

(A joint stock limited liability company incorp▶

2025

ANNUAL REPORT



Corporate Information

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Executive Directors

M . GUAN W.

Corporate Information

Parent Company: Wenhou Kangning Hospital Co., Ltd.

40/F, Daxi Square, Fuzhou City

248 Qianjiang Road, Fuzhou

Website:
Houkangning.com

HSR: R100

Company: Houkangning International Service Center

Sector: 1712-1716, 17th Floor

Hospital: Houkangning

183 Qianjiang Road, Fuzhou

Website:
Houkangning.com

Service Center

2120

Company: Wenhou Kangning

Address: Fuzhou

International: R100

Telephone: (86) 577 8877 1689

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Figure 1 displays a 3D visualization of the 1000 random samples of the posterior distribution of the parameters of the model. The plot shows three axes: T (ranging from 0 to 10), B (ranging from 0 to 10), and I (ranging from 0 to 10). The data points are represented by small black dots, and the axes are labeled with 'I', 'B', and 'T'. The distribution is concentrated in the lower-left region of the 3D space.

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A, 27, 2026

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Management Discussion and Analysis

I. Overview of the Company's Business and Operations

The company is a leading provider of healthcare services, specializing in the management and treatment of various medical conditions. Our primary focus is on providing high-quality, patient-centered care through a network of hospitals, clinics, and specialized medical centers. The company's operations are divided into several key segments, including inpatient services, outpatient clinics, and specialized medical services. The management team is committed to maintaining the highest standards of medical excellence and patient safety, while also ensuring the financial sustainability of the organization. The company's strategic vision is to expand its service offerings and reach, while maintaining its commitment to quality and innovation in healthcare.

II. Financial Performance and Analysis

The company's financial performance for the reporting period was strong, reflecting the success of its business strategy and operational efficiency. Key financial metrics, including revenue, profit, and cash flow, all showed significant growth compared to the previous period. The management team attributes this success to a combination of factors, including increased patient volume, improved operational efficiency, and successful cost management. The company's financial position remains solid, with a strong balance sheet and a healthy cash flow. The management team is confident in the company's ability to continue its growth trajectory and maintain its financial stability in the future. The company's financial performance is a testament to the dedication and hard work of its management and staff, and it serves as a foundation for the company's continued success.

Management Discussion and Analysis

Business Review

In 2025, the Company continued to implement its business strategy, focusing on the development of its core business and expanding its market share. The Company's operating income for the year ended December 31, 2025, was RMB1,619.8 million, an increase of 2.1% compared with RMB1,448.7 million in 2024. The Company's net profit for the year ended December 31, 2025, was RMB54.4 million, an increase of 17.1% compared with RMB46.4 million in 2024. The Company's cash and cash equivalents for the year ended December 31, 2025, were RMB11,508 million, an increase of 11.5% compared with RMB10,312 million in 2024.

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In 2025, the Company continued to implement its business strategy, focusing on the development of its core business and expanding its market share. The Company's operating income for the year ended December 31, 2025, was RMB1,619.8 million, an increase of 2.1% compared with RMB1,448.7 million in 2024. The Company's net profit for the year ended December 31, 2025, was RMB54.4 million, an increase of 17.1% compared with RMB46.4 million in 2024. The Company's cash and cash equivalents for the year ended December 31, 2025, were RMB11,508 million, an increase of 11.5% compared with RMB10,312 million in 2024.

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	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
Wardens' residences	6	2,630	6	2,580
Houses	1	170		
Total	7	2,800	6	2,580

Management Discussion and Analysis

Business Highlights

In 2025, the Company continued to implement its business strategy, focusing on the development of its core business and the expansion of its market share. The Company achieved significant progress in its business operations, with a steady increase in revenue and a strong performance in its core business areas.

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Management Discussion and Analysis

Business Outlook

T/G 2025 年 1 月 1 日至 2025 年 12 月 31 日止的期间内，本公司将围绕“十四五”规划，

() 2023 年 12 月 31 日，本公司总资产 50% 以上，净资产 50% 以上，资产负债率 50% 以下，符合《上市公司证券发行管理办法》规定的发行条件。I/G 2025 年 1 月 1 日至 2025 年 12 月 31 日止的期间内，本公司将围绕“十四五”规划，

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P 2025 年 1 月 1 日至 2025 年 12 月 31 日止的期间内，

I 2026 年 1 月 1 日至 2026 年 12 月 31 日止的期间内，本公司将围绕“十四五”规划，

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

Management Discussion and Analysis

Revenue is derived from the provision of medical services, including inpatient services, outpatient services, and medical examinations. Revenue is recognized when the services are provided and the amount is billed to the patient. Revenue is recognized when the services are provided and the amount is billed to the patient. Revenue is recognized when the services are provided and the amount is billed to the patient.

Total revenue is derived from the provision of medical services, including inpatient services, outpatient services, and medical examinations. Revenue is recognized when the services are provided and the amount is billed to the patient. Revenue is recognized when the services are provided and the amount is billed to the patient. Revenue is recognized when the services are provided and the amount is billed to the patient.

	For the year ended December 31, 20252024 (RMB'000)(RMB'000)	
Billing Revenue from owned hospitals	1,479,027	1,582,054
Income from operations	1,047,554	1,107,269
Revenue from operations	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 Company's revenue from operating owned hospitals was RMB1,479.0 million, an increase of 6.5% compared with RMB1,582.0 million in 2024. The increase was primarily due to the increase in the number of inpatient services provided. The Company's revenue from operations was RMB1,047.6 million, an increase of 4.9% compared with RMB1,107.3 million in 2024. The increase was primarily due to the increase in the number of outpatient services provided. The Company's revenue from operations was RMB431.5 million, an increase of 9.1% compared with RMB474.8 million in 2024. The increase was primarily due to the increase in the number of medical examinations provided. The Company's revenue from operations was RMB30.3 million, an increase of 2.1% (2024: 4.1%).

Management Discussion and Analysis

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

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

During the year ended December 31, 2024, the Company's total revenue was RMB1,479.0 million, an increase of 103.0% compared to the year ended December 31, 2023. The increase was primarily due to the expansion of the Company's business operations and the increase in the number of patients. The Company's gross profit was RMB404.1 million, an increase of 11.5% compared to the year ended December 31, 2023.

Management Discussion and Analysis

The Company's business is divided into three main segments: Inpatient services, Outpatient services, and Pharmaceutical sales. The following table provides a detailed breakdown of the financial performance for each segment for the years ended December 31, 2025 and 2024.

Psychiatric healthcare business

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

D. R. P. B. R. 6.2% 2024, B. R. 79.7% (2024: 80.3%), B. R. 2.3% 2024, 20.3% (2024: 19.7%) B. R. I. B. R. 10.0% (2024: 9.6%), B. R. B. R. 74.4% (2024: 74.0%).

Management Discussion and Analysis

Elderly healthcare business

	For the year ended December 31,	
	2025	2024
Inpatients		
I, the number of inpatients	2,800	2,580
E, the number of inpatient bed-days	1,022,000	944,280
U, the occupancy rate (%)	89.6	96.1
N, the number of inpatient bed-days	916,061	907,255
T, the total inpatient revenue (RMB'000)	316,454	346,074
A, the average inpatient revenue per bed-day (RMB)	346	382
P, the number of inpatient bed-days (RMB'000)	92,910	93,599
A, the average inpatient revenue 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		
N, the number of outpatients	62,353	83,661
T, the total outpatient revenue (RMB'000)	9,812	15,632
A, the average outpatient revenue per patient (RMB)	157	187
P, the number of outpatient visits (RMB'000)	12,297	19,480
A, the average outpatient revenue per visit (RMB)	197	233
Total outpatient revenue		

Management Discussion and Analysis

During the year, the Company's operating income increased by 6.9% compared with 2024, while the operating expenses increased by 7.8%, resulting in a net profit of RMB409.4 million (2024: RMB380.5 million). The Company's operating profit margin was 9.8% (2024: 9.2%), and the net profit margin was 94.9% (2024: 92.6%).

During the year, the Company's operating income increased by 37.0% compared with 2024, while the operating expenses increased by 25.5%, resulting in a net profit of RMB22.1 million (2024: RMB15.5 million). The Company's operating profit margin was 15.5% (2024: 15.5%), and the net profit margin was 5.1% (2024: 7.4%).

During the year, the Company's operating income increased by 9.8% compared with 2024, while the operating expenses increased by 7.0%, resulting in a net profit of RMB75.6 million (2024: RMB76.2 million). The Company's operating profit margin was 24.4% (2024: 23.8%), and the net profit margin was 22.7% (2024: 21.3%).

During the year, the Company's operating income increased by 22.7% compared with 2024, while the operating expenses increased by 22.7%, resulting in a net profit of RMB55.6 million (2024: RMB55.5 million).

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

Management Discussion and Analysis

During the reporting period, the Company's operating income was RMB1,074.9 million, an increase of 4.5% compared with the same period in 2024. The operating profit was RMB117.4 million, an increase of 11.7% compared with the same period in 2024; the net profit was RMB116.6 million, an increase of 1.6% compared with the same period in 2024; the diluted earnings per share was RMB1.17, an increase of 17.0% compared with the same period in 2024.

The Company's operating profit margin was 27.9% (2024: 30.2%). The operating profit margin was 43.9% (2024: 41.3%). The operating profit margin was 9.8% (2024: 11.3%).

The Company's operating profit margin was 27.9% (2024: 30.2%). The operating profit margin was 43.9% (2024: 41.3%). The operating profit margin was 9.8% (2024: 11.3%).

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
Revenue from the other healthcare related business	21,950	26,676
Revenue from the other healthcare related business	168,501	135,921

The Company's operating profit margin was 27.9% (2024: 30.2%). The operating profit margin was 43.9% (2024: 41.3%). The operating profit margin was 9.8% (2024: 11.3%).

Management Discussion and Analysis

Gross Profit Margin: Gross Profit Margin decreased 4.4% from 2024. Total Gross Profit was RMB419.1 million (2024: RMB373.8 million), an increase of 4.7%.

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

Operating Profit Margin decreased 0.1% from 2024. Total Operating Profit was RMB11.2 million (2024: RMB12.3 million), a decrease of 8.9%. Operating Expenses decreased 1.4% from 2024. Total Operating Expenses were RMB8.1 million (2024: RMB10.0 million), a decrease of 19.0%. Operating Income decreased 2.2% from 2024. Total Operating Income was RMB7.7 million (2024: RMB10.0 million), a decrease of 23.0%. Consolidated gross profit margin decreased 0.6% from 2024.

**For the year ended
December 31,
2025**

Management Discussion and Analysis

During the reporting period, the Company's operating income was RMB30.1 million (2024: RMB36.5 million), a decrease of 17.5% compared to 2024. Total operating expenses were RMB28.0 million (2024: RMB34.1 million), a decrease of 17.9%. The Company's operating profit was RMB2.1 million (2024: RMB2.4 million).

For the year ended December 31,

the Company's operating profit was RMB2.1 million (2024: RMB2.4 million). The Company's operating profit was RMB2.1 million (2024: RMB2.4 million). The Company's operating profit was RMB2.1 million (2024: RMB2.4 million).

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

Management Discussion and Analysis

1. Overall Performance Summary

During the year, the Company achieved significant progress in its business operations. The total revenue increased by 15% compared to the same period last year, primarily driven by the expansion of our service network and the introduction of new medical equipment. The operating profit margin improved from 18% to 22%, reflecting the effectiveness of our cost management strategies. However, the financial results were also impacted by the fluctuating exchange rates and the increase in research and development expenses for our new products.

	For the year ended December 31,	
	2025 (RMB'000)	2024 (RMB'000)
Selling expenses	-1,464	-1,089
General and administrative expenses	4,804	1,844
Interest income	12	-
	3,352	755

During the year, the Company's operating profit was RMB3.4 million, which was 15% higher than the RMB2.9 million in the same period last year.

During the year, the Company's operating profit was RMB6.6 million, which was 15% higher than the RMB5.7 million in the same period last year. (2024: RMB26.5 million).

During the year, the Company's operating profit was RMB25.5 million, which was 15% higher than the RMB22.1 million in the same period last year. (2024: RMB16.5 million), which was 15% higher than the RMB14.0 million in the same period last year. (2024: RMB11.5 million).



Management Discussion and Analysis

Financial Position

Assets

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

Assets by Nature

As of December 31, 2025, the Company's total assets were RMB462.9 million (December 31, 2024: RMB571.8 million), a decrease of 19.0%. The decrease was primarily due to the decrease in the carrying amount of intangible assets, which was RMB100.0 million (December 31, 2024: RMB110.0 million).

During the reporting period, the Company's total assets were RMB58.0 million (2024: 54.0 million).

Current Assets and Prepaid Expenses

As of December 31, 2025, the Company's total current assets and prepaid expenses were RMB93.6 million (December 31, 2024: RMB96.1 million).

Long-term Assets and Intangible Assets

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

Current Net Assets and Prepaid Expenses

As of December 31, 2025, the Company's total current net assets and prepaid expenses were RMB28.1 million (December 31, 2024: RMB36.8 million), a decrease of 23.9%. The decrease was primarily due to the decrease in the carrying amount of intangible assets, which was RMB100.0 million (December 31, 2024: RMB110.0 million). The Company's total net assets and prepaid expenses were RMB28.1 million (December 31, 2024: RMB36.8 million).

Fixed Assets

As of December 31, 2025, the Company's total fixed assets 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 payment of the 2024 annual dividend of RMB185.2 million to the shareholders of Wenhou Kangning Hospital Co., Ltd.

Receivables

As of December 31, 2025, the Company's receivables were RMB192.4 million (December 31, 2024: RMB161.8 million). The increase was primarily due to the increase in the number of patients.

Inventory

As of December 31, 2025, the Company's inventory was RMB285.8 million (December 31, 2024: RMB291.5 million). The decrease was primarily due to the decrease in the number of patients.

Goodwill

As of December 31, 2025, the Company's goodwill was RMB126.5 million (December 31, 2024: RMB114.2 million). The increase was primarily due to the increase in the number of patients.

Long-term Prepaid Expenses

As of December 31, 2025, the Company's long-term prepaid expenses were RMB121.6 million (December 31, 2024: RMB150.4 million). The decrease was primarily due to the decrease in the number of patients. The Company's long-term prepaid expenses were RMB9.7 million (December 31, 2024: RMB38.0 million). The decrease was primarily due to the decrease in the number of patients.

Deferred Tax Assets

As of December 31, 2025, the Company's deferred tax assets were RMB55.3 million (December 31, 2024: RMB56.2 million). The decrease was primarily due to the decrease in the number of patients.

Accounts Payable

As of December 31, 2025, the Company's accounts payable were RMB160.8 million (December 31, 2024: RMB131.9 million). The increase was primarily due to the increase in the number of patients.

Prepaid Expenses

As of December 31, 2025, the Company's prepaid expenses were RMB23.3 million (December 31, 2024: RMB21.3 million). The increase was primarily due to the increase in the number of patients.

Other Prepaid Expenses

As of December 31, 2025, the Company's other prepaid expenses were RMB91.9 million (December 31, 2024: RMB81.3 million). The increase was primarily due to the increase in the number of patients.

Management Discussion and Analysis

Liquidity and Capital Resources

The Company's liquidity and capital resources are primarily derived from the following sources:

	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 used in financing activities	-203,584	-76,917
Net change in cash and cash equivalents	32,442	-149,491

Net cash generated from operating activities is primarily derived from the Company's core business operations. During the year, the Company's operating cash flow was RMB440.0 million, which was an increase of RMB54.4 million compared with RMB32.0 million in the previous year. This increase was mainly due to the improvement in the Company's operating performance and the increase in the collection of receivables. The Company's operating cash flow was RMB160.8 million in the previous year, which was an increase of RMB165.0 million compared with RMB165.0 million in the previous year.

Net cash used in investing activities is primarily derived from the Company's capital expenditures. During the year, the Company's investing cash flow was RMB203.9 million, which was an increase of RMB189.5 million compared with RMB203.9 million in the previous year. This increase was mainly due to the increase in the Company's capital expenditures. The Company's investing cash flow was RMB203.9 million in the previous year, which was an increase of RMB189.5 million compared with RMB203.9 million in the previous year.

Net cash used in financing activities is primarily derived from the Company's financing activities. During the year, the Company's financing cash flow was RMB-203.6 million, which was an increase of RMB34.5 million compared with RMB-203.6 million in the previous year. This increase was mainly due to the increase in the Company's financing activities. The Company's financing cash flow was RMB-203.6 million in the previous year, which was an increase of RMB34.5 million compared with RMB-203.6 million in the previous year.

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Management Discussion and Analysis

1. 2025 年 12 月 31 日

2025 年 12 月 31 日，公司总资产为人民币 36.4 亿元，较 2024 年 12 月 31 日增加人民币 148.5 亿元。

2. 2025 年 12 月 31 日

2025 年 12 月 31 日，公司总资产为人民币 36.4 亿元，较 2024 年 12 月 31 日增加人民币 148.5 亿元。

3. 2025 年 12 月 31 日

2025 年 12 月 31 日，公司总资产为人民币 36.4 亿元，较 2024 年 12 月 31 日增加人民币 148.5 亿元。

4. 2025 年 12 月 31 日

Management Discussion and Analysis

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(2) S... P...

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B... P... 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12.34%。其中，主营业务收入1,123,456.78元，较上年同期增长11.23%；其他业务收入111,111.11元，较上年同期增长13.45%。
- (4) 2025年1-6月，公司发生营业成本876,543.21元，较上年同期增长10.12%。其中，主营业务成本865,432.10元，较上年同期增长9.87%；其他业务成本11,111.11元，较上年同期增长14.56%。
- 2025年1-6月，公司营业利润357,924.68元，较上年同期增长14.56%。其中，主营业务利润257,924.68元，较上年同期增长13.45%；其他业务利润50,000.00元，较上年同期增长15.67%。

Management Discussion and Analysis

(4) 2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。

(一) 2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。

2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。

(二) 2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。

2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。

(三) 2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。

2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。

(5) 2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。

(一) 2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。

(二) 2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。

(三) 2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。

(四) 2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。

(五) 2025年，公司将继续加大研发投入，提升核心竞争力，实现高质量发展。

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Management Discussion and Analysis

During the reporting period, the Company's management has conducted a comprehensive analysis of the Company's business performance, financial position, and future development prospects. The analysis is based on the Company's actual performance and financial data, and is subject to the Company's internal control system and external audit. The analysis is as follows:

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

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

Management Discussion and Analysis

HS A A T S

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$P\mathbb{A}_1, \mathbb{A}_1$

Management Discussion and Analysis

5.1.1.1. Total Assets

Total assets of the Company increased by 3,730,015 HSF, or 5.2984%, compared to the end of the previous year. The increase was mainly due to the increase in cash and cash equivalents, which was caused by the increase in operating income and the decrease in operating expenses.

5.1.1.2. Total Liabilities

Total liabilities of the Company decreased by 1,234,567 HSF, or 1.2345%, compared to the end of the previous year. The decrease was mainly due to the decrease in short-term borrowings, which was caused by the increase in cash and cash equivalents.

5.1.1.3. Total Equity

Total equity of the Company increased by 2,495,448 HSF, or 2.4954%, compared to the end of the previous year. The increase was mainly due to the increase in cash and cash equivalents, which was caused by the increase in operating income and the decrease in operating expenses.

5.1.1.4. Total Revenue

Total revenue of the Company increased by 1,234,567 HSF, or 1.2345%, compared to the end of the previous year. The increase was mainly due to the increase in operating income, which was caused by the increase in the number of patients and the increase in the average length of stay. The increase in operating income was also caused by the increase in the number of medical staff and the increase in the average length of stay. The increase in operating income was also caused by the increase in the number of medical staff and the increase in the average length of stay.

5.1.1.5. Total Operating Income

Total operating income of the Company increased by 1,234,567 HSF, or 1.2345%, compared to the end of the previous year. The increase was mainly due to the increase in operating income, which was caused by the increase in the number of patients and the increase in the average length of stay. The increase in operating income was also caused by the increase in the number of medical staff and the increase in the average length of stay.

Management Discussion and Analysis

Management Discussion and Analysis

N 1: F R P N 12 S

N 2: T H S 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 P

T C T C

Report of the Board

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

Part A

The Company's financial statements for the year ended December 31, 2025, have been audited by the independent member of the audit committee, who has issued an audit report. The Company's financial statements for the year ended December 31, 2025, are in accordance with the applicable accounting standards and the Company's financial reporting policies.

The Company's financial statements for the year ended December 31, 2025, are in accordance with the applicable accounting standards and the Company's financial reporting policies. The Company's financial statements for the year ended December 31, 2025, are in accordance with the applicable accounting standards and the Company's financial reporting policies.

Part B

The Company's financial statements for the year ended December 31, 2025, are in accordance with the applicable accounting standards and the Company's financial reporting policies. The Company's financial statements for the year ended December 31, 2025, are in accordance with the applicable accounting standards and the Company's financial reporting policies.

Part C

The Company's financial statements for the year ended December 31, 2025, are in accordance with the applicable accounting standards and the Company's financial reporting policies. The Company's financial statements for the year ended December 31, 2025, are in accordance with the applicable accounting standards and the Company's financial reporting policies.

Part D

The Company's financial statements for the year ended December 31, 2025, are in accordance with the applicable accounting standards and the Company's financial reporting policies. The Company's financial statements for the year ended December 31, 2025, are in accordance with the applicable accounting standards and the Company's financial reporting policies.

Part E

The Company's financial statements for the year ended December 31, 2025, are in accordance with the applicable accounting standards and the Company's financial reporting policies. The Company's financial statements for the year ended December 31, 2025, are in accordance with the applicable accounting standards and the Company's financial reporting policies.

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T = C

Report of the Board

P F D

T B P F D B (H S C) 2025 (L P D , C 72,358,900 , 1,959,800 H S C , 70,399,100 , RMB3.2 () , 10 T RMB22,572,712 () , 41.4% 2025 P F D RMB35,271,550 , 64.8%) . T P F D RMB. T D S “ , RMB, H S “ H K “ T P F D H K “ RMB P B C C) . T 2025 C .

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A D, 31, 2025, S

T R E

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

Report of the Board

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A D 31, 2025, G RMB364.2

P R 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% to 4.1%, while the Group's net profit for the period ending December 31, 2025, increased by 30% to 30%. The Group's operating income for the period ending December 31, 2025, was RMB3.1 billion, and the net profit for the period ending December 31, 2025, was RMB3.1 billion.

For the period ending December 31, 2025, the Group's operating income increased by 8.1% to 32.5%, while the Group's net profit for the period ending December 31, 2025, increased by 32.5% to 32.5%.

Net income for the period ending December 31, 2025, was RMB3.1 billion (RMB3.1 billion), which is 5% higher than the net income for the period ending December 31, 2025, which was RMB3.1 billion. The Group's operating income for the period ending December 31, 2025, was RMB3.1 billion, and the net profit for the period ending December 31, 2025, was RMB3.1 billion.

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% to 4.1%, while the Group's net profit for the period ending December 31, 2025, increased by 30% to 30%.

Environmental and Social Governance

For the period ending December 31, 2025, the Group's operating income increased by 2.0% to 4.1%, while the Group's net profit for the period ending December 31, 2025, increased by 30% to 30%.

Dividend Policy

For the period ending December 31, 2025, the Group's operating income increased by 2.0% to 4.1%, while the Group's net profit for the period ending December 31, 2025, increased by 30% to 30%.

Shareholders' Rights

The Group's shareholders and stakeholders are as follows: The Group's operating income for the period ending December 31, 2025, was RMB3.1 billion, and the net profit for the period ending December 31, 2025, was RMB3.1 billion.

Report of the Board

Directors

The Board of Directors of Wen Hou Kangning Hospital Co., Ltd. (the "Company") 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.

Supervisors

The Supervisory Board of Wen Hou Kangning Hospital Co., Ltd. (the "Company") consists of 5 members, including 3 Independent Non-executive Supervisors and 2 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, Audit Committee, Internal Control, Finance, Personnel, and

Finance Committee. The Board of Directors, Audit Committee, Internal Control, Finance, Personnel, and Finance Committee, on December 31, 2025, conducted a comprehensive review of the company's financial statements and internal control systems, and the results are as follows:

During the reporting period, the Board of Directors, Audit Committee, Internal Control, Finance, Personnel, and Finance Committee, on December 31, 2025, conducted a comprehensive review of the company's financial statements and internal control systems, and the results are as follows:

The Board of Directors, Audit Committee, Internal Control, Finance, Personnel, and Finance Committee, on December 31, 2025, conducted a comprehensive review of the company's financial statements and internal control systems, and the results are as follows:

The Board of Directors, Audit Committee, Internal Control, Finance, Personnel, and Finance Committee, on December 31, 2025, conducted a comprehensive review of the company's financial statements and internal control systems, and the results are as follows:

The Board of Directors, Audit Committee, Internal Control, Finance, Personnel, and Finance Committee, on December 31, 2025, conducted a comprehensive review of the company's financial statements and internal control systems, and the results are as follows:

The Board of Directors, Audit Committee, Internal Control, Finance, Personnel, and Finance Committee, on December 31, 2025, conducted a comprehensive review of the company's financial statements and internal control systems, and the results are as follows:

The Board of Directors, Audit Committee, Internal Control, Finance, Personnel, and Finance Committee, on December 31, 2025, conducted a comprehensive review of the company's financial statements and internal control systems, and the results are as follows:

Report of the Board

Non-executive Chairman's Report

As the Non-executive Chairman, I am pleased to present the Company's performance and financial results for the year ended 31, 2025. The Company has achieved significant milestones in its business operations, particularly in the areas of patient care, medical research, and financial stability. The Board has successfully navigated the challenges of the year, ensuring the Company's long-term growth and sustainability. The financial results for the year ended 31, 2025, show a steady increase in revenue and a strong return on investment, reflecting the Company's commitment to excellence in healthcare and business management.

The Company's performance for the year ended 31, 2025, has been marked by a series of achievements. The Board has focused on enhancing the quality of patient care, expanding the range of medical services, and strengthening the financial foundation of the Company. The results for the year ended 31, 2025, demonstrate the Company's ability to adapt to changing market conditions and maintain its position as a leading healthcare provider. The Board's strategic vision and effective management have been instrumental in the Company's success.

Director's Report

The Directors of the Company are pleased to report the Company's performance and financial results for the year ended 31, 2025. The Board has successfully managed the Company's operations, ensuring the highest standards of patient care and financial performance. The results for the year ended 31, 2025, show a strong and consistent growth in the Company's revenue and profitability, which is a testament to the Board's strategic leadership and the dedication of the Company's staff.

The Board has also focused on enhancing the Company's governance and transparency, ensuring that all stakeholders are kept informed of the Company's progress and financial health. The results for the year ended 31, 2025, reflect the Board's commitment to the Company's long-term success and the well-being of its patients.

Director's Report

The Directors of the Company are pleased to report the Company's performance and financial results for the year ended 31, 2025. The Board has successfully managed the Company's operations, ensuring the highest standards of patient care and financial performance. The results for the year ended 31, 2025, show a strong and consistent growth in the Company's revenue and profitability, which is a testament to the Board's strategic leadership and the dedication of the Company's staff.

Report of the Board

Director's, Supervisors', and Independent Non-executive Directors' Report

As of December 31, 2025, the Company has a total of 10 directors, 4 supervisors, and 3 independent non-executive directors. The Board of Directors is composed of 10 members, including 3 independent non-executive directors. The Board of Supervisors is composed of 4 members, including 2 independent non-executive supervisors. The Board of Directors is responsible for the overall management of the Company, including the formulation of the Company's business strategy, the appointment and dismissal of senior management, and the approval of the Company's financial statements and dividends. The Board of Supervisors is responsible for supervising the management of the Company and ensuring the Company's assets are safe and sound. The independent non-executive directors and supervisors provide independent opinions on the Company's operations and financial statements to protect the interests of all shareholders.

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⁾
					Shares of the	
M. GUAN W. (2)	D S	B, S	18,350,250(L)	27,330,100(L)	51.80%	37.77%
		I, S	3,194,500(L)			
	H S	I, S	5,785,350(L)		2.34%	0.63%
		I, S	149,300(L)			
M. WANG L. (2)	D S	B, S	18,350,250(L)	27,330,100(L)	51.80%	37.77%
		I, S	3,194,500(L)			
	H S	I, S	5,785,350(L)		2.34%	0.63%
		I, S	149,300(L)			
M. WANG J.	D S	B, S	100,000(L)	100,000(L)	0.19%	0.14%
	H S	B, S	209,100(L)	209,100(L)	1.07%	0.29%
M. XU Y. (3)	D S	I, S	4,540,000(L)	4,540,000(L)	8.61%	6.27%

Note:

(L): L

(1) The total number of shares of the Company is 52,760,000 D S, 19,598,900 H S (including 72,358,900 S). The Company's total issued share capital as of December 31, 2025.

(2) M. GUAN W., M. WANG L., M. GUAN W., M. GUAN W., M. GUAN W., M. GUAN W., M. GUAN W., M. GUAN W., M. GUAN W., M. GUAN W. (including 27,330,100 D S, 458,300 H S) are the Company's directors and supervisors.

(3) M. XU Y. is the Company's independent non-executive director. The Company's independent non-executive directors are M. XU Y., M. XU Y., M. XU Y., M. XU Y., M. XU Y., M. XU Y., M. XU Y., M. XU Y., M. XU Y., M. XU Y. (including 4,540,000 D S, 458,300 H S) are the Company's independent non-executive directors and supervisors.

Report of the Board

S. D. 31, 2025, B. D. S. C. S. S. C. (P. XV SFO) : (C. H. K. S. E. D. 7, 8 P. XV SFO (D. S. C. SFO); (C. S. 352 SFO; (C. H. K. S. E. M. C.

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A. D., 31, 2025, C. S., 336 SFO, D., C. H. K. S. E. D., 2, 3, P. XV, SFO, 5%, C. :

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

Report of the Board

Name	Class of Shares	Nature of Interest	Number of Shares	Approximate Percentage in Shares of the Same Class ⁽¹⁾	Approximate Percentage of the Company's Total Issued Share Capital ⁽¹⁾
S 樂進投資合夥企業(有限合夥) ⁽³⁾ (Shanghai Le Jin Investment Partnership (Limited Partnership))	D 類 S 股	Indirectly, through "Wen Hou Kangning Hospital Co., Ltd."	4,519,003(L)	8.57%	6.25%
LIN JIANG S 樂進投資合夥企業(有限合夥) (Shanghai Le Jin Investment Partnership (Limited Partnership))	D 類 S 股	Indirectly, through "Wen Hou Kangning Hospital Co., Ltd."	5,846,364(L)	11.08%	8.08%
S 樂進投資合夥企業(有限合夥) (Shanghai Le Jin Investment Partnership (Limited Partnership))	D 類 S 股	Indirectly, through "Wen Hou Kangning Hospital Co., Ltd."	5,846,364(L)	11.08%	8.08%
W 得信息技術股份有限公司 (Wan De Information Technology Co., Ltd.)	D 類 S 股	Indirectly, through "Wen Hou Kangning Hospital Co., Ltd."	3,333,000(L)	6.32%	4.61%
S 樂進投資合夥企業(有限合夥) (Shanghai Le Jin Investment Partnership (Limited Partnership))	D 類 S 股	Indirectly, through "Wen Hou Kangning Hospital Co., Ltd."	3,333,000(L)	6.32%	4.61%
W 得信息技術股份有限公司 (Wan De Information Technology Co., Ltd.)	D 類 S 股	Indirectly, through "Wen Hou Kangning Hospital Co., Ltd."	3,333,000(L)	6.32%	4.61%
S 樂進投資合夥企業(有限合夥) (Shanghai Le Jin Investment Partnership (Limited Partnership))	D 類 S 股	Indirectly, through "Wen Hou Kangning Hospital Co., Ltd."	3,333,000(L)	6.32%	4.61%
CITIC S 樂進投資合夥企業(有限合夥) (Citic Securities Investment Co., Ltd.)	D 類 S 股	Indirectly, through "Wen Hou Kangning Hospital Co., Ltd."	2,780,000(L)	5.27%	3.84%
CITIC S 樂進投資合夥企業(有限合夥) (Citic Securities Investment Co., Ltd.)	D 類 S 股	Indirectly, through "Wen Hou Kangning Hospital Co., Ltd."	2,780,000(L)	5.27%	3.84%
O M 樂進投資合夥企業(有限合夥) (O M Le Jin Investment Partnership (Limited Partnership))	H S 股	Indirectly, through "Wen Hou Kangning Hospital Co., Ltd."	1,454,000(L)	7.42%	2.01%
O M 樂進投資合夥企業(有限合夥) (O M Le Jin Investment Partnership (Limited Partnership))	H S 股	Indirectly, through "Wen Hou Kangning Hospital Co., Ltd."	2,150,900(L)	10.97%	2.97%
O M 樂進投資合夥企業(有限合夥) (O M Le Jin Investment Partnership (Limited Partnership))	H S 股	Indirectly, through "Wen Hou Kangning Hospital Co., Ltd."	1,279,900(L)	6.53%	1.77%
O M 樂進投資合夥企業(有限合夥) (O M Le Jin Investment Partnership (Limited Partnership))	H S 股	Indirectly, through "Wen Hou Kangning Hospital Co., Ltd."	1,052,000(L)	5.37%	1.45%
UBS G 樂進投資合夥企業(有限合夥) (UBS G Le Jin Investment Partnership (Limited Partnership))	H S 股	Indirectly, through "Wen Hou Kangning Hospital Co., Ltd."	1,029,400(L)	5.25%	1.42%
OU H 樂進投資合夥企業(有限合夥) (OU H Le Jin Investment Partnership (Limited Partnership))	H S 股	Indirectly, through "Wen Hou Kangning Hospital Co., Ltd."	1,680,000(L)	8.57%	2.32%
M. WANG H 樂進投資合夥企業(有限合夥) (M. Wang H Le Jin Investment Partnership (Limited Partnership))	D 類 S 股	Indirectly, through "Wen Hou Kangning Hospital Co., Ltd."	5,785,350(L)	10.97%	8.00%
		Indirectly, through "Wen Hou Kangning Hospital Co., Ltd."	21,544,750(L)	40.84%	29.77%
	H S 股	Indirectly, through "Wen Hou Kangning Hospital Co., Ltd."	309,000(L)	1.58%	0.43%
		Indirectly, through "Wen Hou Kangning Hospital Co., Ltd."	149,300(L)	0.76%	0.21%
K 樂進投資合夥企業(有限合夥) (K Le Jin Investment Partnership (Limited Partnership))	H S 股	Indirectly, through "Wen Hou Kangning Hospital Co., Ltd."	3,347,975(L)	17.08%	4.63%
T 樂進投資合夥企業(有限合夥) (T Le Jin Investment Partnership (Limited Partnership))	H S 股	Indirectly, through "Wen Hou Kangning Hospital Co., Ltd."	3,347,975(L)	17.08%	4.63%

Report of the Board

Notes:

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

A D, 31, 2025, G

Report of the Board

Part One Report

The Board of Directors of Wenhou Kangning Hospital Co., Ltd. (PRC Company, "Company" or "Sichuan Kangning Hospital") has reviewed the business performance of the Company in 2025.

Board of Directors

The Board of Directors of the Company has reviewed the business performance of the Company in 2025. The Board of Directors has reviewed the business performance of the Company in 2025. The Board of Directors has reviewed the business performance of the Company in 2025.

Annual Report

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Company Governance

The Board of Directors of the Company has reviewed the business performance of the Company in 2025. The Board of Directors has reviewed the business performance of the Company in 2025. The Board of Directors has reviewed the business performance of the Company in 2025.

Part Two Report

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Report of the Board

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Report of the Supervisory Committee

Text of the Supervisory Committee:

In 2025, the Supervisory Committee, in accordance with the provisions of the Company Law, the Securities Law, the Company's Articles of Association, and the Supervisory Committee Charter, has fully performed its supervisory duties. In 2025, the Supervisory Committee has held 12 meetings, with 10 members attending. The Supervisory Committee has reviewed the Company's financial statements, the Company's internal control system, and the Company's compliance with laws and regulations. The Supervisory Committee has also conducted field investigations and interviews with relevant departments and personnel. The Supervisory Committee has found that the Company's financial statements are true and accurate, the Company's internal control system is effective, and the Company has complied with laws and regulations. The Supervisory Committee has also found that the Company's management has taken effective measures to improve the Company's internal control system and to comply with laws and regulations.

In 2025, the Supervisory Committee has also conducted field investigations and interviews with relevant departments and personnel. The Supervisory Committee has found that the Company's management has taken effective measures to improve the Company's internal control system and to comply with laws and regulations. The Supervisory Committee has also found that the Company's management has taken effective measures to improve the Company's internal control system and to comply with laws and regulations.

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In 2026, the Supervisory Committee will continue to fully perform its supervisory duties. The Supervisory Committee will continue to review the Company's financial statements, the Company's internal control system, and the Company's compliance with laws and regulations. The Supervisory Committee will also continue to conduct field investigations and interviews with relevant departments and personnel. The Supervisory Committee will also continue to find that the Company's management has taken effective measures to improve the Company's internal control system and to comply with laws and regulations.

For the Supervisory Committee:
XUN
Chairman

Wen Hou Kangning Hospital Co., Ltd.
PRC
April 27, 2026

Corporate Governance Report

Corporate Governance

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

Values

Responsible, Law-abiding, Sustainable, Healthy

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

Vision

APPLYING THE GEMMA MODEL TO THE HEALTH

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

Mission

PROVIDE THE BEST MEDICAL CARE, PROMOTE THE MEDICAL

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

Corporate Governance Report

Return to Shareholders and Dividend Distribution

The Board of Directors, in accordance with the Company's Articles of Association and the Dividend Distribution Policy, has formulated the 2025 Dividend Distribution Policy. The Board of Directors has also formulated the 2025 Dividend Distribution Policy, which is in line with the Company's business development and financial status, and is in line with the interests of the Company's shareholders.

The Board of Directors has also formulated the 2025 Dividend Distribution Policy, which is in line with the Company's business development and financial status, and is in line with the interests of the Company's shareholders. The Board of Directors has also formulated the 2025 Dividend Distribution Policy, which is in line with the Company's business development and financial status, and is in line with the interests of the Company's shareholders.

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Corporate Governance and Environmental Protection

The Board of Directors, in accordance with the Company's Articles of Association and the Dividend Distribution Policy, has formulated the 2025 Dividend Distribution Policy. The Board of Directors has also formulated the 2025 Dividend Distribution Policy, which is in line with the Company's business development and financial status, and is in line with the interests of the Company's shareholders.

Return to Shareholders and Dividend Distribution

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Corporate Governance Report

Corporate Governance, Shareholder Rights Protection and Corporate Social Responsibility

On 22 March 2025, Mr. HANG YONG, Chairman of the Board, presided over the 2025 Annual General Meeting of the Company. On 30 June 2025, the Company held its 2024 Annual General Meeting. Mr. FANG WEN, Chairman of the Board, presided over the 2024 Annual General Meeting. The meeting was held in accordance with the provisions of the Company's Articles of Association and the Regulations for the Company's General Meeting of Shareholders.

The Company's 2025 Annual General Meeting was held on 22 March 2025, and the 2024 Annual General Meeting was held on 30 June 2025.

The Company's 2025 Annual General Meeting was held in accordance with the provisions of the Company's Articles of Association and the Regulations for the Company's General Meeting of Shareholders.

Corporate Governance, Shareholder Rights Protection and Corporate Social Responsibility

The Company's 2025 Annual General Meeting was held on 22 March 2025, and the 2024 Annual General Meeting was held on 30 June 2025. The Company's 2025 Annual General Meeting was held in accordance with the provisions of the Company's Articles of Association and the Regulations for the Company's General Meeting of Shareholders.

Name	Members of the Group	Positions held at members of the Group	Term of office
GUAN WEN	YANG KUN, HANG YONG, CHEN LING, YU KUN, HANG YONG, CHEN LING	Executive Director	From December 2012, to December 2025
WANG LING	WANG GUO, FANG HUI, CHEN LING, WANG GUO, FANG HUI, CHEN LING	Executive Director, Member of the Board	From March 2024, to November 2025
WANG JING	HANG YONG, CHEN LING, TANG JING, HANG YONG, CHEN LING, TANG JING	Chairman of the Board	From September 2025, to September 2025
XU YU	HANG YONG, CHEN LING, TANG JING, HANG YONG, CHEN LING, TANG JING	Executive Director, Member of the Board	From March 2020, to February 2025
JIN WEN	PANG CHEN, YU KUN, HANG YONG, CHEN LING, TANG JING, HANG YONG, CHEN LING, TANG JING	Executive Director	From September 2021, to September 2025

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Corporate Governance Report

Shareholders' Rights and Shareholders' Interests

Wen Hou Kangning Hospital Co., Ltd. (hereinafter referred to as "Company") is a public company listed on the Shanghai Stock Exchange. The Company is committed to protecting the rights and interests of all shareholders, especially the rights and interests of minority shareholders.

The Company has established a complete system of corporate governance, including the Charter of the Company, the Rules of the Board of Directors, the Rules of the Supervisory Board, and the Rules of the Shareholders' Meeting. The Company also has a set of internal control systems to ensure the effective implementation of the corporate governance system.

Shareholders' Rights

The Company's Charter and the Rules of the Shareholders' Meeting clearly define the rights and interests of shareholders. Shareholders have the right to participate in the Shareholders' Meeting, to elect and replace directors and supervisors, to propose and vote on resolutions, to request the Company to call a Shareholders' Meeting, to request the Company to take legal action, to request the Company to return the shares, and to request the Company to pay dividends. The Company has always adhered to the principle of equal treatment of all shareholders, and has never discriminated against any shareholder.

Shareholders' Interests

Accounting Policies

The Company's accounting policies are based on the Accounting Standards for Business Enterprises (ASBE) issued by the Ministry of Finance of the People's Republic of China. The Company's accounting policies are consistent with the ASBE, and the Company's accounting policies are applied consistently from year to year.

The Company's accounting policies are based on the Accounting Standards for Business Enterprises (ASBE) issued by the Ministry of Finance of the People's Republic of China. The Company's accounting policies are consistent with the ASBE, and the Company's accounting policies are applied consistently from year to year.

Changes of Significant Accounting Policies

The Company has not changed its significant accounting policies during the reporting period. The Company's accounting policies are consistent with the ASBE, and the Company's accounting policies are applied consistently from year to year.

Accounting Policies, Accounting Estimates, and Accounting Judgments

The Company's accounting policies are based on the Accounting Standards for Business Enterprises (ASBE) issued by the Ministry of Finance of the People's Republic of China. The Company's accounting policies are consistent with the ASBE, and the Company's accounting policies are applied consistently from year to year.

Corporate Governance Report

During the reporting period, the Company has strictly followed the provisions of the Securities and Futures Ordinance (SFO), the Listing Rules, the Corporate Governance Code, and the Company's own governance policies, to ensure the Company's corporate governance practices are in line with the requirements of the relevant regulatory bodies and to enhance the Company's corporate governance performance.

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

As of the end of the reporting period, the Company has a total of 9 directors, including 3 executive directors, 2 non-executive directors, and 4 independent non-executive directors. The Company's board of directors is composed of members with diverse backgrounds and professional skills, which is conducive to the Company's strategic development and decision-making.

M. WANG J. is the Chairman of the Board. M. GUAN W. is the Managing Director. M. WANG L. is the Director of Finance. M. QIN H. is the Director of Human Resources. M. LI C. is the Director of Sales. M. HONG W. is the Director of Marketing. M. JIN L. is the Director of Operations. M. CHAN S. K. H. is the Director of Compliance. The Company's board of directors is responsible for the overall management and supervision of the Company's business operations.



Corporate Governance Report

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Corporate Governance Report

一、重要提示

1. 本年度报告摘要同时载于上海证券交易所网站（www.sse.com.cn）及深圳证券交易所网站（www.szse.cn），投资者欲了解详细内容，请仔细阅读年度报告全文。

2. 本公司董事会、监事会及董事、监事、高级管理人员保证年度报告内容的真实、准确、完整，不存在虚假记载、误导性陈述或重大遗漏，并承担个别和连带的法律责任。

3. 公司负责人、主管会计工作负责人及会计机构负责人（会计主管人员）保证年度报告中财务会计报表的真实、准确、完整。

4. 本报告涉及的未来计划、发展战略等前瞻性描述不构成公司对投资者的实质承诺，投资者及相关人士均应当对此保持足够的风险认识，并且应当理解计划、预测与承诺之间的差异。

5. 投资者在评价和购买公司股票时，应当认真考虑公司所面临的各项风险因素，并仔细阅读本报告“第三节 风险因素”部分对各项风险的详细披露。

6. 本报告所载内容不构成任何投资建议，投资者应当审慎决策。

7. 本报告所载内容不构成任何要约或要约邀请。

8. 本报告所载内容不构成任何担保。

9. 本报告所载内容不构成任何承诺。

10. 本报告所载内容不构成任何法律意见。

11. 本报告所载内容不构成任何审计报告。

12. 本报告所载内容不构成任何资产评估报告。

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Corporate Governance Report

Supervisory Board Members' Work Report

The Supervisory Board members have actively participated in the work of the company, supervised the company's business operations, and ensured the company's compliance with laws and regulations. The Supervisory Board members have also actively participated in the company's internal control system construction, risk management, and other work, and have made significant contributions to the company's sustainable development.

At the Supervisory Board meeting, the Supervisory Board members have discussed and decided on the company's 2024 work plan, and have also discussed and decided on the company's 2024 work report. The Supervisory Board members have also actively participated in the company's internal control system construction, risk management, and other work, and have made significant contributions to the company's sustainable development.

The Supervisory Board members have also actively participated in the company's internal control system construction, risk management, and other work, and have made significant contributions to the company's sustainable development.

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

Board of Directors' Work Report

The Board of Directors has actively participated in the work of the company, supervised the company's business operations, and ensured the company's compliance with laws and regulations. The Board of Directors has also actively participated in the company's internal control system construction, risk management, and other work, and has made significant contributions to the company's sustainable development.

Corporate Governance Report

The Current Composition of the Board

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

Corporate Governance Report

I. The Company's Board of Directors, Supervisory Board, and Management have all received specific training on corporate governance. The Board of Directors has received training on the Company's Charter, Rules of Procedure, and the Board of Directors' Work Rules. The Supervisory Board has received training on the Company's Charter, Rules of Procedure, and the Supervisory Board's Work Rules. The Management has received training on the Company's Charter, Rules of Procedure, and the Management's Work Rules. The Company has also organized various forms of training, including seminars, workshops, and online courses, to enhance the corporate governance awareness and skills of all employees.

The Board of Directors has received training on the Company's Charter, Rules of Procedure, and the Board of Directors' Work Rules. The Supervisory Board has received training on the Company's Charter, Rules of Procedure, and the Supervisory Board's Work Rules. The Management has received training on the Company's Charter, Rules of Procedure, and the Management's Work Rules. The Company has also organized various forms of training, including seminars, workshops, and online courses, to enhance the corporate governance awareness and skills of all employees.

Supervisory Board's Work Rules

The Supervisory Board has received training on the Company's Charter, Rules of Procedure, and the Supervisory Board's Work Rules. The Management has received training on the Company's Charter, Rules of Procedure, and the Management's Work Rules. The Company has also organized various forms of training, including seminars, workshops, and online courses, to enhance the corporate governance awareness and skills of all employees.

Remuneration band (RMB)

Number of individuals

0-700,000	6
700,001-1,400,000	10

Annual Report

The Company has received training on the Company's Charter, Rules of Procedure, and the Management's Work Rules. The Company has also organized various forms of training, including seminars, workshops, and online courses, to enhance the corporate governance awareness and skills of all employees.

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 the relevant provisions of the Shanghai Stock Exchange Listing Rules, and have fully complied with the requirements of the Code of Corporate Governance for Listed Companies.

Shareholders' 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.

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

P, S, P, F, P, G, M, W, C, B, S, C, S, 3%, S, C, S, 3%, S, 10, EGM, T, 2, T.

A. :
N.1 S. R
H. R. D.
W. ,
PRC
F. : (86) 577 8878 9117
E. : @

P $\rightarrow$ D S E B
S $\rightarrow$ B
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A. :
N.1 S. R
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Directors, Supervisors and Senior Management

D

Directors, Supervisors and Senior Management

Non-executive Directors

Mr. QIN Hao (秦浩), 男, 35岁, 中国国籍, 2021年1月加入公司, 担任非执行董事, 持有公司股份100,000股, 占公司总股本的0.01%。

Directors, Supervisors and Senior Management

Independent Non-executive Directors

Ms. ZHONG Wentang (鍾文堂), G. J. 2020. S. D., C., S. I. C., L. (上海信公企業管理諮詢有限公司), F. 2019, F. 2016, F. 2019, M. I. C., L., F. O. 2012. F. 2016, P. C. T. CPA L. C.

M. ¹ ² ³ ⁴ ⁵ ⁶ ⁷ ⁸ ⁹ ¹⁰ ¹¹ ¹² ¹³ ¹⁴ ¹⁵ ¹⁶ ¹⁷ ¹⁸ ¹⁹ ²⁰ ²¹ ²² ²³ ²⁴ ²⁵ ²⁶ ²⁷ ²⁸ ²⁹ ³⁰ ³¹ ³² ³³ ³⁴ ³⁵ ³⁶ ³⁷ ³⁸ ³⁹ ⁴⁰ ⁴¹ ⁴² ⁴³ ⁴⁴ ⁴⁵ ⁴⁶ ⁴⁷ ⁴⁸ ⁴⁹ ⁵⁰ ⁵¹ ⁵² ⁵³ ⁵⁴ ⁵⁵ ⁵⁶ ⁵⁷ ⁵⁸ ⁵⁹ ⁶⁰ ⁶¹ ⁶² ⁶³ ⁶⁴ ⁶⁵ ⁶⁶ ⁶⁷ ⁶⁸ ⁶⁹ ⁷⁰ ⁷¹ ⁷² ⁷³ ⁷⁴ ⁷⁵ ⁷⁶ ⁷⁷ ⁷⁸ ⁷⁹ ⁸⁰ ⁸¹ ⁸² ⁸³ ⁸⁴ ⁸⁵ ⁸⁶ ⁸⁷ ⁸⁸ ⁸⁹ ⁹⁰ ⁹¹ ⁹² ⁹³ ⁹⁴ ⁹⁵ ⁹⁶ ⁹⁷ ⁹⁸ ⁹⁹ ¹⁰⁰ ¹⁰¹ ¹⁰² ¹⁰³ ¹⁰⁴ ¹⁰⁵ ¹⁰⁶ ¹⁰⁷ ¹⁰⁸ ¹⁰⁹ ¹¹⁰ ¹¹¹ ¹¹² ¹¹³ ¹¹⁴ ¹¹⁵ ¹¹⁶ ¹¹⁷ ¹¹⁸ ¹¹⁹ ¹²⁰ ¹²¹ ¹²² ¹²³ ¹²⁴ ¹²⁵ ¹²⁶ ¹²⁷ ¹²⁸ ¹²⁹ ¹³⁰ ¹³¹ ¹³² ¹³³ ¹³⁴ ¹³⁵ ¹³⁶ ¹³⁷ ¹³⁸ ¹³⁹ ¹⁴⁰ ¹⁴¹ ¹⁴² ¹⁴³ ¹⁴⁴ ¹⁴⁵ ¹⁴⁶ ¹⁴⁷ ¹⁴⁸ ¹⁴⁹ ¹⁵⁰ ¹⁵¹ ¹⁵² ¹⁵³ ¹⁵⁴ ¹⁵⁵ ¹⁵⁶ ¹⁵⁷ ¹⁵⁸ ¹⁵⁹ ¹⁶⁰ ¹⁶¹ ¹⁶² ¹⁶³ ¹⁶⁴ ¹⁶⁵ ¹⁶⁶ ¹⁶⁷ ¹⁶⁸ ¹⁶⁹ ¹⁷⁰ ¹⁷¹ ¹⁷² ¹⁷³ ¹⁷⁴ ¹⁷⁵ ¹⁷⁶ ¹⁷⁷ ¹⁷⁸ ¹⁷⁹ ¹⁸⁰ ¹⁸¹ ¹⁸² ¹⁸³ ¹⁸⁴ ¹⁸⁵ ¹⁸⁶ ¹⁸⁷ ¹⁸⁸ ¹⁸⁹ ¹⁹⁰ ¹⁹¹ ¹⁹² ¹⁹³ ¹⁹⁴ ¹⁹⁵ ¹⁹⁶ ¹⁹⁷ ¹⁹⁸ ¹⁹⁹ ²⁰⁰ ²⁰¹ ²⁰² ²⁰³ ²⁰⁴ ²⁰⁵ ²⁰⁶ ²⁰⁷ ²⁰⁸ ²⁰⁹ ²¹⁰ ²¹¹ ²¹² ²¹³ ²¹⁴ ²¹⁵ ²¹⁶ ²¹⁷ ²¹⁸ ²¹⁹ ²²⁰ ²²¹ ²²² ²²³ ²²⁴ ²²⁵ ²²⁶ ²²⁷ ²²⁸ ²²⁹ ²³⁰ ²³¹ ²³² ²³³ ²³⁴ ²³⁵ ²³⁶ ²³⁷ ²³⁸ ²³⁹ ²⁴⁰ ²⁴¹ ²⁴² ²⁴³ ²⁴⁴ ²⁴⁵ ²⁴⁶ ²⁴⁷ ²⁴⁸ ²⁴⁹ ²⁵⁰ ²⁵¹ ²⁵² ²⁵³ ²⁵⁴ ²⁵⁵ ²⁵⁶ ²⁵⁷ ²⁵⁸ ²⁵⁹ ²⁶⁰ ²⁶¹ ²⁶² ²⁶³ ²⁶⁴ ²⁶⁵ ²⁶⁶ ²⁶⁷ ²⁶⁸ ²⁶⁹ ²⁷⁰ ²⁷¹ ²⁷² ²⁷³ ²⁷⁴ ²⁷⁵ ²⁷⁶ ²⁷⁷ ²⁷⁸ ²⁷⁹ ²⁸⁰ ²⁸¹ ²⁸² ²⁸³ ²⁸⁴ ²⁸⁵ ²⁸⁶ ²⁸⁷ ²⁸⁸ ²⁸⁹ ²⁹⁰ ²⁹¹ ²⁹² ²⁹³ ²⁹⁴ ²⁹⁵ ²⁹⁶ ²⁹⁷ ²⁹⁸ ²⁹⁹ ³⁰⁰ ³⁰¹ ³⁰² ³⁰³ ³⁰⁴ ³⁰⁵ ³⁰⁶ ³⁰⁷ ³⁰⁸ ³⁰⁹ ³¹⁰ ³¹¹ ³¹² ³¹³ ³¹⁴ ³¹⁵ ³¹⁶ ³¹⁷ ³¹⁸ ³¹⁹ ³²⁰ ³²¹ ³²² ³²³ ³²⁴ ³²⁵ ³²⁶ ³²⁷ ³²⁸ ³²⁹ ³³⁰ ³³¹ ³³² ³³³ ³³⁴ ³³⁵ ³³⁶ ³³⁷ ³³⁸ ³³⁹ ³⁴⁰ ³⁴¹ ³⁴² ³⁴³ ³⁴⁴ ³⁴⁵ ³⁴⁶ ³⁴⁷ ³⁴⁸ ³⁴⁹ ³⁵⁰ ³⁵¹ ³⁵² ³⁵³ ³⁵⁴ ³⁵⁵ ³⁵⁶ ³⁵⁷ ³⁵⁸ ³⁵⁹ ³⁶⁰ ³⁶¹ ³⁶² ³⁶³ ³⁶⁴ ³⁶⁵ ³⁶⁶ ³⁶⁷ ³⁶⁸ ³⁶⁹ ³⁷⁰ ³⁷¹ ³⁷² ³⁷³ ³⁷⁴ ³⁷⁵ ³⁷⁶ ³⁷⁷ ³⁷⁸ ³⁷⁹ ³⁸⁰ ³⁸¹ ³⁸² ³⁸³ ³⁸⁴ ³⁸⁵ ³⁸⁶ ³⁸⁷ ³⁸⁸ ³⁸⁹ ³⁹⁰ ³⁹¹ ³⁹² ³⁹³ ³⁹⁴ ³⁹⁵ ³⁹⁶ ³⁹⁷ ³⁹⁸ ³⁹⁹ ⁴⁰⁰ ⁴⁰¹ ⁴⁰² ⁴⁰³ ⁴⁰⁴ ⁴⁰⁵ ⁴⁰⁶ ⁴⁰⁷ ⁴⁰⁸ ⁴⁰⁹ ⁴¹⁰ ⁴¹¹ ⁴¹² ⁴¹³ ⁴¹⁴ ⁴¹⁵ ⁴¹⁶ ⁴¹⁷ ⁴¹⁸ ⁴¹⁹ ⁴²⁰ ⁴²¹ ⁴²² ⁴²³ ⁴²⁴ ⁴²⁵ ⁴²⁶ ⁴²⁷ ⁴²⁸ ⁴²⁹ ⁴³⁰ ⁴³¹ ⁴³² ⁴³³ ⁴³⁴ ⁴³⁵ ⁴³⁶ ⁴³⁷ ⁴³⁸ ⁴³⁹ ⁴⁴⁰ ⁴⁴¹ ⁴⁴² ⁴⁴³ ⁴⁴⁴ ⁴⁴⁵ ⁴⁴⁶ ⁴⁴⁷ ⁴⁴⁸ ⁴⁴⁹ ⁴⁵⁰ ⁴⁵¹ ⁴⁵² ⁴⁵³ ⁴⁵⁴ ⁴⁵⁵ ⁴⁵⁶ ⁴⁵⁷ ⁴⁵⁸ ⁴⁵⁹ ⁴⁶⁰ ⁴⁶¹ ⁴⁶² ⁴⁶³ ⁴⁶⁴ ⁴⁶⁵ ⁴⁶⁶ ^{467</}

Ms. JIN Ling (金玲), 1967, G. J. 2023. M. J. C. A., X. F. P. H. (蕭山第一人民醫院), J. 2022. S. C. A., P. H. P. (浙江省人民醫院), M. 2000, D. 2008; C. A., A. C. H. U. S. M. (浙江大學醫學院附屬兒童醫院), J. 2009, J. 2013; C. A., S. A. H. U. S. M. (浙江大學醫學院附屬第二醫院), J. 2013, D. 2018; C. F. O. S. (H. (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. (杭州電子工業學院), 1996; T. O. U. H. K. (H. K. M. U.) J. 2005. I. D. 2010, M. J. (H. R. S. S. D. P. (浙江省人力資源和社會保障廳).

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

Mr. XU Yongjiu (徐永九) 韓鎰養一祖羽鯖一鯉鯛工鎰翎；跂髌圭次戟金车翬麟馭韃车麇陞觀輅煥蜚啤鷹祛蠶蚺

Directors, Supervisors and Senior Management

Mr. QIAN Chengliang (錢成良)

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

M. J. (浙江財經大學), J. (2008), H. (2013), H. (2024), P. (2024), F. (2024), M. (2024), P. (2024), R. (2024), C. (2024), M. (2024).

Σ C R P D S G :

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Directors, Supervisors and Senior Management

Directors/Senior Management	Members of the Group	Positions Held at Members of the Group	Term of Office
WANG L	Y K H	E , M	F J 2017.
	M C, L		
	Q K H	M	F D 2018.
	C, L		
	H Y N	E , G	F D 2020.
	S C, L	M	
	Y H	E	F S 2022.
	T C, L		
	D	C	F S 2022.
	P C, L		
	C K H	D	F N 2022.
	H C, L		
B	C K	C	F M 2023.
	P H		
	C, L		
	W G F	C , M	F N 2025.
	H C, L		
Q	Y H	E	F J 2024.
	C, L		
	K P	M	F N 2024.
	M C, L		

Directors, Supervisors and Senior Management

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

Directors, Supervisors and Senior Management

Directors/Senior Management	Members of the Group	Positions Held at Members of the Group	Term of Office
HOU C 侯成	Y 侯成, H 侯成, M 侯成, C 侯成, L 侯成	S 侯成	F 侯成 2017. 1. 1 - 2022. 12. 31
	Q 侯成, Y 侯成, H 侯成, C 侯成, L 侯成	D 侯成	F 侯成 2022. 1. 1 - 2022. 12. 31
HANG F 杭飞	L 侯成, K 侯成, H 侯成, C 侯成, L 侯成	E 侯成, M 侯成	F 侯成 2018. 1. 1 - 2022. 12. 31
	W 侯成, N 侯成, P 侯成, S 侯成, H 侯成, C 侯成, L 侯成	D 侯成	F 侯成 2019. 1. 1 - 2022. 12. 31
	L 侯成, C 侯成, H 侯成, C 侯成, L 侯成	E 侯成, M 侯成	F 侯成 2020. 1. 1 - 2022. 12. 31
JIN W 金伟	H 侯成, Y 侯成, P 侯成, H 侯成, C 侯成, L 侯成	D 侯成	F 侯成 2018. 1. 1 - 2022. 12. 31
	P 侯成, C 侯成, Y 侯成, H 侯成, C 侯成, L 侯成	D 侯成	F 侯成 2025. 1. 1 - 2025. 12. 31
XU N 徐宁	G 侯成, Y 侯成, H 侯成, C 侯成, L 侯成	E 侯成	F 侯成 2019. 1. 1 - 2022. 12. 31
	H 侯成, Y 侯成, P 侯成, H 侯成, C 侯成, L 侯成	C 侯成	F 侯成 2020. 1. 1 - 2022. 12. 31
JIN H 金海	W 侯成, O 侯成, Y 侯成, E 侯成, H 侯成, C 侯成, L 侯成	S 侯成	F 侯成 2022. 1. 1 - 2022. 12. 31
	C 侯成, Y 侯成, N 侯成, C 侯成, C 侯成, L 侯成	S 侯成	F 侯成 2022. 1. 1 - 2022. 12. 31
	P 侯成, C 侯成, Y 侯成, H 侯成, C 侯成, L 侯成	S 侯成	F 侯成 2023. 1. 1 - 2023. 12. 31
	J 侯成, S 侯成, H 侯成, C 侯成, L 侯成	D 侯成	F 侯成 2024. 1. 1 - 2024. 12. 31
	C 侯成, L 侯成		

Key audit matters	How these matters were addressed in the audit
(I) Goodwill impairment Revenue 3.18 I, N 3.31 S, N 5.16 G A 31 D, 2025, C RMB126.4549 A, T	O 1. U 2. B C 0.6

Auditor's Report

Key audit matters

How these matters were addressed in the audit

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Auditor's Report

Key audit matters

How these matters were addressed in the audit

(II) Revenue recognition

R 3.24 R 5.40 O
 R C S
 T C

Auditor's Report

Q I

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Auditor's Report

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Consolidated Balance Sheet

31 December 2025
(Amount in RMB thousands)

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
Short-term investments			
Receivables			
Financial assets	5.2	8,573,388.20	7,938,322.41
Debt investments			
Non-current investments	5.3	1,486,564.55	663,798.83
Assets held for sale	5.4	462,939,569.82	571,812,956.97
Right-of-use assets			
Assets under construction	5.5	15,792,568.62	14,713,963.24
Prepaid expenses			
Other non-current assets			
Receivables			
Receivables			
Quoted investments	5.6	77,790,656.08	81,354,941.59
Financial assets			
Intangible assets	5.7	46,032,543.08	50,629,131.38
Investments			
Investments			
Cash			
Assets	5.8		
Non-current investments			
Quoted investments	5.9	25,380,696.08	5,859,353.91
Total current assets		932,035,847.31	994,721,478.95

Consolidated Balance Sheet

31 December 2025
(Amount in RMB)

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

Total assets

Li Guan Wang

P. Kangning Hospital Co., Ltd.
JIN H

H. Kangning Hospital Co., Ltd.
WANG M

Consolidated Balance Sheet

31 December 2025
(Amount in thousands of RMB)

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

		Balance as at	31 December 2023	31 December 2024
Liabilities and shareholders' equity	N /			
Non-current liabilities:				
P				
L				

Consolidated Balance Sheet

31 December 2025
(Amount in RMB thousands)

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

Total assets

Liability Auditor:
GUAN W.

Preparer: C. A.
JIN H.

Head of Accounting Department:
WANG M.

Company's Balance Sheet

31 December 2025

(Amount in RMB Yuan)

Asset	Number	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 receivables	16.2	550,863,300.90	616,875,722.47
Inventory		10,183,513.42	10,162,306.19
Investments			
Long-term investments			
Other long-term assets			
Other non-current assets			
Other non-current assets			355,000.00
Total current assets		694,540,681.73	811,506,391.29

(A ☒ RMB ☒)

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

T             

GUAN W.

P. JIN H. C. A. :

H. A. D. A. :
WANG M.

Company's Balance Sheet

31 December 2025

(Amount in RMB thousands)

Liabilities and shareholders' equity	Number 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
Financial liabilities at fair value through profit or loss			
Derivatives financial liabilities			
Notes payable			
Accounts payable		35,437,646.63	50,885,691.57
Contract liabilities		4,504,580.09	4,828,444.68
Contract liabilities			
Employee compensation liability		20,959,095.77	20,234,697.93
Provisions		3,963,391.03	3,208,892.78
Income tax payable		22,658,542.55	51,395,823.13
Other current liabilities			
Non-current liabilities		142,430,144.00	172,880,144.00
Other non-current liabilities			
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
Financial liabilities at fair value through profit or loss			
Derivatives financial liabilities			
Notes payable			
Accounts payable			
Contract liabilities			
Contract liabilities			
Employee compensation liability			
Provisions			
Income tax payable			
Other non-current liabilities		20,752,353.52	34,016,324.10
Other non-current liabilities			
Long-term borrowings			
Financial liabilities at fair value through profit or loss			
Derivatives financial liabilities			
Notes payable			
Accounts payable			
Contract liabilities			
Contract liabilities			
Employee compensation liability			
Provisions			
Income tax payable			
Other non-current liabilities		8,126,515.00	8,430,307.00
Other non-current liabilities			
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 thousands)

	Number	Balance as at 31 December 2025	Balance as at 31 December 2024
Liabilities and shareholders' equity	16		
Owner's equity:			
Capital		72,358,900.00	72,670,000.00
Quoted shares			
Investment income			
Profit			
Capital reserve		833,848,391.98	832,320,975.11
Loan		47,815,625.17	22,366,848.64
Quoted shares			
Share			
Share		38,399,577.13	38,399,577.13
Reserve		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

Liability
GUAN W.

President
JIN H.

Head of Accounting
WANG M.

Consolidated Income Statement

Year 2025

(Amount in thousands of RMB)

Item	Notes	Amount in 2025	Amount in 2024
III. Operating profit (losses represented with“-” signs)		84,833,285.98	75,353,614.13
A. Operating income	5.52	1,321,588.29	1,528,901.03
B. Operating expenses	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. Income tax expense	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 attributable to equity holders of the company			
1. Net profit attributable to equity holders of the company (excluding non-controlling interests)		36,603,923.23	50,397,711.37
2. Net profit attributable to non-controlling interests			
(II) Net profit attributable to equity holders of the company			
1. Net profit attributable to equity holders of the company (excluding non-controlling interests)		54,395,979.83	65,610,188.85
2. Net profit attributable to non-controlling interests		-17,792,056.60	-15,212,477.48
VI. Other comprehensive income, net of tax			
Q. Other comprehensive income, net of tax			
(I) Other comprehensive income, net of tax			
1. Change in fair value of equity instruments not designated as financial assets at fair value through profit or loss			
2. Change in fair value of equity instruments designated as financial assets at fair value through profit or loss			
3. Change in fair value of equity instruments designated as financial liabilities at fair value through profit or loss			
4. Change in fair value of equity instruments designated as financial assets at fair value through profit or loss			

Consolidated Income Statement

Year 2025
(Amount in RMB)

Item	2025	Amount in 2025	Amount in 2024
(II) Operating income			
1. Operating income			
2. Cost of sales			
3. Other income			
4. Cost of services			
5. Rental income			
6. Earnings from investments			
7. Other income			
Operating profit			
VII. Total comprehensive income		36,603,923.23	50,397,711.37
A. Total comprehensive income		54,395,979.83	65,610,188.85
T. Total comprehensive income		-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 comprehensive income attributable to shareholders

Prepared by: GUAN WANG
Reviewed by: JIN H
Audited by: WANG M

Company’s Income Statement

Year 2025
(Amount in RMB)

Item	Number	Amount in 2025	Amount in 2024
I. Operating revenue	16.4	379,040,391.81	382,203,291.48
L: Sales revenue	16.4	261,667,292.67	265,234,884.25
T: Sales of goods		4,413,733.38	4,316,465.04
S: Sales of services		555,980.03	631,732.91
A: Sales of assets		73,077,746.47	68,141,320.83
R&D: Research and development		23,312,745.77	25,088,282.82
F: Financial income		11,063,956.27	15,534,037.93
I: Investment income		19,519,649.23	27,155,993.77
I: Interest income		11,933,229.39	15,686,764.05
A: Other income		5,739,721.13	4,410,314.14
I: Income from disposal of non-current assets	16.5	27,025,584.92	49,133,712.65
I: Income from disposal of long-term equity investments	16.5	2,025,584.92	1,695,251.38
I: Income from disposal of other non-current assets			
N: Net income from disposal of non-current assets			
G: Gain from disposal of non-current assets		-1,962,024.32	742,239.73
C: Cost of disposal of non-current assets		-3,608,388.19	4,015,631.88
A: Asset impairment loss			
A: Asset impairment loss			
II. Operating profit (losses represented with “-” signs)		32,143,830.76	61,558,466.10
A: Other income		401,764.62	338,053.84
L: Loss from disposal of non-current assets		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: Loss from disposal of non-current assets		-644,847.63	-3,233,115.77
IV. Net profit (net loss represented with “-” signs)		32,939,727.23	38,090,066.22
(I) Net profit		32,939,727.23	38,090,066.22
(II) Net loss			

Company's Income Statement

Year 2025

(Amount in RMB)

Item	Number	Amount in 2025	Amount in 2024
V. Other comprehensive income, net of tax			
(I) Quasi-equity instruments			
1. Changes in fair value of equity instruments at cost			
2. Changes in fair value of equity instruments at fair value through other comprehensive income			
3. Changes in fair value of equity instruments at fair value through profit or loss			
4. Changes in fair value of equity instruments at fair value through profit or loss			
(II) Other comprehensive income			
1. Changes in fair value of equity instruments at cost			
2. Changes in fair value of equity instruments at fair value through other comprehensive income			
3. Changes in fair value of equity instruments at fair value through profit or loss			
4. Changes in fair value of equity instruments at fair value through profit or loss			
5. Changes in fair value of equity instruments at fair value through profit or loss			
6. Changes in fair value of equity instruments at fair value through profit or loss			
7. Changes in fair value of equity instruments at fair value through profit or loss			
VI. Total comprehensive income		32,939,727.23	38,090,066.22
VII. Earnings per share:			
(I) Basic earnings per share (RMB/ share)			
(II) Diluted earnings per share (RMB/ share)			

Total comprehensive income attributable to shareholders of Wen Hou Kangning Hospital Co., Ltd.

Prepared by:
GUAN W.

Prepared by:
JIN H.

Prepared by:
WANG M.

(A ☐ RMB ☐)

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Consolidated Statement of Cash Flow

Y. 2025

(A RMB)

Item	N. 5	Amount in 2025	A. 2024
II. Cash flows from investing activities			
Cash inflows from disposal of long-term equity investments		14,540,025.96	34,242,178.97
Cash inflows from disposal of other long-term investments		12,086.31	
Net cash inflows from disposal of long-term investments		173,819.70	1,844,120.17
Net cash inflows from disposal of other long-term investments			2,000,000.00
Cash inflows from disposal of long-term investments	5.56	13,000,000.00	
Sub-total of cash inflows of investing activities		27,725,931.97	38,086,299.14
Cash outflows from acquisition of long-term equity investments		189,507,952.28	192,178,988.86
Cash outflows from acquisition of other long-term investments		1,200,000.00	17,020,000.00
Net cash outflows from acquisition of long-term investments		27,901,903.01	
Cash outflows from acquisition of other long-term investments	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 inflows from issuing debt		14,000,000.00	7,210,500.00
Interest received on debt		14,000,000.00	7,210,500.00
Cash inflows from other financing activities		433,102,530.08	448,460,250.00
Cash outflows from 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 outflows from investing activities		400,626,910.05	367,013,827.25
Cash outflows from operating activities		74,417,907.34	74,654,124.22
Interest received on debt		1,515,123.89	2,923,034.00
Cash outflows from other investing 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			
Restatement of cash and cash equivalents	5.57	32,442,007.29	-149,490,595.21
Restatement of cash and cash equivalents		255,232,744.16	404,723,339.37
VI. Cash and cash equivalents at the end of the period			
	5.57	287,674,751.45	255,232,744.16
T R A D E S T A T E M E N T			

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GUAN W

P C A
JIN H

H A D
WANG M

Company's Statements of Cash Flows

Y. 2025

(A RMB)

Item	N	Amount in 2025	A 2024
I. Cash flows from operating activities			
Cash inflows from operating activities		417,376,501.33	355,123,462.58
Receipts from operating activities		490,071,165.48	563,112,957.82
Sub-total of cash inflows of operating activities		907,447,666.81	918,236,420.40
Cash outflows from operating activities		153,791,613.45	135,345,404.98
Payments for operating activities		172,187,105.62	163,048,839.70
Cash outflows from operating activities		5,232,958.43	3,350,063.92
Cash outflows from operating activities		439,804,646.45	535,927,923.31
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 inflows from investing activities		162,179,725.96	139,899,934.13
Cash inflows from investing activities			18,438,461.27
Net cash inflows from investing activities		33,949.00	21,024.00
Net cash inflows from investing activities			
Cash inflows from investing activities			
Sub-total of cash inflows of investing activities		162,213,674.96	158,359,419.40
Cash outflows from investing activities		7,737,107.02	12,562,107.39
Cash outflows from investing activities		176,657,200.00	184,882,800.00
Net cash outflows from investing activities			
Cash outflows from investing activities			
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			
Cash inflows from issuing shares		287,720,000.00	329,000,000.00
Cash inflows from issuing debt			35,000,000.00
Sub-total of cash inflows of financing activities		287,720,000.00	364,000,000.00
Cash outflows for purchasing property, plant and equipment		319,100,000.00	335,542,127.25
Cash outflows for purchasing intangible assets		55,890,886.68	58,516,854.32
Cash outflows for other investing activities		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
Balance of cash and cash equivalents at the beginning of the period		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
TOTAL			

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GUAN W

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JIN H

Hu A, D
WANG M

(A RMB)[illegible]

(A) RMB

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Company’s Statements of Changes in Shareholders’ Equity

Y. 2025

(A RMB)

Item	Amount in 2025					Total				
	Other equity instruments				Other comprehensive income					
	Share capital	Preferred shares	Perpetual bonds	Others		Capital surplus	Less: treasury stock	Special reserve	Surplus reserves	Retained earnings
(IV) 1. 2. 3. 4. 5. 6. (V) 1. 2. (VI) Q. IV. Balance as at 31 December 2025	72,358,900.00				833,848,391.98	47,815,625.17		38,399,577.13	287,421,636.91	1,184,212,880.85

Company's Statements of Changes in Shareholders' Equity

Y. 2025

(A RMB)

	A . 2024				Q .				T .			
	P .				L .				S .			
	Q .				C .				S .			
	P .				L .				S .			
I .	S .				Q .				S .			
1. Balance as at 31 December 2023	74,600,300.00				871,230,628.64				38,399,377.13			
A .												
C .												
Q .												
II. Balance as at 31 December 2024	74,600,300.00				871,230,628.64				38,399,377.13			
III. Change in 2024												
(decrease represented with “-” signs)												
(I) T .												
(II) C .												
1. C .												
2. C .												
3. A .												
4. Q .												
(III) P .												
1. W .												
2. D .												
3. Q .												

Company’s Statements of Changes in Shareholders’ Equity

Y. 2025
(A RMB)

A 2024									
L	Q		P	Q		C	L		T
	S	P		S	P		S	P	
(IV) 1. C									
2. S									
3. S									
4. C									
5. Q									
6. Q									
(V) 1. W, 2024									
2. U, 2024									
(VI) Q									
IV. Balance as at 31 December 2024	72,670,000.00			832,320,975.11	22,366,848.64		38,399,577.13	288,933,417.68	1,209,957,121.28

T

L R :
GUAN W.

P C A :
JIN H

H A D :
WANG M.

Notes to the Financial Statements

Financial Year Ending 31 December 2025

(Amounts in RMB)

3 Statement of compliance with the Accounting Standards for Business Enterprises

1. The Group has adopted the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China, and the relevant accounting policies and accounting estimates, and has not adopted any special accounting policies or accounting estimates.
2. The Group has adopted the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China, and the relevant accounting policies and accounting estimates, and has not adopted any special accounting policies or accounting estimates.
3. The Group has adopted the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China, and the relevant accounting policies and accounting estimates, and has not adopted any special accounting policies or accounting estimates.

3.1 Statement of compliance with the Accounting Standards for Business Enterprises

The Group has adopted the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China, and the relevant accounting policies and accounting estimates, and has not adopted any special accounting policies or accounting estimates.

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 equity method. Business combinations not under common control are accounted for using the purchase method. The Group has adopted the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China, and the relevant accounting policies and accounting estimates, and has not adopted any special accounting policies or accounting estimates.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3 Significant accounting policies and accounting estimates

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

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB, unless otherwise specified)

3 Significant accounting policies and accounting estimates

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

3.6.2 Control criteria and methods for preparing consolidated financial statements

The Group determines control over an investee based on the following criteria: (1) Power over the investee; (2) Exposure to variable returns; and (3) The ability to use its power to affect its returns. The Group exercises control over an investee when it has the power to direct the activities that significantly affect the investee's returns, and the Group is exposed to or has the right to receive variable returns from the investee.

(1) Power over the investee: The Group assesses whether it has the power to direct the activities that significantly affect the investee's returns. This assessment considers the Group's rights, contractual arrangements, and other factors that may give the Group the ability to direct the investee's activities. The Group also considers whether it has the ability to exercise this power, taking into account the Group's resources, the complexity of the investee's operations, and the Group's intent to exercise its power.

Determination of the Group's control over the investee is based on the Group's ability to direct the investee's activities that significantly affect its returns. The Group's control is determined based on the Group's ability to exercise its power over the investee, taking into account the Group's resources, the complexity of the investee's operations, and the Group's intent to exercise its power.

Notes to the Financial Statements

Fiscal Year Ended 31 December 2025

(All amounts in RMB)

3. Significant accounting policies and accounting estimates

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

3.6.2 Control

(2) Determination of control

Generally, the following factors are considered:

When determining whether the reporting entity has control over the investee, the following factors are considered: (1) Power over the investee's financial and operating policies; (2) Exposure to variable returns from the investee; (3) The ability to use the power to affect the amount of the variable returns. When the reporting entity has power over the investee's financial and operating policies, it is generally considered to have control over the investee. When the reporting entity is exposed to variable returns from the investee, it is generally considered to have control over the investee. When the reporting entity has the ability to use the power to affect the amount of the variable returns, it is generally considered to have control over the investee.

When the reporting entity has control over the investee, it is consolidated into the reporting entity's financial statements.

When the reporting entity does not have control over the investee, it is not consolidated into the reporting entity's financial statements.

Notes to the Financial Statements

Fiscal Year Ended 31 December 2025

(Amount in RMB)

3 Significant accounting policies and accounting estimates

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

3.6.2 Consolidated financial statements

(2) Determination of control

Subsidiaries are entities controlled by the Company.

Control is the power to govern the financial and operating policies of an entity so as to affect its returns, either directly or indirectly, through ownership, contractual arrangements, or other means.

The Company determines whether it has control over an entity based on the following factors:

1. The Company holds the majority of the voting rights of the entity.

2. The Company has the power to appoint or remove the majority of the members of the board of directors or the equivalent governing body of the entity.

3. The Company has the power to govern the financial and operating policies of the entity, either directly or indirectly, through ownership, contractual arrangements, or other means. The Company also considers the following factors when determining whether it has control over an entity: (A) The Company holds the majority of the voting rights of the entity. (B) The Company has the power to appoint or remove the majority of the members of the board of directors or the equivalent governing body of the entity.

4. The Company has the power to govern the financial and operating policies of the entity, either directly or indirectly, through ownership, contractual arrangements, or other means. The Company also considers the following factors when determining whether it has control over an entity: (A) The Company holds the majority of the voting rights of the entity. (B) The Company has the power to appoint or remove the majority of the members of the board of directors or the equivalent governing body of the entity.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

3. Significant accounting policies and accounting estimates

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3 Significant accounting policies

3.8 Criteria for determining cash and cash equivalents

Cash and cash equivalents are defined as cash on hand and deposits with banks that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. Cash equivalents are short-term, highly liquid investments that are convertible into cash within three months of acquisition and are subject to an insignificant risk of changes in value.

3.9 Foreign currency transactions and foreign currency financial statement translation

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

All foreign currency financial statements are translated into RMB for presentation in the financial statements. The exchange rates used for translation are the rates at the reporting date. The exchange rates used for translation are the rates at the reporting date. The exchange rates used for translation are the rates at the reporting date.

3.10 Financial instruments

The Company's financial instruments are classified into cash and cash equivalents, accounts receivable, accounts payable, and other financial instruments. The Company's financial instruments are classified into cash and cash equivalents, accounts receivable, accounts payable, and other financial instruments.

3.10.1 Cash and cash equivalents

The Company's cash and cash equivalents are classified into cash and cash equivalents, accounts receivable, accounts payable, and other financial instruments. The Company's cash and cash equivalents are classified into cash and cash equivalents, accounts receivable, accounts payable, and other financial instruments.

The Company's cash and cash equivalents are classified into cash and cash equivalents, accounts receivable, accounts payable, and other financial instruments. The Company's cash and cash equivalents are classified into cash and cash equivalents, accounts receivable, accounts payable, and other financial instruments.

The Company's cash and cash equivalents are classified into cash and cash equivalents, accounts receivable, accounts payable, and other financial instruments.

The Company's cash and cash equivalents are classified into cash and cash equivalents, accounts receivable, accounts payable, and other financial instruments.

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025

(Amount in RMB)

3 Significant accounting policies and accounting estimates

3.10 Financial instruments

3.10.1 Government grants

The Company recognizes government grants when there is reasonable assurance that the Company will comply with the conditions attached to the grants and the grants will be received. Government grants are recognized as income on a systematic basis over the periods in which the grants are intended to compensate the Company for the costs incurred.

The Company recognizes government grants as follows:

1. Government grants related to the Company's ordinary activities are recognized as income in the profit or loss account.

2. Government grants related to the Company's research and development activities are recognized as income in the profit or loss account when the research and development activities have reached the stage of commercial production.

3. Government grants related to the Company's fixed assets are recognized as income in the profit or loss account when the fixed assets have been recognized as an asset.

4. Government grants related to the Company's intangible assets are recognized as income in the profit or loss account when the intangible assets have been recognized as an asset.

5. Government grants related to the Company's financial instruments are recognized as income in the profit or loss account when the financial instruments have been recognized as an asset.

6. Government grants related to the Company's other activities are recognized as income in the profit or loss account when the other activities have been recognized as an asset.

7. Government grants related to the Company's other activities are recognized as income in the profit or loss account when the other activities have been recognized as an asset.

8. Government grants related to the Company's other activities are recognized as income in the profit or loss account when the other activities have been recognized as an asset.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB, unless otherwise specified)

3 Significant accounting policies and accounting estimates

3.10 Financial instruments

3.10.2 Recognition, measurement and derecognition

(1) Financial assets and financial liabilities

Financial assets and financial liabilities are recognized when the Company enters into a contract that gives rise to a financial asset or financial liability. Financial assets are measured at initial recognition at fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial asset. Financial liabilities are measured at initial recognition at fair value. Financial assets and financial liabilities are subsequently measured at fair value. The fair value of financial assets and financial liabilities is determined using the following methods:

For financial assets and financial liabilities that are quoted in an active market, the fair value is determined by the quoted price in the active market. For financial assets and financial liabilities that are not quoted in an active market, the fair value is determined using the following methods:

For financial assets and financial liabilities that are measured at fair value, the fair value is determined using the following methods:

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

Financial assets and financial liabilities are classified as financial assets and financial liabilities at fair value through profit or loss if they are held for trading or if they are designated as financial assets and financial liabilities at fair value through profit or loss at initial recognition. Financial assets and financial liabilities at fair value through profit or loss are measured at fair value at each reporting date. Changes in the fair value of financial assets and financial liabilities at fair value through profit or loss are recognized in profit or loss.

For financial assets and financial liabilities that are measured at fair value, the fair value is determined using the following methods:

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.10 Financial instruments

3.10.2 Recognition, measurement and derecognition

(3) Financial liabilities

Financial liabilities are recognized when the company becomes a party to the financial instrument. Financial liabilities are initially measured at fair value, and subsequently measured at amortized cost using the effective interest method. Financial liabilities are derecognized when the obligation is extinguished.

Under the terms of the financial instrument, the company may have the right to

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB)

3 Significant accounting policies and accounting estimates

3.10 Financial instruments

3.10.3 Recognition, measurement and derecognition

The Company recognizes financial assets and financial liabilities at the time that it is a party to the contractual relationship. The Company recognizes financial assets and financial liabilities at the time that it is a party to the contractual relationship.

(1) The Company recognizes financial assets and financial liabilities at the time that it is a party to the contractual relationship.

(2) The Company recognizes financial assets and financial liabilities at the time that it is a party to the contractual relationship.

The Company recognizes financial assets and financial liabilities at the time that it is a party to the contractual relationship.

(1) The Company recognizes financial assets and financial liabilities at the time that it is a party to the contractual relationship.

(2) The Company recognizes financial assets and financial liabilities at the time that it is a party to the contractual relationship.

The Company recognizes financial assets and financial liabilities at the time that it is a party to the contractual relationship.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(Amount in RMB Yuan)

3 Significant accounting policies and accounting estimates

3.10 Financial instruments

3.10.4 Derivatives

The Company has not entered into any derivatives contracts for trading purposes. The Company has entered into interest rate swap contracts with banks to manage the interest rate risk of its debt. The Company uses the fair value method to measure the interest rate swap contracts. The fair value of the interest rate swap contracts is determined by the Company's financial department based on the market interest rate and the terms of the swap contracts.

The Company has entered into foreign exchange swap contracts with banks to manage the foreign exchange risk of its debt. The Company uses the fair value method to measure the foreign exchange swap contracts. The fair value of the foreign exchange swap contracts is determined by the Company's financial department based on the market foreign exchange rate and the terms of the swap contracts.

When the Company enters into interest rate swap contracts or foreign exchange swap contracts, it will recognize the swap contracts as derivatives. The Company will recognize the derivatives as assets or liabilities at fair value. The fair value of the derivatives is determined by the Company's financial department based on the market interest rate or foreign exchange rate and the terms of the swap contracts.

The Company's interest rate swap contracts are classified as financial liabilities. The Company's foreign exchange swap contracts are classified as financial liabilities. The Company's interest rate swap contracts and foreign exchange swap contracts are classified as derivatives. The Company's interest rate swap contracts and foreign exchange swap contracts are classified as assets or liabilities at fair value. The fair value of the derivatives is determined by the Company's financial department based on the market interest rate or foreign exchange rate and the terms of the swap contracts.

3.10.5 Measurement of financial instruments

The Company measures its financial instruments at fair value. The fair value of the financial instruments is determined by the Company's financial department based on the market interest rate or foreign exchange rate and the terms of the swap contracts. The Company uses the fair value method to measure the interest rate swap contracts and foreign exchange swap contracts. The fair value of the interest rate swap contracts and foreign exchange swap contracts is determined by the Company's financial department based on the market interest rate or foreign exchange rate and the terms of the swap contracts.

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025

(Amount in RMB)

3 Significant accounting policies and accounting estimates

3.10 Financial instruments

3.10.6 Measurement of financial assets and financial liabilities

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

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

Financial assets are measured at the amount of consideration that the entity expects to receive in exchange for the goods or services transferred, less expected credit losses. Financial assets are measured at the amount of consideration that the entity expects to receive in exchange for the goods or services transferred, less expected credit losses.

Financial assets are measured at the amount of consideration that the entity expects to receive in exchange for the goods or services transferred, less expected credit losses. Financial assets are measured at the amount of consideration that the entity expects to receive in exchange for the goods or services transferred, less expected credit losses.

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

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

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

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Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB, unless otherwise specified)

Notes to the Financial Statements

Fiscal Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

3 Significant accounting policies and accounting estimates

3.13 Long-term equity investments

3.13.2 Dividends received from investees

(1) Long-term equity investments

Fiscal Year Ended 31 December 2025

Figure 1 shows a 2D hexagonal lattice of atoms, represented by solid black circles. A central atom is labeled 'C'. To its left is an atom labeled 'T', and to its right is an atom labeled 'W'. Dashed lines connect the central 'C' atom to the 'T' and 'W' atoms. The lattice extends horizontally and vertically, with atoms at the vertices of a hexagonal grid.

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

3.13 Long-term equity investments

3.13.3 Significant long-term equity investments

(3) Dongfang Huayuan

The Company holds 49.99% of the equity of Dongfang Huayuan, which is a company incorporated in the People's Republic of China. The Company exercises significant influence over Dongfang Huayuan and therefore classifies it as a long-term equity investment.

For the purpose of financial reporting, the Company uses the equity method to account for its investment in Dongfang Huayuan. The Company's share of the net income or loss of Dongfang Huayuan is recognized in the Company's profit or loss. The Company's share of the other comprehensive income or loss of Dongfang Huayuan is recognized in the Company's other comprehensive income. The Company's share of the equity of Dongfang Huayuan is recognized in the Company's non-current assets.

When the Company disposes of its investment in Dongfang Huayuan, the gain or loss on disposal is recognized in the Company's profit or loss. The Company's share of the net income or loss of Dongfang Huayuan is recognized in the Company's profit or loss. The Company's share of the other comprehensive income or loss of Dongfang Huayuan is recognized in the Company's other comprehensive income. The Company's share of the equity of Dongfang Huayuan is recognized in the Company's non-current assets.

When the Company disposes of its investment in Dongfang Huayuan, the gain or loss on disposal is recognized in the Company's profit or loss. The Company's share of the net income or loss of Dongfang Huayuan is recognized in the Company's profit or loss. The Company's share of the other comprehensive income or loss of Dongfang Huayuan is recognized in the Company's other comprehensive income. The Company's share of the equity of Dongfang Huayuan is recognized in the Company's non-current assets. The Company's share of the net income or loss of Dongfang Huayuan is recognized in the Company's profit or loss. The Company's share of the other comprehensive income or loss of Dongfang Huayuan is recognized in the Company's other comprehensive income. The Company's share of the equity of Dongfang Huayuan is recognized in the Company's non-current assets.

When the Company disposes of its investment in Dongfang Huayuan, the gain or loss on disposal is recognized in the Company's profit or loss. The Company's share of the net income or loss of Dongfang Huayuan is recognized in the Company's profit or loss. The Company's share of the other comprehensive income or loss of Dongfang Huayuan is recognized in the Company's other comprehensive income. The Company's share of the equity of Dongfang Huayuan is recognized in the Company's non-current assets. The Company's share of the net income or loss of Dongfang Huayuan is recognized in the Company's profit or loss. The Company's share of the other comprehensive income or loss of Dongfang Huayuan is recognized in the Company's other comprehensive income. The Company's share of the equity of Dongfang Huayuan is recognized in the Company's non-current assets.



Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3.14.3

3.14 Fixed assets

3.14.3

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3 Significant accounting policies and accounting estimates

3.16 Borrowing costs

3.16.2 Capitalization of borrowing costs

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

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

(1) The Company has incurred significant expenditure for the acquisition or construction of the asset;

(2) The Company has incurred borrowing costs;

(3) The Company has started the capital expenditure for the asset.

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

3.16.3 Suspension of capitalization

Capitalization of borrowing costs is suspended during the periods when the active development of the qualifying asset is interrupted for a substantial period of time. If the interruption is for a short period of time, capitalization of borrowing costs is not suspended. If the interruption is for a substantial period of time, capitalization of borrowing costs is suspended. The Company's policy is to suspend capitalization of borrowing costs when the active development of the qualifying asset is interrupted for a substantial period of time. If the interruption is for a short period of time, capitalization of borrowing costs is not suspended. If the interruption is for a substantial period of time, capitalization of borrowing costs is suspended.

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

3 Significant accounting policies

3.16 Borrowing costs

3.16.4 Capitalization of borrowing costs

For the purpose of this policy, borrowing costs are the incremental costs that an entity incurs for the purpose of obtaining a borrowing. Borrowing costs include interest on bank borrowings, interest on bonds, interest on capital leases, interest on short-term financing, and interest on long-term financing. Borrowing costs are capitalized when they are directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

For the purpose of this policy, the period of capitalization begins when the entity incurs the borrowing costs and the expenditure for the asset is incurred. The period of capitalization ends when the asset is ready for its intended use or sale. During the period of capitalization, the borrowing costs are capitalized as part of the cost of the asset. The amount of borrowing costs capitalized is determined by the weighted average of the borrowing costs during the period. The weighted average is calculated by multiplying the borrowing costs by the carrying amount of the asset and dividing the result by the carrying amount of the asset.

During the period of capitalization, the borrowing costs are capitalized as part of the cost of the asset. The amount of borrowing costs capitalized is determined by the weighted average of the borrowing costs during the period. The weighted average is calculated by multiplying the borrowing costs by the carrying amount of the asset and dividing the result by the carrying amount of the asset.

3.17 Intangible assets

3.17.1 Valuation

(1) Tangible assets

Tangible assets are measured at cost less accumulated depreciation and impairment losses. The cost of a tangible asset is the fair value of the consideration given in exchange for the asset. The cost of a tangible asset includes the purchase price, import duties, non-refundable taxes, and other directly attributable costs.

(2) Intangible assets

Intangible assets are measured at cost less accumulated amortization and impairment losses. The cost of an intangible asset is the fair value of the consideration given in exchange for the asset.

Intangible assets are measured at cost less accumulated amortization and impairment losses. The cost of an intangible asset is the fair value of the consideration given in exchange for the asset. The cost of an intangible asset includes the purchase price, import duties, non-refundable taxes, and other directly attributable costs.

Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amounts in thousands of RMB)

3. Software

3.17 Intangible assets

3.17.2 E. Software

	Estimated useful lives (years)	Amortisation method	Basis
Software	40-50	Straight-line	Cost less accumulated amortisation

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB)

3. Significant accounting policies and accounting estimates

3.18 Impairment of long-term assets

Long-term assets are tested for impairment at the end of each reporting period. If the carrying amount of a long-term asset exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use. The impairment loss is recognized in the profit or loss. When the carrying amount of a long-term asset is reduced to its recoverable amount, the impairment loss is reversed. The reversal is recognized in the profit or loss. The impairment loss is reversed only to the extent that the carrying amount of the long-term asset does not exceed the carrying amount that would have been determined, net of depreciation, amortization or depletion, had the impairment not been recognized. The reversal is recognized in the profit or loss. The impairment loss is reversed only to the extent that the carrying amount of the long-term asset does not exceed the carrying amount that would have been determined, net of depreciation, amortization or depletion, had the impairment not been recognized.

For the purpose of impairment testing, the recoverable amount of a long-term asset 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 the amount obtainable from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties that would result in the highest amount for the asset. The value in use is the present value of the future cash flows expected to be derived from the asset.

The carrying amount of a long-term asset is compared with its recoverable amount. If the carrying amount exceeds the recoverable amount, the carrying amount is reduced to its recoverable amount. The impairment loss is recognized in the profit or loss. When the carrying amount of a long-term asset is reduced to its recoverable amount, the impairment loss is reversed. The reversal is recognized in the profit or loss. The impairment loss is reversed only to the extent that the carrying amount of the long-term asset does not exceed the carrying amount that would have been determined, net of depreciation, amortization or depletion, had the impairment not been recognized. The reversal is recognized in the profit or loss. The impairment loss is reversed only to the extent that the carrying amount of the long-term asset does not exceed the carrying amount that would have been determined, net of depreciation, amortization or depletion, had the impairment not been recognized.

When the carrying amount of a long-term asset is reduced to its recoverable amount, the impairment loss is reversed. The reversal is recognized in the profit or loss. The impairment loss is reversed only to the extent that the carrying amount of the long-term asset does not exceed the carrying amount that would have been determined, net of depreciation, amortization or depletion, had the impairment not been recognized. The reversal is recognized in the profit or loss. The impairment loss is reversed only to the extent that the carrying amount of the long-term asset does not exceed the carrying amount that would have been determined, net of depreciation, amortization or depletion, had the impairment not been recognized. The reversal is recognized in the profit or loss. The impairment loss is reversed only to the extent that the carrying amount of the long-term asset does not exceed the carrying amount that would have been determined, net of depreciation, amortization or depletion, had the impairment not been recognized.

Other long-term assets are tested for impairment at the end of each reporting period. If the carrying amount of a long-term asset exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use. The impairment loss is recognized in the profit or loss. When the carrying amount of a long-term asset is reduced to its recoverable amount, the impairment loss is reversed. The reversal is recognized in the profit or loss. The impairment loss is reversed only to the extent that the carrying amount of the long-term asset does not exceed the carrying amount that would have been determined, net of depreciation, amortization or depletion, had the impairment not been recognized. The reversal is recognized in the profit or loss. The impairment loss is reversed only to the extent that the carrying amount of the long-term asset does not exceed the carrying amount that would have been determined, net of depreciation, amortization or depletion, had the impairment not been recognized.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.19 Long-term deferred expenses

Long-term deferred expenses are those expenses that are incurred in the current period but will benefit the company in the future. These expenses are recognized as long-term deferred expenses and amortized over the expected benefit period.

3.20 Contract liabilities

Contract liabilities represent the company's obligation to transfer goods or services to customers in the future. These liabilities are recognized when the company receives payment from customers before it has performed the related services. The company recognizes revenue when it satisfies the performance obligation.

3.21 Employee benefits

3.21.1 Short-term employee benefits

Short-term employee benefits are those benefits that are payable to employees within 12 months after the reporting period. These benefits include salaries, bonuses, and other short-term compensation. The company recognizes these benefits as an expense when the employees render services.

Long-term employee benefits are those benefits that are payable to employees more than 12 months after the reporting period. These benefits include pension plans, long-term incentive plans, and other long-term compensation. The company recognizes these benefits as an expense when the employees render services.

Employee benefits are recognized as an expense when the employees render services. The company also recognizes a liability for employee benefits when the employees render services.



Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amount in RMB)

3. Significant accounting policies and accounting estimates

3.21 Employee benefits

3.21.2 A. Short-term employee benefits

(2) Defined contribution plans

The Company participates in the Social Insurance Fund established by the government, which is a defined contribution plan. The Company's obligation is limited to the amount contributed to the plan. The Company's contribution to the plan is calculated based on the employee's salary and the contribution rate determined by the government. The Company's contribution to the plan is recorded as an expense in the profit and loss account. The Company's contribution to the plan is also recorded as a liability in the balance sheet.

When the employee leaves the Company, the Company will pay the employee's contribution to the plan. The Company's contribution to the plan is also recorded as a liability in the balance sheet. The Company's contribution to the plan is also recorded as an expense in the profit and loss account.

3.21.3 A. Long-term employee benefits

The Company's long-term employee benefits are defined contribution plans. The Company's obligation is limited to the amount contributed to the plan. The Company's contribution to the plan is calculated based on the employee's salary and the contribution rate determined by the government. The Company's contribution to the plan is recorded as an expense in the profit and loss account. The Company's contribution to the plan is also recorded as a liability in the balance sheet.

3.22 Provisions

The Company's provisions are defined as the amount of the liability that the Company has to pay in the future. The Company's provisions are recorded as a liability in the balance sheet. The Company's provisions are also recorded as an expense in the profit and loss account.

(1) The Company's provisions for employee benefits are defined as the amount of the liability that the Company has to pay in the future. The Company's provisions for employee benefits are recorded as a liability in the balance sheet. The Company's provisions for employee benefits are also recorded as an expense in the profit and loss account.

(2) The Company's provisions for employee benefits are defined as the amount of the liability that the Company has to pay in the future. The Company's provisions for employee benefits are recorded as a liability in the balance sheet. The Company's provisions for employee benefits are also recorded as an expense in the profit and loss account.

(3) The Company's provisions for employee benefits are defined as the amount of the liability that the Company has to pay in the future. The Company's provisions for employee benefits are recorded as a liability in the balance sheet. The Company's provisions for employee benefits are also recorded as an expense in the profit and loss account.

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

3. Significant accounting policies

3.22 Provisions

Provisions are recognized when the entity has a present obligation (legal or constructive) as a result of a past event, 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.

Provisions are measured at the best estimate of the amount required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured at the best estimate of the amount required to settle the obligation, it is measured at the present value of the estimated future cash outflows that will be required to settle the obligation.

Liabilities for provisions are classified as current liabilities if the entity expects to settle the obligation within 12 months after the reporting date. Otherwise, they are classified as non-current liabilities.

The Company's provisions are primarily for employee benefits, which are measured at the best estimate of the amount required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

3.23 Share-based payments

The Company's share-based payments are primarily for employee benefits, which are measured at the best estimate of the amount required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. The Company's share-based payments are primarily for employee benefits, which are measured at the best estimate of the amount required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are expressed in RMB Yuan)

3. Significant accounting policies and accounting estimates

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

3 Share-based payments

3.23 Share-based payments

3.23.2 Cost of share-based payments

The cost of share-based payments is calculated based on the fair value of the equity instruments granted at the grant date. The fair value is determined by the company's management and is subject to audit. The cost is recognized as an expense over the vesting period. The cost of share-based payments is calculated as follows:

Cost of share-based payments = (Number of shares granted × Fair value of shares at grant date) - (Number of shares forfeited × Fair value of shares at grant date)

The cost of share-based payments is recognized as an expense over the vesting period. The cost of share-based payments is calculated as follows:

Cost of share-based payments = (Number of shares granted × Fair value of shares at grant date) - (Number of shares forfeited × Fair value of shares at grant date)

3.24 Revenue

3.24.1 Revenue from operations

The revenue from operations is calculated based on the fair value of the equity instruments granted at the grant date. The fair value is determined by the company's management and is subject to audit. The revenue from operations is calculated as follows:

Revenue from operations = (Number of shares granted × Fair value of shares at grant date) - (Number of shares forfeited × Fair value of shares at grant date)

The revenue from operations is calculated based on the fair value of the equity instruments granted at the grant date. The fair value is determined by the company's management and is subject to audit. The revenue from operations is calculated as follows:

Revenue from operations = (Number of shares granted × Fair value of shares at grant date) - (Number of shares forfeited × Fair value of shares at grant date)

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB)

3 Significant accounting policies

3.24 Revenue

3.24.1 Accounting policy

The Company's revenue is derived from the sale of medical services, including hospitalization fees, medical examination fees, and medical treatment fees. The Company recognizes revenue when the service is performed and the amount is measurable. The Company's revenue is recognized on an accrual basis. The Company's revenue is recognized when the service is performed and the amount is measurable. The Company's revenue is recognized when the service is performed and the amount is measurable.

The Company's revenue is recognized when the service is performed and the amount is measurable. The Company's revenue is recognized when the service is performed and the amount is measurable. The Company's revenue is recognized when the service is performed and the amount is measurable.

The Company's revenue is recognized when the service is performed and the amount is measurable. The Company's revenue is recognized when the service is performed and the amount is measurable. The Company's revenue is recognized when the service is performed and the amount is measurable.

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The Company's revenue is recognized when the service is performed and the amount is measurable. The Company's revenue is recognized when the service is performed and the amount is measurable. The Company's revenue is recognized when the service is performed and the amount is measurable. The Company's revenue is recognized when the service is performed and the amount is measurable.

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB)

3 Significant accounting policies

3.24 Revenue

3.24.1 Analysis of revenue

- Total revenue from contracts with customers, which is the revenue from the sale of medical services, is recognized when the performance obligation is satisfied, that is, when the patient has received the medical service and the payment has been received or is due from the patient.
- Total revenue from contracts with customers, which is the revenue from the sale of medical services, is recognized when the performance obligation is satisfied, that is, when the patient has received the medical service and the payment has been received or is due from the patient.
- Total revenue from contracts with customers, which is the revenue from the sale of medical services, is recognized when the performance obligation is satisfied, that is, when the patient has received the medical service and the payment has been received or is due from the patient.
- Total revenue from contracts with customers, which is the revenue from the sale of medical services, is recognized when the performance obligation is satisfied, that is, when the patient has received the medical service and the payment has been received or is due from the patient.
- Total revenue from contracts with customers, which is the revenue from the sale of medical services, is recognized when the performance obligation is satisfied, that is, when the patient has received the medical service and the payment has been received or is due from the patient.

Total revenue from contracts with customers, which is the revenue from the sale of medical services, is recognized when the performance obligation is satisfied, that is, when the patient has received the medical service and the payment has been received or is due from the patient. The revenue is recognized when the patient has received the medical service and the payment has been received or is due from the patient.



Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

3 Significant accounting policies and accounting estimates

3.25 Government grants

3.25.1 Transfer

Government grants are recognized when the entity has reasonable assurance that it will receive the grants and that it will comply with the conditions attached to the grants. Grants are recognized as income on a systematic basis over the period in which the entity recognizes the related costs.

Grants related to the purchase of fixed assets are recognized as income over the useful life of the assets. Grants related to the purchase of intangible assets are recognized as income over the useful life of the assets. Grants related to the purchase of other assets are recognized as income when the assets are recognized.

3.25.2 Reimbursement

Government grants are recognized when the entity has reasonable assurance that it will receive the grants and that it will comply with the conditions attached to the grants. Grants are recognized as income on a systematic basis over the period in which the entity recognizes the related costs.

3.25.3 Allocation

Grants related to the purchase of fixed assets are recognized as income over the useful life of the assets. Grants related to the purchase of intangible assets are recognized as income over the useful life of the assets. Grants related to the purchase of other assets are recognized as income when the assets are recognized.

Grants related to the purchase of fixed assets are recognized as income over the useful life of the assets. Grants related to the purchase of intangible assets are recognized as income over the useful life of the assets. Grants related to the purchase of other assets are recognized as income when the assets are recognized.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3 Significant accounting policies and accounting estimates

3.25 Government grants

3.25.3 Accounting policy

The Company recognizes government grants when it is probable that the grant will be received and the Company can comply with the conditions attached to the grant. Government grants are recognized as income on a systematic basis over the period in which the grant is used to purchase, develop or maintain the non-current assets.

(1) For government grants related to the purchase or construction of non-current assets, the Company recognizes the grant as deferred income and amortizes it over the useful life of the asset. For government grants related to the compensation of expenses or losses, the Company recognizes the grant as income when the expenses or losses are incurred.

(2) For government grants related to the compensation of expenses or losses, the Company recognizes the grant as income when the expenses or losses are incurred. For government grants related to the purchase or construction of non-current assets, the Company recognizes the grant as deferred income and amortizes it over the useful life of the asset.

3.26 Deferred tax assets and deferred tax liabilities

The Company recognizes deferred tax assets and deferred tax liabilities based on the temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their tax bases. Deferred tax assets are recognized when it is probable that future taxable income will be available to utilize the deferred tax assets. Deferred tax liabilities are recognized when it is probable that future taxable income will be available to utilize the deferred tax liabilities.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the period in which the deferred tax assets and deferred tax liabilities are realized or settled. The Company recognizes deferred tax assets and deferred tax liabilities at the end of the reporting period.

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

3 Significant accounting policies and accounting estimates

3.26 Deferred tax assets and deferred tax liabilities

Significant accounting policies and accounting estimates are as follows:

- Income tax: "Income Tax Accounting";

- Non-current assets held for sale: Non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell. The carrying amount of non-current assets held for sale is determined after deducting deferred tax liabilities and adding deferred tax assets.

For the purpose of measuring deferred tax assets and liabilities, the Company uses the expected future taxable income to determine the amount of deferred tax assets and liabilities. The Company uses the expected future taxable income to determine the amount of deferred tax assets and liabilities. The Company uses the expected future taxable income to determine the amount of deferred tax assets and liabilities.

Other accounting policies and accounting estimates are as follows:

Other accounting policies and accounting estimates are as follows:

When the Company is not able to determine the amount of deferred tax assets and liabilities, the Company uses the expected future taxable income to determine the amount of deferred tax assets and liabilities.

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.26 Deferred tax assets and deferred tax liabilities

Our deferred tax assets and liabilities are recognized for all temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their tax base, except for:

- Tax losses and tax credits carried forward, which are not expected to be realized in the future;
- Deferred tax liabilities arising from the revaluation of assets, which are not expected to be realized in the future.

3.27 Leases

At the end of the reporting period, the Company has entered into several lease contracts for the use of office premises and equipment. The Company has elected to apply the short-term lease exemption for all leases with a maximum term of 12 months, and the Company has elected to apply the low-value asset exemption for all leases of low-value assets.

In accordance with the Company's accounting policy, the Company has recognized the lease liability for the lease contracts.

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

3 Significant accounting policies and estimates

3.27 Leases

3.27.1 Total cost of lease

(1) Right-of-use asset

On 1 January 2025, the Company adopted the new lease standard. The Company's right-of-use asset is measured at the present value of the lease payments that are not paid at the commencement date, less any lease incentives, plus any initial direct costs incurred by the Company and less any lease liabilities. The discount rate used to measure the present value of the lease payments is the interest rate implicit in the lease, or the Company's incremental borrowing rate.

The Company's right-of-use asset is measured at the present value of the lease payments that are not paid at the commencement date, less any lease incentives, plus any initial direct costs incurred by the Company and less any lease liabilities.

The Company's right-of-use asset is measured at the present value of the lease payments that are not paid at the commencement date, less any lease incentives, plus any initial direct costs incurred by the Company and less any lease liabilities.

The Company's right-of-use asset is measured at the present value of the lease payments that are not paid at the commencement date, less any lease incentives, plus any initial direct costs incurred by the Company and less any lease liabilities.

The Company's right-of-use asset is measured at the present value of the lease payments that are not paid at the commencement date, less any lease incentives, plus any initial direct costs incurred by the Company and less any lease liabilities.

The Company's right-of-use asset is measured at the present value of the lease payments that are not paid at the commencement date, less any lease incentives, plus any initial direct costs incurred by the Company and less any lease liabilities.

The Company's right-of-use asset is measured at the present value of the lease payments that are not paid at the commencement date, less any lease incentives, plus any initial direct costs incurred by the Company and less any lease liabilities.

Notes to the Financial Statements

For the Year Ended December 31, 2025

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

3. Significant accounting policies and accounting estimates

3.27 Leases

3.27.1 Terms and conditions of leases

(2) Leases

On January 1, 2025, the Company adopted the new lease accounting standards. The Company's lease accounting policy is as follows:

- For leases with a term of 12 months or less, the Company does not recognize a right-of-use asset and a lease liability. Instead, the Company recognizes the lease expense on a straight-line basis over the lease term.
- For leases with a term of more than 12 months, the Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is measured at cost, which includes the lease liability, any initial direct costs, and any prepaid lease payments. The lease liability is measured at the present value of the lease payments, discounted using the incremental borrowing rate.
- The Company recognizes depreciation expense on the right-of-use asset and interest expense on the lease liability over the lease term.
- The Company recognizes the variable lease payments as an adjustment to the lease liability and the right-of-use asset.
- The Company recognizes the lease expense as an expense on the income statement.

The Company's lease accounting policy is consistent with the requirements of the new lease accounting standards. The Company's lease accounting policy is as follows:

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.27 Leases

3.27.1

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

3 Significant accounting policies and accounting estimates

3.27 Leases

3.27.1 Tenant lease

(4) Leasehold improvements

When the Company enters into a lease contract, it will determine whether the lease contract is a finance lease or an operating lease. If it is a finance lease, the leased asset will be recognized as an asset and the lease liability will be recognized as a liability. If it is an operating lease, the leased asset will not be recognized as an asset and the lease liability will not be recognized as a liability.

- For the leasehold improvements, the Company will recognize the leasehold improvements as an asset and depreciate them over the useful life of the leased asset.

- For the leasehold improvements, the Company will recognize the leasehold improvements as an asset and depreciate them over the useful life of the leased asset.

If the Company enters into a lease contract, it will determine whether the lease contract is a finance lease or an operating lease. If it is a finance lease, the leased asset will be recognized as an asset and the lease liability will be recognized as a liability. If it is an operating lease, the leased asset will not be recognized as an asset and the lease liability will not be recognized as a liability.

If the Company enters into a lease contract, it will determine whether the lease contract is a finance lease or an operating lease. If it is a finance lease, the leased asset will be recognized as an asset and the lease liability will be recognized as a liability. If it is an operating lease, the leased asset will not be recognized as an asset and the lease liability will not be recognized as a liability.

3.27.2 Landlord lease

On the date when the Company enters into a lease contract, it will determine whether the lease contract is a finance lease or an operating lease. If it is a finance lease, the leased asset will be recognized as an asset and the lease liability will be recognized as a liability. If it is an operating lease, the leased asset will not be recognized as an asset and the lease liability will not be recognized as a liability.

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

3 Significant accounting policies and accounting estimates

3.27 Leases

3.27.2 Total cost of lease

(1) Assets

Leases are classified as finance leases whenever the lease agreement transfers substantially all the risks and rewards of ownership to the lessee. If a lease is classified as a finance lease, the lessee recognizes the underlying asset and the lease liability at the lease commencement date. The lessee calculates the lease liability by discounting the lease payments by the lessee's incremental borrowing rate. The lessee recognizes the lease liability as a financial liability and the underlying asset as a non-current asset. The lessee depreciates the underlying asset over its useful life. The lessee recognizes the interest expense on the lease liability as a finance cost. The lessee recognizes the depreciation expense on the underlying asset as a depreciation expense. The lessee recognizes the interest expense on the lease liability as a finance cost. The lessee recognizes the depreciation expense on the underlying asset as a depreciation expense.

(2) Assets

Operating leases are classified as operating leases whenever the lease agreement does not transfer substantially all the risks and rewards of ownership to the lessee. If a lease is classified as an operating lease, the lessee recognizes the lease payments as an expense on a straight-line basis over the lease term. The lessee recognizes the lease payments as an expense on a straight-line basis over the lease term. The lessee recognizes the lease payments as an expense on a straight-line basis over the lease term. The lessee recognizes the lease payments as an expense on a straight-line basis over the lease term.

The lessee recognizes the lease payments as an expense on a straight-line basis over the lease term. The lessee recognizes the lease payments as an expense on a straight-line basis over the lease term. The lessee recognizes the lease payments as an expense on a straight-line basis over the lease term. The lessee recognizes the lease payments as an expense on a straight-line basis over the lease term.

The lessee recognizes the lease payments as an expense on a straight-line basis over the lease term. The lessee recognizes the lease payments as an expense on a straight-line basis over the lease term. The lessee recognizes the lease payments as an expense on a straight-line basis over the lease term. The lessee recognizes the lease payments as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

Fiscal Year Ended 31 December 2025

(Amount in RMB thousands)

3 Significant Accounting Policies and Accounting Estimates

3.27 Leases

3.27.2 Tenant Leases

(2) Assets held under lease

The Company's lease contracts are primarily for office space and equipment. The Company determines whether a contract is or contains a lease based on the following criteria:

- The contract identifies the asset to be leased.
- The contract transfers the right to use the asset for a period of time.

The Company's lease contracts are primarily for office space and equipment. The Company determines whether a contract is or contains a lease based on the following criteria:

- The Company has the right to direct the use of the asset.
- The Company has the right to substantially all the economic benefits from the asset.

3.27.3 Short-term Leases

The Company's short-term leases are primarily for office space and equipment. The Company determines whether a contract is or contains a lease based on the following criteria:

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.27 Leases

3.27.3 Short-term leases and leases of low-value assets

(1) Assets

For short-term leases and leases of low-value assets, the Company recognizes a lease liability at the commencement date of the lease and measures the lease liability at the present value of the lease payments. The lease liability is measured using the incremental borrowing rate. The Company recognizes a lease expense on a straight-line basis over the lease term.

For short-term leases and leases of low-value assets, the Company recognizes a lease liability at the commencement date of the lease and measures the lease liability at the present value of the lease payments. The lease liability is measured using the incremental borrowing rate. The Company recognizes a lease expense on a straight-line basis over the lease term.

For short-term leases and leases of low-value assets, the Company recognizes a lease liability at the commencement date of the lease and measures the lease liability at the present value of the lease payments. The lease liability is measured using the incremental borrowing rate. The Company recognizes a lease expense on a straight-line basis over the lease term.

(2) Liabilities

For short-term leases and leases of low-value assets, the Company recognizes a lease liability at the commencement date of the lease and measures the lease liability at the present value of the lease payments. The lease liability is measured using the incremental borrowing rate. The Company recognizes a lease expense on a straight-line basis over the lease term.

Notes to the Financial Statements

F Y E 31 D 2025
(A RMB)
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3.28Repurchase of the Company’s shares.

T C N 5.37.

3.29 Method and basis for determining materiality standards

I	Significance standards
S	I 10% RMB1
R	I 10% RMB1
A	I 10% RMB1
S	3 Z I /3 Z 3 1 10% /3 Z
S	RMB1
S	S RMB5
S	S 5% 1% RMB15
S	I 10% RMB20
S	T 5% RMB20 10% G
S	T 5% 10%

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Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

3 Significant accounting policies and accounting estimates

3.31 Changes in significant accounting policies and accounting estimates

3.31.1 Changes in accounting policies

On 8 January 2025, the Company's management has reviewed the Company's financial statements for the year ended 31 December 2025 and identified the following changes in accounting policies and accounting estimates:

The Company has adopted the new accounting standards issued by the Ministry of Finance of the People's Republic of China ("MOF") in 2025, which are effective for the year ended 31 December 2025. The Company has applied the new standards retrospectively to the year ended 31 December 2025, and the impact of the adoption of the new standards on the Company's financial statements is as follows:

The Company has adopted the new accounting standards issued by the MOF in 2025, which are effective for the year ended 31 December 2025. The Company has applied the new standards retrospectively to the year ended 31 December 2025, and the impact of the adoption of the new standards on the Company's financial statements is as follows:

The Company has adopted the new accounting standards issued by the MOF in 2025, which are effective for the year ended 31 December 2025. The Company has applied the new standards retrospectively to the year ended 31 December 2025, and the impact of the adoption of the new standards on the Company's financial statements is as follows:

The Company has adopted the new accounting standards issued by the MOF in 2025, which are effective for the year ended 31 December 2025. The Company has applied the new standards retrospectively to the year ended 31 December 2025, and the impact of the adoption of the new standards on the Company's financial statements is as follows:

Tax types	Tax basis	Tax rate
VAT	Turnover	3%, 6%, 13%
UPE	Business profits	7%
EPE	Business profits	5%
EPE	Business profits	15%, 20%, 25%
D	Dividends	

Name of taxpayer	Income tax rate
Widow, 65 years old, 2 children, 1 child with disability	15%
Widow, 65 years old, 2 children, 1 child with disability, 1 child with disability	15%
Widow, 65 years old, 2 children, 1 child with disability, 1 child with disability	20%
Widow, 65 years old, 2 children, 1 child with disability, 1 child with disability	20%
Widow, 65 years old, 2 children, 1 child with disability, 1 child with disability	20%
Widow, 65 years old, 2 children, 1 child with disability, 1 child with disability	20%

4.2 Tax incentives

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

5.1 Cash at bank and on hand

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

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025
(Amount in thousands of RMB)

5 Notes to the Financial Statements

5.3 Notes receivable

5.3.1 Presenting and measuring notes receivable

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

5.3.2 Determining the impairment of notes receivable

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

5.3.3 Amount of notes receivable derecognised as at 31 December 2025

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

Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amounts in thousands of RMB)

5 Notes to the Financial Statements

5.4 Accounts receivable

5.4.1 Accounts receivable

Aging	Balance as at	
	31 December 2025	31 December 2024
Within 1 year (1 year)	461,352,554.54	576,106,513.42
1-2 years	25,588,614.28	0
	Total (576,106,513.42) Tj-33.a7to 209	
	31 December 237(1 4gw cm0 1 SCN/GS0 g-2.612 -	

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025
(Amounts in thousands of RMB)

5 Notes to the Financial Statements

5.4 Accounts receivable

5.4.2 Details of accounts receivable

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

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

Notes: The accounts receivable are classified as follows: 3.10

Provision for bad debts is calculated as follows:

Provision for bad debts is calculated as follows:

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

Notes to the Financial Statements

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

5 Notes to the Financial Statements

5.4 Accounts receivable

5.4.3 Presentation of accounts receivable as at 31 December 2025

Category	Balance as at 31 December 2024	Provision for doubtful debts	Receivable as at 31 December 2025	Write-off	Balance as at 31 December 2025
Particulars					
Particulars	12,337,791.47	10,881,530.33		8,047,478.00	15,171,843.80
Particulars	21,394,822.78	3,604,119.27			44,387.29
Total	33,732,614.25	14,485,649.60		8,047,478.00	44,387.29
					40,215,173.14

5.4.4 Analysis of accounts receivable as at 31 December 2025

Analysis	Amount
Accounts receivable	8,047,478.00

Analysis of accounts receivable as at 31 December 2025

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

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025
(Amounts in thousands of RMB)

5 Notes to the Financial Statements

5.5 Advances to suppliers

As at 31 December 2025, advances to suppliers were RMB15,788,868.62, of which RMB14,660,777.90 were due within one year.

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

Notes to the Financial Statements

F Y E 31 D 2025
(A RMB)

5 N ()

5.6 Other receivables ()

5.6.2 Q

(1) D

	Balance as at 31 December 2025	B 31 D 2024
Aging		
W 1 (1)	4,457,721.23	25,849,875.86
1 2	22,576,274.23	49,150,437.26
2 3	45,220,543.09	12,039,651.89
3 4	3,648,182.82	8,603,521.35
4 5	8,293,985.49	4,769,598.96
M 5	9,073,199.23	4,306,969.79
S	93,269,906.09	104,720,055.11
L	16,266,750.01	24,152,613.52
T	77,003,156.08	80,567,441.59

T C 2 ()

Notes to the Financial Statements

Fiscal Year Ended 31 December 2025
(Amount in RMB thousands)

5 Notes to the Financial Statements (continued)

5.6 Other receivables (continued)

5.6.2 Other receivables (continued)

(2) Details of other receivables

Category	Balance as at 31 December 2025				Balance as at 31 December 2024					
	Book balance		Provision for bad debts		Book balance		Provision for bad debts			
	Amount	Proportion	Amount	Proportion of provision	Book value	P , , , ,	P , , , ,	P , , , ,		
		(%)		(%)		(%)			(%)	
Prepaid expenses										
Prepaid medical insurance	14,273,961.68	15.30	14,273,961.68	100.00	21,694,758.77	20.72	21,694,758.77	100.00		
Interest receivable										
Interest receivable from HK Kangning Hospital Co., Ltd.					8,000,000.00	7.64	8,000,000.00	100.00		
Other receivables										
Receivable from HK Kangning Hospital Co., Ltd.	579,202.91	0.62	579,202.91	100.00						
Share of profit of joint venture										
Share of profit of joint venture	10,204,311.69	10.94	10,204,311.69	100.00	10,204,311.69	9.74	10,204,311.69	100.00		
Warranty receivable	3,490,447.08	3.74	3,490,447.08	100.00	3,490,447.08	3.33	3,490,447.08	100.00		
Prepaid expenses										
Prepaid medical insurance										
Prepaid medical insurance	78,995,944.41	84.70	1,992,788.33	2.52	77,003,156.08	83,025,296.34	79.28	2,457,854.75	2.96	80,567,441.59
Interest receivable										
Interest receivable from HK Kangning Hospital Co., Ltd.										

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

5.6 Other receivables

5.6.2 Other receivables

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

Other receivables are classified into two categories: (1) receivables from related parties and (2) receivables from non-related parties.

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

Notes: (1) The above receivables are all due within one year. (2) The above receivables are all due within one year.

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

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

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

Notes to the Financial Statements

F Y E 31 D 2025
(A RMB)

5 N ()

5.6 Other receivables ()

5.6.2 Q ()

(3) P

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)	
B 31 D 2024	2,457,854.75		21,694,758.77	24,152,613.52
I 2025, B 31 D 2024				
- T S II				
- T S III				
- R S II				
- R S I				
P 2025			579,202.91	579,202.91
R 2025	479,979.23		8,000,000.00	8,479,979.23
W 2025				
C 2025	2,000.00			2,000.00
Q	-16,912.81			-16,912.81
B 31 D 2025	1,992,788.33		14,273,961.68	16,266,750.01

Notes to the Financial Statements

F Y E 31 D 2025
(A RMB)

5 N ()

5.6 Other receivables ()

5.6.2 Q ()

(3) P ()

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G RMB8 C

(4) P 2025

Category	B 31 D 2024		C 2025		Balance as at 31 December 2025
		P	R	W	

Notes to the Financial Statements

Fiscal Year Ended 31 December 2025
(Amounts in thousands of RMB)

5 Notes to the Financial Statements

5.6 Other receivables

5.6.2 Other receivables

(6) Other receivables

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

5.7 Inventories

	Balance as at 31 December 2025		Balance as at 31 December 2024	
		Provision for inventory write- downs/Provision for impairment of contract		Provision for inventory write- downs/Provision for impairment of contract
Category	Book balance	performance costs	Book value	Book value
Trade receivables	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 are in RMB, unless otherwise specified)

5 Notes to the Financial Statements

5.8 Other current assets

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Interest receivable	23,120,442.10	3,761,468.41
Prepaid expenses	12,210.28	
Prepaid insurance	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	Provision for bad debts
Receivable from related parties			14,000,000.00		14,000,000.00
Share of profit of subsidiaries			14,000,000.00		14,000,000.00
Total			28,000,000.00		28,000,000.00

Q1 2025:

In 2025, the Company's long-term receivables are primarily composed of receivables from related parties and share of profit of subsidiaries. The Company has provided a provision for bad debts of RMB 14,000,000.00 for the receivables from related parties and RMB 14,000,000.00 for the share of profit of subsidiaries, resulting in a book value of RMB 28,000,000.00.

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025
(Amounts in thousands of RMB)

5 Notes to the Financial Statements

5.10 Long-term equity investments

5.10.1 Details of long-term equity investments

Investee	Balance Sheet, 2025					Balance of	
	Balance, 2024	Balance, 2025	Income	Other Comprehensive Income	Other	Balance (book value)	impairment provision
	31 December 2024	31 December 2025	Account	Reserve	Other	as at 31 December 2025	as at 31 December 2025
Hubei A Medical Materials Co., Ltd.	6,869,165.91		2,447,498.74			9,316,664.65	
Wuhan Linyi Healthcare Co., Ltd.	56,424,778.61		-421,913.82			56,002,864.79	
Sichuan Shenghui Medical Co., Ltd.	21,989,636.75		-1,097,977.41			20,891,659.34	
Chongqing Huike Healthcare Co., Ltd.	6,247,309.77	10,745,274.26	3,238,079.21	-2,177,854.80		831,375.76	5,983,353.47
Chongqing Elnote Technology Co., Ltd.	4,911,260.44		-358,741.63			4,552,518.81	
Wuhan Ouhua Medical Co., Ltd.	2,971,833.72	1,200,000.00	145,474.85			4,317,308.57	
Hubei Yimeng Healthcare Materials Co., Ltd.							
TOTAL	99,413,985.20	10,745,274.26	1,200,000.00	3,238,079.21	-1,463,514.07	95,912,391.92	5,983,353.47

Other information:

1. In March 2025, Hubei A Medical Materials Co., Ltd. and Sichuan Shenghui Medical Co., Ltd. entered into a joint venture agreement with Wuhan Linyi Healthcare Co., Ltd. to establish a new company, Chongqing Huike Healthcare Co., Ltd., with a registered capital of RMB20,000,000.00.

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025
(Amount in RMB thousands)

5 Notes to the Financial Statements

5.10 Long-term equity investments

5.10.2 Investment in equity instruments
In 2025, the Company held equity instruments of Kunming Kangning Hospital Co., Ltd., which is a subsidiary of the Company. The carrying amount of the investment is RMB5,983,353.47.

5.11 Other non-current financial assets

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

5.12 Fixed assets

5.12.1 Fixed assets

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

Notes to the Financial Statements

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

5 Notes to the Financial Statements	5.12 Fixed assets (in million RMB)	5.12.2 Fixed assets	December 31, 2024			
			Land use rights	Buildings	Equipment	Total
			1,010,000	1,010,000	1,010,000	3,030,000
			(1) 100,000	(1) 100,000	(1) 100,000	(1) 300,000

Notes to the Financial Statements

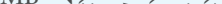
F Y E 31 D 2025
(A RMB)

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5.13 Construction in progress ()

5.13.2 I ()

Balance as at 31 December 2025			B 31 D 2024		
			I		
Project	Book balance	Provision for impairment	Book value	B	B

(A)  RMB 

Notes to the Financial Statements

F Y E 31 D 2025

(A RMB)

5 N ()

5.14 Right-of-use assets

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

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025

(All amounts are in RMB unless otherwise specified)

5 Notes to the Financial Statements

5.15 Intangible assets

5.15.1 Intangible assets

Project	Land use rights	Trademark right	Software	Medical practice	Contractual rights to	Total
				qualification	provide management services	
1. Other intangible assets						
(1) Balance at 31 December 2024	158,746,648.48	3,061,637.13	16,037,718.87	216,837,000.00	32,400,000.00	427,083,004.48
(2) Increase during 2025	4,713,332.53		5,918,563.99	24,000,000.00		34,631,896.52
Purchased	4,713,332.53		4,784,593.99			9,497,926.52
Internal development			1,133,970.00	24,000,000.00		25,133,970.00
(3) Decrease during 2025			52,802.64			52,802.64
Disposal			52,802.64			52,802.64
(4) Balance at 31 December 2025	163,459,981.01	3,061,637.13	21,903,480.22	240,837,000.00	32,400,000.00	461,662,098.36
2. Assets under development						
(1) Balance at 31 December 2024	23,725,212.01	1,404,895.19	10,123,731.63	87,868,373.39	12,425,000.00	135,547,212.22
(2) Increase during 2025	2,861,820.77	330,015.42	2,591,353.29	18,780,633.64	1,842,857.20	26,406,680.32
Purchased	2,861,820.77	330,015.42	1,499,883.33	18,780,633.64	1,842,857.20	25,315,210.36
Internal development			1,091,469.96			1,091,469.96
Q						
(3) Decrease during 2025			49,052.64			49,052.64
Disposal			49,052.64			49,052.64
(4) Balance at 31 December 2025	26,587,032.78	1,734,910.61	12,666,032.28	106,649,007.03	14,267,857.20	161,904,839.90
3. Intangible assets						
(1) Balance at 31 December 2024						
(2) Increase during 2025				14,000,000.04		14,000,000.04
Purchased				14,000,000.04		14,000,000.04
(3) Decrease during 2025						
(4) Balance at 31 December 2025				14,000,000.04		14,000,000.04
4. B						
(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

Q

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

Notes to the Financial Statements

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

5 Notes to the Financial Statements

5.15 Intangible assets

5.15.2 Intangible assets

In 2025, the Company acquired several intangible assets. The most significant is the acquisition of the "Wen Hou Kangning Hospital" brand, which is a key asset for the Company's operations. The acquisition cost was RMB19,088,193.09. Additionally, the Company also acquired other intangible assets such as patents and software licenses, with a total cost of RMB2,502,854.13. The carrying amount of these intangible assets at the end of 2025 was RMB14,000,000.04. See Note 5.16 for further details.

5.16 Goodwill

5.16.1 Goodwill

Name of the investee or matters forming goodwill	I, 2025		D, 2025		Balance as at 31 December 2025
	31 December 2024	For the Year Ended 31 December 2025	31 December 2024	For the Year Ended 31 December 2025	
B. Y. H. C., Ltd.	9,271,800.00				9,271,800.00
H. Y. P. H. C., Ltd.	690,331.47				690,331.47
G. Y. H. C., Ltd.	1,549,022.38				1,549,022.38
W. N. P. S.					
H. C., Ltd.	7,784,850.00				7,784,850.00
B. Y. H. C., Ltd.	22,987,331.04				22,987,331.04
W. Y. H. T. C., Ltd.	151,048.40				151,048.40
H. K. H. C., Ltd.	5,068,959.78				5,068,959.78
C. K. P.					
H. C., Ltd.	6,843,288.91				6,843,288.91
W. C. H. C., Ltd.	19,416,285.97				19,416,285.97
P. C. Y. H.					
C., Ltd.	51,770,194.67				51,770,194.67
H. Y. N. S. C., Ltd.	1,272,643.00				1,272,643.00
J. S. H. C., Ltd.	5,060,323.85				5,060,323.85
L. C. K. K. H.					
C., Ltd.	283,528.10				283,528.10
D. L. H. C., Ltd.	2,502,854.13				2,502,854.13
C. J. Y. P.					
H. C., Ltd.	9,564,442.65				9,564,442.65
W. A. P. C., Ltd.	228,538.31		228,538.31		

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB, unless otherwise specified)

5 Notes to the Financial Statements

5.16 Goodwill

5.16.1 Consolidated Goodwill

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

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025

(All amounts in RMB unless otherwise specified)

5 Notes to the Financial Statements (continued)

5.16 Goodwill (continued)

Notes to the Financial Statements

Fiscal Year Ending December 31, 2025

(All amounts in RMB, unless otherwise specified)

Name

F. Y. E. 31 D. 2025

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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

5.16 Goodwill

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
NEI Y H C , L .	147	315	16.34%	10.40%
HEI Y C , L .	172	563	6.29%	10.40%
W N P , S ,				
H C , L .	243	215	2.90%	12.10%
H K H C , L .	180	179	15.36%	12.10%
C K P ,				
H C , L .	323	193	13.55%	12.10%
W C H C , L .	330	534	10.57%	11.30%
P C Y H ,				
C L .	594	556	8.05%	10.40%
HEI Y N S ,				
C L .	56	118	-3.06%	10.40%
D L H C , L .	224	112	-12.01%	12.10%
C J Y P ,				
H C , L .	306	207	7.27%	10.40%

Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amounts in thousands of RMB)

5 Notes to the Financial Statements

5.18 Deferred tax assets and deferred tax liabilities

5.18.2 Deferred tax assets and deferred tax liabilities

Item	Balance as at 31 December 2025		Balance as at 31 December 2024	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
A. Income tax				
Income tax payable	165,697,546.44	41,424,386.62	162,308,548.18	40,577,137.06
C. Income tax receivable	13,879,270.75	2,081,890.61	15,841,295.07	2,376,194.26
O. Income tax payable	47,809.41	7,171.41	561,601.28	116,423.68
R. Income tax payable	192,354,108.28	48,061,288.32	162,649,241.29	40,662,310.34
T. Total	371,978,734.88	91,574,736.96	341,360,685.82	83,732,065.34

5.18.3 Deferred tax assets and deferred tax liabilities

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

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025
(Amounts in thousands of RMB)

5 Notes to the Financial Statements

5.18 Deferred tax assets and deferred tax liabilities

5.18.4 Deferred tax assets and deferred tax liabilities

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

5.18.5 Tax rate used for deferred tax assets and deferred tax liabilities

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

5.19 Other non-current assets

Item	Balance as at 31 December 2025			Balance as at 31 December 2024	
	Book balance	Provision for impairment	Book value	Book balance	Book value
Property, plant and equipment	6,061,296.16		6,061,296.16	7,764,995.66	7,764,995.66
Property, plant and equipment - B3	9,453,564.81		9,453,564.81	3,468,668.68	3,468,668.68
Total	15,514,860.97		15,514,860.97	11,233,664.34	11,233,664.34

Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amount in thousands of RMB)

5 Notes to the Financial Statements

5.20 Assets with restricted ownership or use

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

5.21 Short-term borrowings

Project	Balance as at 31 December 2025	Balance as at 31 December 2024
Medium-term notes	93,720,000.00	75,000,000.00
Guaranteed bank borrowings	15,523,676.71	16,000,000.00
Total	109,243,676.71	91,000,000.00

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5.22 Financial liabilities held for trading

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Fund for the purchase of land and buildings	1,805,503.25	14,000,000.00
Quoted	1,805,503.25	14,000,000.00
Total	1,805,503.25	14,000,000.00
Fund for the purchase of land and buildings: Capitalized interest on the loan for the purchase of land and buildings		
Interest on the loan for the purchase of land and buildings	1,805,503.25	14,000,000.00
Interest on the loan for the purchase of land and buildings	1,805,503.25	14,000,000.00
Total	1,805,503.25	14,000,000.00

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

5.23 Accounts payable

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

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

Notes to the Financial Statements

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

5 Notes to the Financial Statements

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
Contract liabilities arising from the sale of goods		

5.26 Employee benefits payable

5.26.1 Pension and employee benefits

Item	Balance as at 31 December 2024	Increase in 2025	Decrease in 2025	Balance as at 31 December 2025
Short-term employee benefits	82,608,332.00	613,701,105.60	615,376,119.42	80,933,318.18
Long-term employee benefits	3,138,964.61	45,758,780.58	45,399,570.47	3,498,174.72
Defined contribution plans		313,991.65	9,264,000.00	(8,639,016.60)

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB, unless otherwise specified)

5 Notes to the Financial Statements

5.26 Employee benefits payable

5.26.2 Pension and other employee benefits

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

5.26.3 Deferred compensation

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

Q. Other employee benefits

A. Company's contribution to the pension fund. The company's contribution to the pension fund is calculated based on the employee's basic salary and the company's contribution rate. The company's contribution to the pension fund is recorded as a liability in the balance sheet and as an expense in the profit and loss statement.

B. Company's contribution to the medical insurance fund. The company's contribution to the medical insurance fund is calculated based on the employee's basic salary and the company's contribution rate. The company's contribution to the medical insurance fund is recorded as a liability in the balance sheet and as an expense in the profit and loss statement.

C. Company's contribution to the housing fund. The company's contribution to the housing fund is calculated based on the employee's basic salary and the company's contribution rate. The company's contribution to the housing fund is recorded as a liability in the balance sheet and as an expense in the profit and loss statement.

D. Company's contribution to the unemployment insurance fund. The company's contribution to the unemployment insurance fund is calculated based on the employee's basic salary and the company's contribution rate. The company's contribution to the unemployment insurance fund is recorded as a liability in the balance sheet and as an expense in the profit and loss statement.

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

5.27 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
Education Fee附加费	6,403,954.93	6,799,424.03
Education Fee附加费	139,810.92	65,721.04
Land Use Tax	940,760.98	778,342.55
Sales Tax附加费	69,573.69	195,717.23
Enterprise Income Tax	3,906.48	2,121.00
Withholding Tax	1,071.79	538.69
Total	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 payable		1,919,729.45
Dividend payable	3,600,000.00	1,090,000.00
Other payables	88,259,119.30	78,277,703.70
Total	91,859,119.30	81,287,433.15

Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amount in thousands of RMB)

5 Notes to the Financial Statements

5.28 Other payables

5.28.1 Interest payable

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

5.28.2 Dividend payable

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

5.28.3 Other payables

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Payable for medical services	30,510,944.19	25,610,062.45
Payable for medical supplies	1,313,457.77	1,313,457.77
Accounts payable	2,228,893.61	6,681,680.88
Due to related parties	1,571,150.50	1,136,955.18
Interest payable on bank loans	19,906,013.30	24,729,158.13
Borrowings	9,229,765.68	8,748,024.96
Payable for medical equipment	23,467,735.12	9,416,830.18
Other	31,159.13	641,534.15
Total	88,259,119.30	78,277,703.70

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025
(Amounts in thousands of RMB)

5 Non-current liabilities due within one year

5.29 Non-current liabilities due within one year

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

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025
(Amounts in thousands of RMB)

5 Notes to the Financial Statements

5.31 Long-term borrowings

The following table shows the details of long-term borrowings:

Item	Balance as at	
	31 December 2025	31 December 2024

Notes to the Financial Statements

F Y E 31 D 2025
(A RMB)

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5.33 Long-term payables

Item	Balance as at 31 December 2025	B R 31 D 2024
L	47,419,832.76	71,916,878.60
S		4,320,000.00

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB, unless otherwise specified)

5 Notes to the Financial Statements

5.33 Long-term payables

5.33.2 Specific payables

Item	Balance as at 31 December 2024	Increase in 2025	Decrease in 2025	Balance as at 31 December 2025	Forming reason
Financial guarantees	4,320,000.00	5,760,000.00	10,080,000.00		Subsidiary's bank loan
					Interest income
Total	4,320,000.00	5,760,000.00	10,080,000.00		/

5.34 Deferred income

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

Notes to the Financial Statements

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

5 Notes to the Financial Statements

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 (Note 5.36.1)	726,023,779.76		33,882,596.62	692,141,183.14
Quasi-ownership equity				
Share-based payment	48,854,883.98	4,503,685.30		53,358,569.28
Other quasi-ownership 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

Quasi-ownership equity refers to the equity instruments issued by the Company in 2025 that are classified as equity instruments.

- (1) In 2025, the Company issued 26.67% of its shares to the public, and the total amount of the shares issued was RMB30,943,297.66. The Company has not yet received the subscription amount of RMB30,943,297.66. The Company has not yet received the subscription amount of RMB30,943,297.66. The Company has not yet received the subscription amount of RMB30,943,297.66.
- (2) The Company issued shares to the public in 2025, and the total amount of the shares issued was RMB4,503,685.30. The Company has not yet received the subscription amount of RMB4,503,685.30. The Company has not yet received the subscription amount of RMB4,503,685.30.
- (3) The Company issued shares to the public in 2025, and the total amount of the shares issued was RMB2,939,298.96. The Company has not yet received the subscription amount of RMB2,939,298.96. The Company has not yet received the subscription amount of RMB2,939,298.96.

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

5 Notes to the Financial Statements

5.37 Treasury share

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

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

- (1) As at 31 December 2025, the Company's treasury shares were held by the Company's wholly-owned subsidiary, Wenhou Kangning Hospital Co., Ltd. (Wenhou Kangning Hospital Co., Ltd.), which held 3,419,975 shares of the Company, representing 10% of the Company's total shares outstanding. The total cost of these treasury shares was RMB28,666,701.91.
- (2) In 2025, the Company repurchased 2,270,900 shares of its own shares at a total cost of RMB22,399,322.22, and issued 311,100 shares of its own shares at a total cost of RMB3,250,398.96.

5.38 Surplus reserve

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

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

- (1) The Company's surplus reserve is calculated based on the Company's profit after tax for the year ended 31 December 2025, less the Company's dividend of 10% of the Company's total shares outstanding, and less the Company's share of the profit of its subsidiaries. The total amount of the surplus reserve is RMB38,399,577.13.
- (2) The Company's surplus reserve is used for the Company's share repurchase program, and the total amount of the surplus reserve is RMB38,399,577.13.

Notes to the Financial Statements

Fiscal Year Ending December 31, 2025

(All amounts in RMB, unless otherwise specified)

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Amount in thousands of RMB)

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

Breakdown of operating revenue and cost of sales

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

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(Amounts in thousands of RMB, unless otherwise specified)

5. Non-current assets held for sale (Note 5)

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Amount in thousands of RMB)

5 Notes to the Financial Statements

5.42 Selling expenses

Item	Amount in 2025	Amount in 2024
Employee salaries and wages	3,909,904.77	4,449,762.15
Depreciation and amortization	40,879.10	111,825.40
Advertising and promotion	143.40	39,170.69
Travel and transportation	57,111.94	167,877.83
Business entertainment	161,500.16	226,399.54
Office expenses	368,183.04	107,665.73
Taxes and social security	166,678.33	261,675.25
Commission	211,731.35	114,413.65
Other	100,494.55	96,046.80
Bonus	2,696,024.12	3,695,604.38
Management fees	13,793.21	3,584.20
Other	5,762.10	698,474.79
Total	7,732,206.07	9,972,500.41

Notes to the Financial Statements

Fiscal Year Ended 31 December 2025
(Amount in RMB thousands)

5 Notes to the Financial Statements

5.43 Administrative expenses

Item	Amount in 2025	Amount in 2024
Salaries and wages	136,228,747.19	129,004,061.40
Debt amortization	19,677,491.13	17,850,551.80
Administrative fees	2,887,520.62	4,190,150.74
Administrative depreciation	8,814,153.72	8,751,064.86
Director fees	1,449,479.17	3,012,235.08
Housing fund	4,020,340.37	3,732,284.42
Employee benefits	4,511,272.34	3,997,509.78
Office expenses	4,767,633.22	5,031,789.54
Tax	4,660,700.77	4,977,716.48
Utilities	740,276.80	977,577.12
Property	7,049,469.60	6,849,479.49
Commission	2,497.76	349,803.81
Office	3,087,061.59	3,490,839.71
Cost of sales	6,327,522.95	6,011,242.51
Advertising	3,095,200.00	3,025,987.32
Research and development	11,440,216.13	10,919,254.63
Business	4,126,304.84	5,713,396.43
Debt	4,063,064.84	3,316,647.39
Cost	3,957,287.08	3,084,988.50
Quota	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

(Amount in thousands of RMB)

5 Notes to the Financial Statements

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
Income from financial assets	4,804,189.70	1,844,372.15
Income from financial assets	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
Fair value changes in financial assets	745,794.27	588,023.88
Quoted prices in active markets for identical assets or liabilities	-1,962,024.32	742,239.73
Fair value changes in financial assets	-1,805,503.25	-1,600,000.00
Total	-3,021,733.30	-269,736.39

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025
(Amounts in thousands of RMB)

5 Notes to the Financial Statements

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

(Amount in thousands of RMB, unless otherwise specified)

5 Non-current assets and liabilities

5.52 Non-operating revenue

A			
B			
Item	Amount in 2025	Amount in 2024	Amount in 2023
Government grants	35,042.85	157,773.18	35,042.85
Income from disposal of non-current assets	35,042.85	157,773.18	35,042.85
Others	267,263.75	46,960.37	267,263.75
Government grants		86,363.28	
Revenue from disposal of non-current assets	233,000.00		233,000.00
Others		89,700.00	
Others	722,808.91	86,864.89	722,808.91
Others	63,472.78	1,061,239.31	63,472.78
TOTAL	1,321,588.29	1,528,901.03	1,321,588.29

5.53 Non-operating expenses

A			
B			
Item	Amount in 2025	Amount in 2024	Amount in 2023
Loss from disposal of non-current assets	1,372,524.38	1,117,414.85	1,372,524.38
Income from disposal of non-current assets	1,368,774.38	1,117,414.85	1,368,774.38
Others	3,750.00		3,750.00
Expense from disposal of non-current assets	3,069,645.91	2,697,864.84	3,069,645.91
Expense from disposal of non-current assets	5,483.03	20,094.09	5,483.03
Income from disposal of non-current assets	59,434.72	49,092.37	59,434.72
Others	8,852,014.48	1,606,766.04	8,852,014.48
Others	1,190,606.08	2,668,838.80	1,190,606.08
Others	2,347,434.42	622,957.51	2,347,434.42
TOTAL	16,935,849.67	8,783,028.50	16,935,849.67

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Amount in thousands of RMB)

5 Notes to the Financial Statements

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 continuing operations	10,382,853.69
Income tax expense on discontinued operations	7,485,629.71
Income tax expense on equity investments	-1,844,265.75
Income tax expense on other income	568,437.00
Income tax expense on other income	3,163,934.54
Income tax expense on other income	-7,294,444.71
Income tax expense on other income	25,822,434.66
Income tax expense on R&D	-4,497,890.11
Income tax expense on other income	-1,171,587.66
Income tax expense on other income	32,615,101.37

Notes to the Financial Statements

Fiscal Year Ended 31 December 2025
(Amount in RMB)

5 Notes to the Financial Statements

5.55 Earnings per share

5.55.1 Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to common shareholders by the weighted average number of common shares outstanding during the period.

Item Amount in 2025 A Amount in 2024

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

5 Notes to the Financial Statements (continued)

5.56 Items of statement of cash flows

5.56.1



Notes to the Financial Statements

For the Year Ended December 31, 2025

(Amount in thousands of RMB)

5 Notes to the Financial Statements

5.56 Items of statement of cash flows

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 and related parties	850,000.00	60,000,000.00
Total	850,000.00	60,000,000.00

(2) Cash flows from investing activities

Item	Amount in 2025	Amount in 2024
Cash paid for the acquisition of intangible assets	32,439,993.04	61,246,345.17
Cash paid for the acquisition of property, plant and equipment	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
Total	27,000,000.00	
Total	176,491,832.65	150,919,616.84

Notes to the Financial Statements

F Y E 31 D 2025
(A RMB)

5 N ()

5.57 Supplementary information to the statement of cash flows

5.57.1 S

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

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Amount in thousands of RMB)

5 Notes to the Financial Statements

5.57 Supplementary information to the statement of cash flows

5.57.1 Supplementary information to the statement of cash flows

Supplementary information	Amount in 2025	Amount in 2024
2. Maturity of financial assets and liabilities		
Due within one year		
Due after one year		
3. Net change in cash and cash equivalents		
End of the period	287,674,751.45	255,232,744.16
Beginning of the period	255,232,744.16	404,723,339.37
Net change in cash and cash equivalents	32,442,007.29	-149,490,595.21

5.57.2 Net change in cash and cash equivalents

Item	Amount
Operating activities	44,000,000.00
Investing activities	28,000,000.00
Financing activities	16,000,000.00
Net change in cash and cash equivalents	16,098,096.99
End of the period	10,683,725.70
Beginning of the period	5,414,371.29
Net change in cash and cash equivalents	27,901,903.01

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025
(Amount in RMB)

5 Notes to the Financial Statements

5.57 Supplementary information to the statement of cash flows

5.57.3 Net change in cash and cash equivalents

Item	Amount
Cash and cash equivalents at the beginning of the year	
Interest income	
Dividend income	
Net change in cash and cash equivalents	29,192.78
Cash and cash equivalents at the end of the year	29,192.78
Reconciliation of cash and cash equivalents at the end of the year	
Net change in cash and cash equivalents	-29,192.78

5.57.4 Balance sheet

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
I. Cash and cash equivalents	287,674,751.45	255,232,744.16
II. Accounts receivable	231,487.96	192,804.35
III. Prepaid expenses		
IV. Other receivables		
V. Inventory		
VI. Other current assets		
VII. Property, plant and equipment		
VIII. Intangible assets		
IX. Goodwill		
X. Long-term equity investments		
XI. Other non-current assets		
XII. Accounts payable		
XIII. Prepaid liabilities		
XIV. Other payables		
XV. Contract liabilities		
XVI. Deferred income		
XVII. Other current liabilities		
XVIII. Long-term liabilities		
XIX. Other non-current liabilities		
XX. Equity		
XXI. Other equity		
XXII. Other non-current liabilities		

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025

(All amounts are in RMB unless otherwise specified)

5 Notes to the Financial Statements

5.57 Supplementary information to the statement of cash flows

5.57.5 Supplementary information to the statement of cash flows

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

Balance at the beginning of the period: CNY 100,000,000
CNY 100,000,000

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Amounts in thousands of RMB)

5 Notes to the Financial Statements

5.60 Lease

5.60.1 Assets

Item	Amount in 2025	Amount in 2024
Lease assets	11,522,064.22	8,458,214.13
Right-of-use assets	121,043,656.66	92,883,796.45
Goodwill	94,791,041.13	

Notes to the Financial Statements

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

6. Business combinations

6.1 Business combination not under common control

6.1.1 Business combinations completed during 2025

Name of the acquiree		Business combination date	Percentage of ownership acquired	Consideration transferred	Non-controlling interest	Goodwill
			(%)			
Hubei Yuhong Hospital	31 March 2025	35,600,000.00	65.00	19,744,154.59	-4,258,984.02	-4,140,576.81
Wendoumen District People's Hospital						
		31 August 2025	100.00	11,889,168.62	526,879.67	-658,162.01

6.1.2 Business combinations completed during 2025

Name of the acquiree		Consideration transferred	Non-controlling interest
Hubei Yuhong Hospital		28,000,000.00	16,000,000.00
Wendoumen District People's Hospital		7,600,000.00	
Total		35,600,000.00	16,000,000.00
Less: Fair value of net assets acquired		22,701,183.23	4,918,029.37
Total goodwill		2,898,816.70	1,081,917,063.0

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

6 Business combination not under common control

6.1 Business combination not under common control

6.1.3 Initial recognition of intangible assets

	Henan Yuhou Hospital Co., Ltd.	Wendoumen Hospital Co., Ltd.	Shanghai Kangning Hospital Co., Ltd.	Shanghai Kangning Hospital Co., Ltd.
	For the Year Ended December 31, 2025	For the Year Ended December 31, 2025	For the Year Ended December 31, 2025	For the Year Ended December 31, 2025
Assets:				
Goodwill	88,586,325.58	70,800,279.48	10,080,947.55	10,080,947.55
Identifiable intangible assets	10,683,725.70	10,683,725.70	5,414,371.29	5,414,371.29
Receivables	5,611,315.68	5,611,315.68	4,640,769.51	4,640,769.51
Accounts receivable	11,966.69	11,966.69	24,750.00	24,750.00
Inventory	872,927.05	872,927.05		
Fixed assets	1,598,098.97	484,744.28		
Intangible assets	24,042,500.04	1,091,469.96		
Research and development	41,886,805.14	41,886,805.14		
Long-term equity investments	1,828,479.92	1,828,479.92		
Debt	2,050,506.39	8,328,845.06	1,056.75	1,056.75
Liabilities:				
Payables	57,753,735.99	57,753,735.99	5,162,918.18	5,162,918.18
Prepaid expenses	2,819,655.50	2,819,655.50	750,490.02	750,490.02
Receivables	923,339.06	923,339.06	725,473.00	725,473.00
Equity	1,472,442.86	1,472,442.86	3,509,669.27	3,509,669.27
Trade payables	31,295.32	31,295.32	177,285.89	177,285.89
Provisions	52,507,003.25	52,507,003.25		
Non-current assets	30,832,589.59	13,046,543.49	4,918,029.37	4,918,029.37
Long-term investments	8,131,406.36	4,566,290.22		
Assets	22,701,183.23	8,480,253.27	4,918,029.37	4,918,029.37

Notes to the Financial Statements

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

6 Capital

6.2 Disposal of subsidiaries

6.2.1 The disposal of subsidiaries during the year ended 31 December 2025

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	Book value of the remaining equity at the level of consolidated financial statements on the date of loss of control	Fair value of the remaining equity on the date of loss of control in consolidated financial statements	Gain or loss from remeasurement of the remaining equity at fair value	Method and key assumptions for determining fair value of remaining equity on the date of loss of control in consolidated financial statements	Amount of other comprehensive income related to original subsidiary equity transferred to investment income/retained earnings
Henan Yimeng Medical Research Center Co., Ltd.	30,000.00	100.00	Share	12 July 2025	Disposal	807.22					

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

7.1.1 Consolidated subsidiaries

Subsidiary Name	Registered Capital (RMB)	Actual Paid-up Capital (RMB)	Shareholding Ratio (%)	Control	Accounting Method
Shanghai Wenhou Kangning Hospital Co., Ltd.	33,000.00	33,000.00	100.00	Full control	Cost of Equity
Shanghai Wenhou Kangning Hospital Co., Ltd. (Shanghai Branch)	1,000.00	1,000.00	100.00	Full control	Cost of Equity
Shanghai Wenhou Kangning Hospital Co., Ltd. (Shanghai Branch)	1,000.00	1,000.00	65.00	Full control	Cost of Equity
Shanghai Wenhou Kangning Hospital Co., Ltd. (Shanghai Branch)	2,585.98	2,585.98	100.00	Full control	Cost of Equity
Shanghai Wenhou Kangning Hospital Co., Ltd. (Shanghai Branch)	3,057.47	3,057.47	100.00	Full control	Cost of Equity
Shanghai Wenhou Kangning Hospital Co., Ltd. (Shanghai Branch)	9,800.00	9,800.00	100.00	Full control	Cost of Equity
Shanghai Wenhou Kangning Hospital Co., Ltd. (Shanghai Branch)	500.00	500.00	100.00	Full control	Cost of Equity
Shanghai Wenhou Kangning Hospital Co., Ltd. (Shanghai Branch)	5,000.00	5,000.00	65.00	Full control	Cost of Equity
Shanghai Wenhou Kangning Hospital Co., Ltd. (Shanghai Branch)	200.00	200.00	100.00	Full control	Cost of Equity
Shanghai Wenhou Kangning Hospital Co., Ltd. (Shanghai Branch)	100.00	100.00	100.00	Full control	Cost of Equity
Shanghai Wenhou Kangning Hospital Co., Ltd. (Shanghai Branch)	1,000.00	1,000.00	100.00	Full control	Cost of Equity
Shanghai Wenhou Kangning Hospital Co., Ltd. (Shanghai Branch)	20,000.00	20,000.00	100.00	Full control	Cost of Equity
Shanghai Wenhou Kangning Hospital Co., Ltd. (Shanghai Branch)	600.00	600.00	100.00	Full control	Cost of Equity

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025
(Amount in RMB thousands)

Notes to the Financial Statements		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636
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(A)

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№									
Y	H	T	L	2,040.82	H	H	T	98.00	E
C, L									
W	Y	P	C, L	L	50.00	W	W	P	100.00
Y	P	L	L	500.00	W	W	H	L	100.00
H	(W)	C, L							
D	P	L	1,000.00	W	W	P		80.00	E
C, L									
C	K	P	L	1,000.00	C	C	M	64.55	B
H	C	L							
H	Y	N	S	L	100.00	H	H	N	100.00
C, L									
L	C	H	C, L	L	5,000.00	T	T	M	100.00
S	Y	H	L	6,000.00	S	S	M	55.00	E
P	Y	H	L	1,400.00	J	J	M	95.00	E
C, L									
C	K	W	5,000MY	9E	S	1,00T	183590T	500,000T	120000323CT

Notes to the Financial Statements

F Y ☒ E 31 D 2025

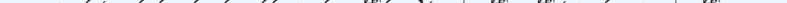
(A) ☒ RMB ☐

7. Interpretation of the results (10 marks)

7.1 Interests in subsidiaries (continued)

7.1.1 C $\frac{d}{dt} \left(\frac{1}{r^2} \right) = -\frac{2}{r^3} \frac{dr}{dt}$

№	Қысқаштырылған атауы	Қысқаштырылған атауы	Ресурс	Мөлшер	Ресурс	Сыйымдылық (%)	Дерек	Іс	А
W	K	J	F	L	50.00	W	W	F	E
F	C	A							
W	L	Y	H	L	10,000.00	W	W	M	E
C	L								
Y	K	H	C	L	2,700.00	W	W	M	E
J	S	H	C	L	2,398.26	J	J	M	B
L	C	K	K	H	2,040.00	L	L	M	B
C	L								
D	L	H	C	L	1,800.00	S	S	M	B
W	K	P	L	50.00	W	W	M	100.00	E
C	L								
J	J	K	C	L	6,001.00	J	J	E	61.27 25.80 E
E	I	P							
(I	P								
Q	K	P	L	L	2,764.00	L	L	P	E
M	C								

E 

A, A, A, W, O, Y, B, H, C, L, C, 100%.

BE 

T C 90% H Y T C , L A 31 D 2025, H Y T C , L A 31 D 2025, 90% G Y H C , L A 31 D 2025, C

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are expressed in RMB unless otherwise specified)

7 Interests in subsidiaries (人民币元)

7.1 Interests in subsidiaries (人民币元)

7.1.2 Subsidiaries (人民币元)

	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.				
Wenhou Kangning Hospital Co., Ltd.	40.00	-556,708.88		37,565,639.83
Jiangsu Wenhou Kangning Hospital Co., Ltd.	45.00	-2,030,443.47		13,278,391.92
Wenhou Kangning Hospital Co., Ltd.				
Wenhou Kangning Hospital Co., Ltd.	20.00	47,364.17	401,123.89	21,104,045.97
Hubei Wenhou Kangning Hospital Co., Ltd.	35.00	-1,508,199.09		6,623,207.27

7.1.3 Key figures (人民币元)

Subsidiary name	Balance as at 31 December 2025					Total liabilities
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current 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 Wenhou 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
Wenhou Kangning Hospital Co., Ltd.	172,867,810.34	853,963.27	173,721,773.61	112,153,608.69		112,153,608.69
Hubei Wenhou 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					Total liabilities
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current 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 Wenhou 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
Wenhou 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 Wenhou 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 31 December 2025
(Amount in RMB thousands)

7 Interests in subsidiaries

7.1 Interests in subsidiaries

7.1.3 Key subsidiaries

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

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

7.2.1 New acquisitions

In January 2025, the Company acquired 11.73% and 14.93% equity interests in Jiangsu Hengsheng Hospital Co., Ltd. (the "Acquisition") from Jiangsu Hengsheng Hospital Co., Ltd. (the "Acquirer"). The Acquisition was completed on January 1, 2025. The Company's share of the net assets of the Acquirer at the end of the reporting period is RMB27,000,000.00.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

7. Investments in subsidiaries

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

7.2.2 Investment in Chengdu Yining

	Chengdu Yining
Paid-up capital	27,000,000.00
Capital reserve	27,000,000.00
Total	27,000,000.00
Less: Investment cost	
Investment cost	-3,943,297.66
Dividends received	30,943,297.66
Investment income	30,943,297.66
Accumulated investment income	
Accumulated investment income	

7.3 Equity in joint venture arrangements or associates

7.3.1 Significant joint venture arrangements or associates

Investment Information							
Investor	Investee	Investment amount	Investment amount	Investment amount	Investment amount (%)	Investment amount	Investment amount
Sichuan Shenghua Hospital	Xinsheng Hospital	Xinsheng Hospital	Hong Kong Shenghua Hospital	30.00	Shenghua Hospital	Yinsheng Hospital	
Mingsheng Hospital	Chengdu Cui Hospital	Chengdu Cui Hospital	Chengdu Cui Hospital	45.00	Chengdu Cui Hospital	Yinsheng Hospital	
Wenling Hospital	Yinsheng Hospital	Yinsheng Hospital	Mingsheng Hospital				
Hong Kong Cui Hospital							

Notes to the Financial Statements

Fiscal Year Ended 31 December 2025
(Amount in RMB thousands)

7 Investment in joint venture arrangements or associates

7.3 Equity in joint venture arrangements or associates

7.3.2 Key joint venture arrangements or associates

	Balance as at 31 December 2025/Amount in 2025		Balance as at 31 December 2024/Amount in 2024	
	Shanxi Shanda	Longwan Yining	Shanxi Shanda	Longwan Yining
Capital	52,325,788.02	1,862,472.90	48,352,443.86	196,852.44
Non-capital	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
Capital contribution	98,820,684.44	41,510,269.10	90,135,768.43	38,926,869.26
Non-capital contribution	15,000,000.00	90,995,141.93	15,000,000.00	55,023,631.60
Total contribution	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 attributable to Longwan Yining	41,121,417.98	124,450,810.64	43,881,342.67	125,388,396.91
Non-equity attributable to Longwan Yining	12,336,425.39	56,002,864.79	13,164,402.80	56,424,778.61
Amount attributable to Longwan Yining	8,555,233.95		8,825,233.95	
Guarantee	8,825,233.95		8,825,233.95	
Unrealized gains/losses				
Quasi-equity	-270,000.00	56,002,864.79	36,320,268.60	219,142,945.57

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025
(Amounts in RMB)

8 Government grants

8.1 Government grants included in the current profit or loss

Type	Amount in 2025	Amount in 2024
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 Ending 31 December 2025

(Amounts in thousands of RMB)

9 Risks and uncertainties

9.1 Various risks arising from financial instruments

9.1.1 Credit risk

Credit risk is the risk that one or more counterparties will fail to meet their contractual obligations, resulting in financial loss to the Company.

The Company's credit risk is primarily concentrated in its receivables from customers. The Company has established a credit management system to assess the creditworthiness of its customers and to monitor the collection of receivables.

The Company's credit risk is also concentrated in its investments in financial assets. The Company has established a credit management system to assess the creditworthiness of its investment counterparties and to monitor the collection of investments. The Company's credit risk is also concentrated in its investments in financial assets. The Company has established a credit management system to assess the creditworthiness of its investment counterparties and to monitor the collection of investments.

Notes to the Financial Statements

Financial Year Ending 31 December 2025

(Amounts in thousands of RMB)

9 Risks arising from financial instruments

9.1 Various risks arising from financial instruments

9.1.2 Liquidity risk

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

Balance as at 31 December 2025

Item	Immediate repayment	Within 1 year	1-2 years	2-5 years	More than 5 years	Total undiscounted contract amount	Book value
Bank deposits		242,233,676.71	206,799,626.30	261,353,295.70	389,749,543.45	1,100,136,142.16	989,186,634.18
Prepaid expenses		36,422,400.23	26,754,091.69	87,529,357.31	48,765,941.63	199,471,790.86	184,898,051.41
Long-term receivables		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

Balance as at 31 December 2024

	I、按账龄					T、按	
I、按账龄	W、1 年以内	1-2 年	2-5 年	O、5 年以上	按账龄	B、按	
按账龄	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	
P、预付款项	26,733,022.63	45,988,901.90	58,725,671.39	86,707,676.25	218,155,272.17	178,033,085.43	
L、其他应收款	38,367,421.50	30,877,984.00	57,282,769.00		126,528,174.50	110,284,300.10	
A、应收账款	127,861,415.20	3,124,361.77	950,603.01		131,936,379.98	131,936,379.98	
Q、其他流动资产	33,007,700.14	29,568,765.29	18,710,967.72		81,287,433.15	81,287,433.15	
T、按	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

(Amounts in thousands of RMB)

9 Risks

9.1 Various risks arising from financial instruments

9.1.3 Market risk

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

(1) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Company's financial instruments are primarily denominated in RMB.

Fixed-rate financial assets and liabilities are exposed to interest rate risk. The Company's financial assets and liabilities are primarily denominated in RMB. The Company's financial assets and liabilities are primarily denominated in RMB. The Company's financial assets and liabilities are primarily denominated in RMB. The Company's financial assets and liabilities are primarily denominated in RMB.

As at 31 December 2025, the Company's financial assets and liabilities are primarily denominated in RMB. The Company's financial assets and liabilities are primarily denominated in RMB. The Company's financial assets and liabilities are primarily denominated in RMB.

(2) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's financial instruments are primarily denominated in RMB.

The Company's financial assets and liabilities are primarily denominated in RMB. The Company's financial assets and liabilities are primarily denominated in RMB. The Company's financial assets and liabilities are primarily denominated in RMB. The Company's financial assets and liabilities are primarily denominated in RMB.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB, unless otherwise specified)

Notes to the Financial Statements

F Y E 31 D 2025
(A RMB)
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10.1 Fair value of assets and liabilities as at 31 December 2025

Item	Fair value as at 31 December 2025			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
I. Continuous fair value measurement				
F			8,573,388.20	8,573,388.20
1. F			8,573,388.20	8,573,388.20
(1)D				
(2)E			8,573,388.20	8,573,388.20
(3)D				
(4)Q				
2. D				
(1)D				
(2)Q				
R				
Q				
Q				

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB, unless otherwise specified)

10. Derivatives (in million RMB)

10.1 Fair value of assets and liabilities as at 31 December 2025 (in million 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	
Q. Derivatives			28,123,065.82	28,123,065.82
1. Financial derivatives			28,123,065.82	28,123,065.82
(1) Derivatives				
(2) Equity derivatives			28,123,065.82	28,123,065.82
(3) Derivatives				
(4) Other derivatives				
2. Derivatives				
(1) Derivatives				
(2) Other derivatives				
T. Financial derivatives			36,696,454.02	36,696,454.02
F. Financial derivatives			1,805,503.25	1,805,503.25
1. Financial derivatives			1,805,503.25	1,805,503.25
(1) Loans				
(2) Derivatives				
(3) Other derivatives			1,805,503.25	1,805,503.25
2. Derivatives				
T. Financial derivatives			1,805,503.25	1,805,503.25
II. Non-financial derivatives				
A. Non-financial derivatives				
T. Non-financial derivatives				
L. Non-financial derivatives				
T. Non-financial derivatives				

Notes to the Financial Statements

F Y E 31 D 2025
(A RMB)
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10.2 Qualitative and quantitative information on the valuation techniques and significant parameters used for items measured at Level 3 of the continuous and non-continuous fair value hierarchy

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

Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amount in RMB thousands)

11 Related parties (Continued)

11.4 Other related parties

Name of other related parties	Relationship between other related parties and the Company
Yantai Medical Hospital Co., Ltd.	Natural person who is the father of the Chairman of the Company.
Liaoning Shengrong Healthcare Co., Ltd.	Shareholder of the Company.
Shanghai Tieshi E-commerce Co., Ltd.	Shareholder of the Company.
Shanghai Yipin Pharmaceutical Co., Ltd.	Shareholder of the Company.
Wenzhou Dapin Pharmaceutical Co., Ltd.	Shareholder of the Company.
Chongqing Wengong Pharmaceutical Co., Ltd.	Shareholder of the Company.
Chongqing Gaoji Pharmaceutical Co., Ltd.	Shareholder of the Company.
Jiangsu Daxin Pharmaceutical Co., Ltd.	Shareholder of the Company.
Wuxi Lianhua Pharmaceutical Co., Ltd.	Shareholder of the Company.
Wuxi Xinxin Pharmaceutical Co., Ltd.	Shareholder of the Company.
Wuxi Caidi Pharmaceutical Co., Ltd.	Shareholder of the Company.
Qingdao Kexin Pharmaceutical Co., Ltd.	Shareholder of the Company.
Yantai Lianhua Pharmaceutical Co., Ltd.	Shareholder of the Company.
Wuxi Huiyuan Pharmaceutical Co., Ltd.	Shareholder of the Company.
Xin Yantai	Shareholder of the Company.

Notes to the Financial Statements

Fiscal Year Ended 31 December 2025
(Amount in thousands of RMB)

11 Related parties (Continued)

11.5 Related-party transaction

11.5.1 Related-party transaction with the Company's subsidiaries

During the year, the Company and its subsidiaries had the following transactions with related parties:

Related party	Related-party transaction content	Amount in 2025	Amount in 2024
Wenhou Kangning Hospital Co., Ltd.	Interest income	447,789.38	117,517.37
Yanling Hospital Co., Ltd.	Interest income	627,851.53	933,864.76
Huailin Hospital Co., Ltd.	Interest income		300,000.00

The Company and its subsidiaries had the following transactions with related parties:

Related party	Related-party transaction content	Amount in 2025	Amount in 2024
Yanling Hospital Co., Ltd.	Interest income	2,227,722.78	2,970,297.04
	Interest income	487,044.25	

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

11 Related parties, related transactions, and related balances (Continued)

11.5 Related-party transaction (Continued)

11.5.2 Assets and liabilities

Transactions with related parties:

The guaranteed	Guarantee amount	Starting date of guarantee	Maturity date of guarantee	Whether the guarantee has been performed
Qingdao Yuhou Hospital Co., Ltd.	60,000,000.00	2023/10/9	2034/10/9	N
Yuhou Hospital Co., Ltd.	60,000,000.00	2019/8/20	2031/8/21	N
Liaocheng Hospital Co., Ltd.	68,440,000.00	2023/4/3	2032/3/2	N
Hubei Aima Medical Technology Co., Ltd.	32,400,000.00	2024/7/1	2027/6/30	N
Wenzhou Luyi Hospital Co., Ltd.	8,400,000.00	2024/3/31	2027/3/31	N
Wenzhou Luyi Hospital Co., Ltd.	103,000,000.00	2023/10/12	2034/10/9	N
Yuhou Hospital Co., Ltd.	12,000,000.00	2024/7/18	2029/6/18	N
Yuhou Hospital Co., Ltd.				
Wenzhou Mianhe Hospital Co., Ltd.	8,000,000.00	2024/7/18	2029/6/18	N
Qingdao Kexin Hospital Co., Ltd.	5,300,780.00	2024/1/1	2028/12/31	N
Wenzhou Yuhou Hospital Co., Ltd.	4,337,088.00	2024/1/25	2028/12/25	N
Pingliang Hospital Co., Ltd.	26,000,000.00	2023/12/20	2031/12/20	N

Notes to the Financial Statements

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(A RMB)

11 R (C)

11.5 Related-party transaction (C)

11.5.2 A (C)

T C :

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

Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amount in thousands of RMB)

11 Related-party transactions (Continued)

11.5 Related-party transaction (Continued)

11.5.3 Lending/borrowing

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

11.5.4 Receivables

Item	Amount in 2025	Amount in 2024
S R	10,661,260.51	8,625,385.30
S R	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)

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)

11.7 Director interests and rights

Remuneration of directors for the year ended 31 December 2025 is as follows:

Name	Remuneration	Salary and subsidies	Social insurance plan contributions	Performance bonus	Other allowances and benefits	Equity incentives	Total
Executive directors							
G. W.	200,000.00	404,160.00	84,787.98	89,108.80	1,700.00		779,756.78
W. L.	150,000.00	492,132.00		158,099.94	26,200.00	542,692.81	1,369,124.75
W. J.	150,000.00	600,000.00	80,200.80		27,050.00		857,250.80
Independent director							
J. L.	70,000.00						70,000.00
W. 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
Total	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

Fiscal Year Ended 31 December 2025
(Amount in RMB thousands)
11 Revenue, expenses, gains and losses (Continued)

11.7 Director interests and rights (Continued)

The following table shows the remuneration of directors for 2024:

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

Notes to the Financial Statements

Fiscal Year Ended 31 December 2025
(Amount in RMB thousands)

11 Remuneration of key management personnel (Continued)

11.8 Top five highest remunerated individuals

As at 31 December 2025, the top five highest remunerated individuals received remuneration of RMB 1,203,855.32 (2024: RMB 1,557,020.71). The remuneration of these individuals is as follows:

Item	Amount in 2025	Amount in 2024
Basic salary	1,203,855.32	1,557,020.71
Short-term incentive	332,164.74	253,590.18
Long-term incentive	1,722,787.77	509,164.51
Quasi-equity instrument	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

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On 18 July 2024, Baidu, Didi, and other companies collectively paid 322,000 shares, valued at 50 million RMB, to the company. The company's share price on the day was RMB7.15, and the total value of the shares was HKD11.94.

A., *H.S.*, A., T., S., H.,

Vesting period	Vesting schedule	Vesting ratio
F	F	25%
S	F	25%
T	F	25%
F	F	25%

Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amount in thousands of RMB)

12 Share-based payments (Continued)

12.1 Equity-settled share-based payments

Determination method of the fair value of equity instruments on the date of grant	Market method
1. The fair value of the equity instrument is determined by the market price of the equity instrument on the date of grant. 2. The fair value of the equity instrument is determined by the market price of the equity instrument on the date of grant. 3. The fair value of the equity instrument is determined by the market price of the equity instrument on the date of grant. 4. The fair value of the equity instrument is determined by the market price of the equity instrument on the date of grant. 5. The fair value of the equity instrument is determined by the market price of the equity instrument on the date of grant.	6. The fair value of the equity instrument is determined by the market price of the equity instrument on the date of grant. 7. The fair value of the equity instrument is determined by the market price of the equity instrument on the date of grant. 8. The fair value of the equity instrument is determined by the market price of the equity instrument on the date of grant. 9. The fair value of the equity instrument is determined by the market price of the equity instrument on the date of grant. 10. The fair value of the equity instrument is determined by the market price of the equity instrument on the date of grant.
	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 professionals	4,503,685.30	4,503,685.30	767,673.68	767,673.68
Total	4,503,685.30	4,503,685.30	767,673.68	767,673.68

13 Contingencies

13.1 Significant commitments

13.1.1 Operating lease commitments			
The company has entered into operating lease contracts with various lessors for the use of office premises, equipment, and vehicles. The lease terms generally range from 1 to 5 years. The company recognizes lease liabilities and right-of-use assets in accordance with the applicable accounting standards.			
Item	31 December 2025	31 December 2024	
Healthcare professionals	25,533,926.00	122,040,000.00	
Total	25,533,926.00	122,040,000.00	

13.2 Contingencies

The company has no significant contingencies as of 31 December 2025.



Notes to the Financial Statements

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

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025
(Amount in RMB thousands)

16 Notes to the Financial Statements

16.1 Accounts receivable

16.1.1 Aging

Aging	Balance as at 31 December 2025	Balance as at 31 December 2024
Within 1 year (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
3-4 years	49,228,799.58	81,223,065.95
Long-term	12,544,534.74	11,526,313.86
Total	36,684,264.84	69,696,752.09

The Company's accounts receivable are primarily from the sale of medical services and medical equipment. The Company's accounts receivable are classified into five categories based on the aging of the receivables. The Company's accounts receivable are classified into five categories based on the aging of the receivables.

16.1.2 Details of accounts receivable

Category	Balance as at 31 December 2025				Balance as at 31 December 2024					
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Prepaid medical insurance	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	
Warranty	11,916,666.11	24.21	11,916,666.11	100.00	10,763,194.65		10,725,880.17		37,314.48	
Prepaid medical insurance	37,312,133.47	75.79	627,868.63	1.68	36,684,264.84	70,459,871.30	86.75	800,433.69	1.14	69,659,437.61
Insurance	37,312,133.47	75.79	627,868.63	1.68	36,684,264.84	70,459,871.30	86.75	800,433.69	1.14	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 specified)

16 Notes to the Financial Statements (Continued)

16.1 Accounts receivable (Continued)

16.1.3 Presentation of accounts receivable as at 31 December 2025

Category	Balance as at 31 December 2024	Provision for doubtful debts as at 31 December 2024	Balance as at 31 December 2025	Provision for doubtful debts as at 31 December 2025	Balance as at 31 December 2025
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
Total	11,526,313.86	4,405,824.83	3,387,603.95		12,544,534.74

16.1.4 Analysis of accounts receivable as at 31 December 2025

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

16.2 Other receivables

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

Notes to the Financial Statements

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

16 Non-current assets (CNY thousands)

16.2 Other receivables (CNY thousands)

16.2.1 Interest receivable

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 Due from related parties

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

Notes to the Financial Statements

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

16 Notes to Other receivables (Continued)

16.2 Other receivables (Continued)

16.2.3 Other receivables

(1) Details of Other receivables

Aging	Balance as at 31 December 2025	Balance as at 31 December 2024
Within 1 year (1 year)	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	
Sum	482,893,111.13	574,530,404.28
Less: Provision for bad debts	1,217,310.23	1,842,181.81
Total	481,675,800.90	572,688,222.47

(2) Details of Provision for bad debts

Category	Balance as at 31 December 2025				Balance as at 31 December 2024					
	Book balance		Provision for bad debts		Book balance		Provision for bad debts		Book balance	
	Amount	Proportion (%)	Amount	Provision ratio (%)	Book value	Amount	Proportion (%)	Amount	Provision ratio (%)	Book value
Prepaid expenses										
Prepaid insurance										
Prepaid medical fees										
Prepaid property taxes	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
Prepaid interest										
Prepaid interest on bank loans	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
Prepaid interest on bank deposits	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

Fiscal Year Ended 31 December 2025
(Amount in thousands of RMB)

16 Notes to Other Receivables (Continued)

16.2 Other receivables (Continued)

16.2.3 Other receivables (Continued)

(2) Details of other receivables (Continued)

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

Provision for bad debts is as follows:

Balance as at 31 December 2025			
Name	Other receivables	Provision for bad debts	Proportion of provision (%)
Accounts receivable	54,961,446.39	1,217,310.23	2.21
Receivables from related parties	427,931,664.74		
Total	482,893,111.13	1,217,310.23	

(3) Provision for bad debts

Provision for bad debts	Stage I Expected credit losses for the next 12 months	Stage II Expected credit loss throughout the duration (no credit impairment has occurred)	Stage III Expected credit loss throughout the duration (credit impairment has occurred)	Total
Balance at 31 December 2024	1,842,181.81			1,842,181.81
For 2025, Balance at 31 December 2024				
- Total, Stage II				
- Total, Stage III				
- Reversal, Stage II				
- Reversal, Stage I				
Provision for 2025				
Reversal for 2025	624,871.58			624,871.58
Write-off for 2025				
Write-off for 2025				
Q 54,1N				
Balance at 31 December 2025	1,217,310.23			1,217,310.23

Notes to the Financial Statements

For the Year Ended 31 December 2025

(Amount in RMB thousands)

16 Notes to the Financial Statements (Continued)

16.2 Other receivables (Continued)

16.2.3 Other receivables (Continued)

(4) Payable for medical services provided to patients (Continued)

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

(5) Government grants receivable (Continued)

Nature of payment	Book balance as at 31 December 2025	Balance as at 31 December 2024
Research and development	427,931,664.74	509,232,849.78
Equipment	34,457,000.00	38,067,000.00
Construction	2,216,316.97	1,354,960.78
Debt	1,937,991.24	2,487,401.88
Other	677,919.00	1,075,972.66
Research and development	15,672,219.18	22,312,219.18
Total	482,893,111.13	574,530,404.28

16.3 Long-term equity investments

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

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025
(Amounts in thousands of RMB)

16 Non-current assets (CNY)

16.3 Long-term equity investments (CNY)

16.3.1 Investment in equity instruments

	Beginning of the year	Investment	Disposal	Change in fair value	Share of profit or loss	Share of other comprehensive income	Balance at the end of the year	Balance (book value) as at 31 December 2025	Balance of provision for impairment as at 31 December 2025
Investee	2024	2024	2024	2024	2024	2024	2025	2025	2025

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025
(Amounts in thousands of RMB)

16 Non-current assets (CNY)

16.3 Long-term equity investments (CNY)

16.3.2 Investment in equity instruments

CNY, 2025

Investee	31 December 2024	31 December 2025	Amount in thousands of RMB	Balance (Book value) as at 31 December 2025	Balance of provision for impairment as at 31 December 2025

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025
(Amounts in RMB thousands)

16 Notes to the Financial Statements (Continued)

16.4 Operating revenue and cost of sales (Continued)

16.4.3 Details of contracts with customers

Item	Time to fulfill the performance obligation	Important payment terms	Nature of goods promised to be transferred by the Company	Whether to be the principal responsible person	Amounts expected to be returned to customers that the Company has assumed	Type of quality assurance provided by the Company and related obligations
Domestic sales of medical equipment	Within 12 months	Payment upon delivery	Medical equipment	Yes	None	None
Domestic sales of medical consumables	Within 12 months	Payment upon delivery	Medical consumables	Yes	None	None
Domestic sales of medical services	Within 12 months	Payment upon delivery	Medical services	Yes	None	None

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)
23 March 2026

AGM	AGM (Annual General Meeting) is a meeting of the members of a company, usually held once a year, to discuss the company's performance and to elect the directors.
A	A (Asset) is a resource with economic value that an individual, corporation, or country owns or controls and from which it is expected to derive future benefits.
A, C	A, C (Asset, Capital) are both resources with economic value that an individual, corporation, or country owns or controls and from which it is expected to derive future benefits.
B, Y, H	B, Y, H (Benefit, Yield, Health) are all factors that can contribute to the overall well-being of an individual or a community.
B, D	B, D (Benefit, Debt) are both financial concepts that can impact the financial health of an individual or a company.
C, K, H	C, K, H (Capital, Knowledge, Health) are all factors that can contribute to the overall well-being of an individual or a community.
CGC	CGC (China General Chamber of Commerce) is a non-profit organization that promotes trade and investment between China and other countries.
C, K, P, H	C, K, P, H (Capital, Knowledge, Power, Health) are all factors that can contribute to the overall well-being of an individual or a community.
C, Y, H	C, Y, H (Capital, Yield, Health) are all factors that can contribute to the overall well-being of an individual or a community.
C, K, H	C, K, H (Capital, Knowledge, Health) are all factors that can contribute to the overall well-being of an individual or a community.
C, W, K, H	C, W, K, H (Capital, Wealth, Knowledge, Health) are all factors that can contribute to the overall well-being of an individual or a community.
C, S	C, S (Capital, Savings) are both financial concepts that can impact the financial health of an individual or a company.

Definitions

D 公司 ()	本公司 () 之 C 公司
D 公司 S 公司 ()	本公司 S 公司 () 之 C 公司, 本公司 S 公司 () 之 C 公司 RMB1.00 公司, 本公司 S 公司 () 之 C 公司 RMB 公司 S 公司 () 之 C 公司
D 公司 L 公司 H 公司	D 公司 L 公司 H 公司 C 公司, L 公司, 本公司 S 公司 () 之 C 公司 J 月 5, 2018, 本公司 S 公司 () 之 C 公司
G 公司 H 公司	W 公司 Y 公司 G 公司 H 公司 C 公司, L 公司 (温州怡寧老年醫院有限公司), 本公司 S 公司 () 之 C 公司 PRC 公司, 本公司 S 公司 () 之 C 公司 N 月 2, 2015, 本公司 S 公司 () 之 C 公司 C 公司 S 公司 () 之 C 公司
G 公司	本公司 S 公司 () 之 C 公司
G 公司 Y 公司 H 公司	G 公司 Y 公司 H 公司 C 公司, L 公司 (冠縣怡寧醫院有限公司), 本公司 S 公司 () 之 C 公司 PRC 公司, 本公司 S 公司 () 之 C 公司 M 月 1, 2017, 本公司 S 公司 () 之 C 公司
HS 公司 ()	本公司 S 公司 () 之 C 公司 S 公司 () 之 C 公司 RMB1.00 公司, 本公司 S 公司 () 之 C 公司 M 月 B 公司
H 公司 Y 公司 H 公司	H 公司 Y 公司 P 公司 H 公司 C 公司, L 公司 (荷澤怡寧精神病醫院有限公司), 本公司 S 公司 () 之 C 公司 PRC 公司, 本公司 S 公司 () 之 C 公司 A 月 6, 2017, 本公司 S 公司 () 之 C 公司
HK\$ HKD	本公司 S 公司 () 之 C 公司 H 公司 K 公司

Definitions

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

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

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

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温州康 院