payable based on the billing dates is as follows:

	December 31, 2025	December 31, 2024
	RMB	*RMB*
Within 1 year	**156,277,715**	127,861,415
1-2 years	**2,848,067**	3,124,362
2-3 years	**1,229,010**	751,142
Over 3 years	**448,301**	199,461
Total	**160,803,092**	131,936,380

12.3.3 Revenue and cost of sales

Analysis of revenue and cost of sales

	For the year ended December 31, 2025		For the year ended December 31, 2024	
	Revenue	**Cost**	Revenue	Cost
Main businesses	**1,448,705,601**	**1,074,924,943**	1,517,773,042	1,125,416,715
Other businesses	**171,078,810**	**125,790,275**	136,516,371	90,468,771
Total	**1,619,784,411**	**1,200,715,218**	1,654,289,413	1,215,885,486

Bre akdo n of re v nue :

	For the year ended December 31, 2025	2024
Re v nue fro n a n bus n ss s	**1,448,705,601**	1,517,773,042
Inc ud ng: har ae ut ca sæ s	**304,326,145**	331,193,218
Tre at nts and g n ra h a thcar s rv e s	**1,144,379,456**	1,186,579,824
Re v nue fro n oth r bus n ss s	**171,078,810**	136,516,371
Inc ud ng: Whœ sæ and re ta re v nue of phar ae ut ca and e u p nt	**107,370,317**	90,137,875
anag nt s rv e	**2,368,851**	2,970,297
Re nta nco	**2,577,689**	595,122
Re nd r ng of s rv e s	**36,811,653**	16,136,947
Oth rs	**21,950,300**	26,676,130
Total	**1,619,784,411**	1,654,289,413

12.3.4 Credit impairment losses

	For the year ended December 31, 2025	2024
oss s on bad d bts of accounts re e vabe	**14,485,650**	19,116,072
oss s on bad d bts of oth r re e vabe s	**-7,900,776**	7,338,926
Total	**6,584,873**	26,454,998

12.3.5 Earnings per Share

Bas c arn ngs p r Shar

	For the year ended December 31, 2025	2024
Conso dat d n t prof t attr butabe to th ord nar shar ho d rs of th par nt co pan	**54,395,980**	65,610,189
W ghte d av rag nu b r of outstand ng ord nar Shar s of th Co pan	**71,953,133**	74,278,583
Bas c arn ngs p r Shar	**0.76**	0.88
Inc ud ng: Bas c arn ngs p r Shar fro cont nu ng op rat ons	**0.76**	0.88
Bas c arn ngs p r Shar fro d scont nu d op rat ons	**–**	

Diluted earnings per Share

Diluted earnings per Share is calculated by the consolidated net profit attributable to the ordinary shareholders of the parent company (diluted) divided by the weighted average number of outstanding ordinary Shares of the Company (diluted):

	For the year ended December 31,	
	2025	2024
Consolidated net profit attributable to the ordinary shareholders of the parent company (diluted)	**54,395,980**	65,610,189
Weighted average number of outstanding ordinary Shares of the Company (diluted)	**71,953,133**	74,278,583
Diluted earnings per Share	**0.76**	0.88
Including: Diluted earnings per Share from continuing operations	**0.76**	0.88
Diluted earnings per Share from discontinued operations	**–**	

12.3.6 ***Income tax expenses***

Table of income tax expenses

	For the year ended December 31,	
	2025	2024
Current income tax expenses	**29,205,810**	35,746,101
Deferred income tax expenses	**3,409,292**	-18,044,326
Total	**32,615,101**	17,701,775

a conc at on b t ee n tota prof t and nco e ta e p ns s

	For the year ended December 31,	
	2025	2024
Tota prof t	**69,219,025**	68,099,487
Inco e ta e p ns s ca cu at d at th statutor ta rat s	**10,382,854**	13,700,455
Impact of d ff r nt ta rat s app cab to subs d ar s	**7,485,630**	-43,611
Ad ust nt to impact of nco e ta of past p r ods	**-1,844,266**	1,468,471
Impact of non-ta ab nco e	**568,437**	
Impact of non-d duct b costs, e p ns s and oss s	**3,163,935**	6,053,711
Impact of d duct b oss s of th d f rr d nco e ta ass ts unr cogn z d n th pr v ous p r od	**-7,294,445**	-12,352,475
Impact of d duct b t mporar d ff r n s or d duct b oss s for h ch d f rr d nco e ta ass ts ar not r cogn z d n th curr nt p r od	**25,822,435**	16,429,655
Add t ona d duct on of r s arch and d v op nt p ns s	**-4,497,890**	-5,605,853
Impact of bus n ss co b nat on nvo v ng e nt rpr s not und r co on contro	**-1,171,588**	-10,362
Oth rs		-1,938,216
Inco e ta e p ns s	**32,615,101**	17,701,775

12.3.7 ***Dividend***

On arch 23, 2026, th Board propos d a cash d v d nd of ₹ B3.2 (nc us v of ta) p r 10 Shar s to a Shar ho d rs of th Co pan , bas d on th tota shar cap ta b for th r cord dat d t r n d b th pe nt at on of th propos d d str but on of prof t for th e ar 2025 (c ud ng th nu b r of Shar s r purchas d but not e t cane e d b th Co pan). As of th dat of th s announe nt, th Co pan 's tota shar cap ta s 72,358,900 Shar s. Aft r d duct ng 1,959,800 Shar s r purchas d but not e t cane e d b th Co pan , th tota cash d v d nd propos d for d str but on s prov s ona ₹ B22,527,712 (nc us v of ta). Th propos d d v d nd s sub e ct to approva at an e traord nar g n ra e t ng.

On August 12, 2025, th Board propos d an nt r d v d nd of ₹ B13,024,602 (nc us v of ta) to a Shar ho d rs of th Co pan for th s onths n d d Jun 30, 2025, ca cu at d on th bas s of th tota shar cap ta of 72,358,900 Shar s b for th r cord dat d t r n d b th pe nt at on of th 2025 nt r prof t d str but on p an. Th propos d d v d nd as approv d at th f rst e traord nar g n ra e t ng for th e ar 2025 of th Co pan on Octob r 15, 2025.

On arch 28, 2025, th Board propos d a f na d v d nd of ₹ B3 (nc us v of ta) p r 10 Shar s to a Shar ho d rs of th Co pan for th e ar n d d D e b r 31, 2024, tota ng ₹ B21,801,000 (nc us v of ta), ca cu at d on th bas s of 72,670,000 Shar s of th Co pan n ssu as at D e b r 31, 2024. Th propos d d v d nd as approv d at th annua g n ra e t ng for th e ar 2024 of th Co pan h d on Jun 30, 2025.

13 DEFINITIONS

"A –"	th annua g n ra e t ng of th Co pan for th e ar 2025 to b conv n d n du cours
"Aud t Co t e –"	th aud t co t e of th Board
"B ng n ng osp ta –"	B ng n ng osp ta Co., td. (北京怡寧醫院有限公司), a co pan e stab sh d n th C th d ab t on August 17, 2015, on of th Co pan 's nd r ct non- ho o n d subs d ar s
"Board–"	th board of d r ctors of th Co pan
"Co pan –" or "W nzhou angn ng osp ta –"	W nzhou angn ng osp ta Co., td., a o nt stock t d ab t co pan e stab sh d und r th a s of th C, th Shar s of h ch ar st d on th a n Board of Th Stock E chang of ong ong t d (Stock Cod : 2120)
"C Cod –"	th Corporat ov rnan e Cod conta n d n App nd C1 to th ong ong st ng ru s

¿ D e r ctor(s)–"	th d e r ctor(s) of th Co pan
¿ Do st c Shar (s)–"	ord nar Shar (s) n th shar cap ta of th Co pan , th a no na va u of B1.00e ach, h ch ar subscr b d for and pa d up n B and ar un st d Shar s h ch ar cur nt not st d or trad d on an stock chang
¿ roup–"or ¿ e –"or ¿ our–"	th Co pan and ts subs d ar s
¿ Shar (s)–"	ov rs as st d for gn nv st d ord nar Shar (s) n th ord nar shar cap ta of th Co pan , th a no na va u of B1.00e ach, st d on th a n Board of Th Stock E chang of ong ong d
¿ $–"or ¿ D–"	th a fu cur nc of ong ong
¿ ong ong–"	th ong ong Sp c a Ad n strat v g on of th C
¿ ong ong st ng ue s–"	th ue s ov rn ng th st ng of S cur t s on Th Stock E chang of ong ong d as a nd d, supp nt d or oth r s od f d fro t to t
¿ ong ong Stock E chang –"	Th Stock E chang of ong ong d
¿ ua nan angn ng osp ta –"	ua nan angn ng osp ta Co., td. (淮南康寧醫院有限公司), a co pan e stab sh d n th C th d ab t on S pt b r 22, 2017, on of th Co pan 's nd r ct non- ho o n d subs d ar s
¿ J n un Shun ng osp ta –"	J n un Shun ng osp ta Co., td. (縉雲舒寧醫院有限公司), a co pan e stab sh d n th C th d ab t on F bruar 15, 2019, on of th Co pan 's non- ho o n d subs d ar s
¿ ong uan angn ng osp ta –"	ong uan angn ng osp ta Co., td. (龍泉康寧醫院有限公司), a co pan e stab sh d n th C th d ab t on F bruar 6, 2023, on of th Co pan 's nd r ct ho o n d subs d ar s
¿ uch ng n ng osp ta –"	W n zhou uch ng n ng osp ta Co., td. (溫州鹿城怡寧醫院有限公司), a co pan e stab sh d n th C th d ab t on Apr 2, 2020, on of th Co pan 's d r ct non- ho o n d subs d ar s
¿ u ao C n ng osp ta –"	Ta zhou u ao C n ng osp ta Co., td. (台州市路橋慈寧醫院有限公司, pr v ous kno n as Ta zhou n ng osp ta Co., td.(台州市路橋怡寧醫院有限公司)), a co pan e stab sh d n th C th d ab t on D e b r 12, 2016, on of th Co pan 's nd r ct non- ho o n d subs d ar s

ng ang Changg ng
n ng osp ta –

"Wenzhou Kangning Hospital Co., Ltd."	Wenzhou Kangning Hospital Co., Ltd. (怡寧心理互聯網醫院(溫州)有限公司), a company established in the PRC through a board of ... on March 10, 2020, one of the Company's indirect holding subsidiaries
"Yongjia Kangning Hospital Co., Ltd."	Yongjia Kangning Hospital Co., Ltd. (永嘉康寧醫院有限公司), a company established in the PRC through a board of ... on December 12, 2012, one of the Company's holding subsidiaries
"%"	percentage ratio

By Order of the Board
Wenzhou Kangning Hospital Co., Ltd.
GUAN Weili
Chairman

Zhejiang, the PRC
March 23, 2026

As of the date of this announcement, the Company's executive Directors are Mr. A Wei, Ms. WA Yanqiu and Mr. WA Jian; the non-executive Directors are Mr. QI Yao and Mr. I Changhao; and the independent non-executive Directors are Ms. Z O Wentang, Ms. JI Ying and Mr. C A Sa e ung ugo.