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2025
INTERIM REPORT

Contents

	Page
CORPORATE INFORMATION	2
FINANCIAL HIGHLIGHTS	4
MANAGEMENT DISCUSSION AND ANALYSIS	5
CORPORATE GOVERNANCE AND OTHER INFORMATION	33
CONSOLIDATED BALANCE SHEETS	44
PARENT COMPANY BALANCE SHEETS	49
CONSOLIDATED INCOME STATEMENT	53
PARENT COMPANY INCOME STATEMENT	56
CONSOLIDATED CASH FLOW STATEMENT	58
PARENT COMPANY CASH FLOW STATEMENT	61
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	63
PARENT COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	65
NOTES TO THE FINANCIAL STATEMENTS	67
DEFINITIONS	164

Corporate Information

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Financial Highlights

Principal Financial Data and Indicators

	For the six months ended June 30,	
	2025	2024
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Revenue	738,562	828,957
Profit before income tax	41,980	61,513
Income tax expenses	15,210	16,516
Net profit	26,769	44,996
Net profit attributable to shareholders of the Company	36,530	50,724
Profit or loss attributable to non-controlling interests	-9,761	-5,727

	As at	As at
	June 30, 2025	December 31, 2024
	(RMB'000)	(RMB'000)
	(Unaudited)	(Audited)
Total assets	3,046,387	3,004,953
Total liabilities	1,686,110	1,661,651
Total equity	1,360,277	1,343,302
Equity attributable to shareholders of the Company	1,237,324	1,223,013
Non-controlling interests	122,954	120,289

	(Unaudited)	(Unau

Management Discussion and Analysis

Business Review and Outlook

In the first half of 2025, the medical industry is in a period of interweaving between the deepening iteration of the policy system and the upgrading of service demand structure. On the one hand, the reform of medical insurance payment methods continues to advance in depth, the competitive situation in the regional medical market is increasingly intensified, and the industry ecology is accelerating restructuring and differentiation. On the other hand, with the changes in the national population structure and the improvement of health awareness, the social demand for mental health care and elderly medical services is also rising, showing significant characteristics of diversification, quality-

Management Discussion and Analysis

Psychiatric Healthcare Business

In April 2025, the state issued the Action Plan for "Year of Pediatric and Mental Health Services" (2025-2027) (《"兒科和精神衛生服務年"行動方案(2025-2027年)》), which clearly put forward key tasks for mental health and mental health services, requiring the strengthening of the construction of the mental health service system, the improvement of the level of primary mental health services, and the formulation of corresponding measures such as the training of psychiatric professionals, various forms of diagnosis and treatment, and the increase of mental health science popularization, further expanding the market space of the Group. In the first half of 2025, the Group had a total of 25 owned hospitals whose main business was psychiatric healthcare services. Despite certain pressure on revenue and profit, the overall business performance was stable. During the Reporting Period, the operation of the Group's owned psychiatric hospitals is as follows:

	For the six months ended June 30,		
	2025	2024	Percentage of Increase (Decrease)
Inpatient			
Number of beds	8,918	8,918	–
Bed utilization rate	88.1%	86.3%	1.8%
Number of inpatient bed-days	1,422,112	1,400,730	1.5%
Average daily total expenditure per inpatient bed *(RMB)*	304	325	-6.5%
Inpatient service revenue *(RMB'000)*	431,788	455,421	-5.2%
Outpatient			
Number of outpatient visits	308,444	198,749	55.2%
Average total expenditure per outpatient visit *(RMB)*	272	438	-37.9%
Outpatient service revenue *(RMB'000)*	84,013	86,992	-3.4%
Revenue from psychiatric healthcare service business *(RMB'000)*	515,801	542,413	-4.9%

Management Discussion and Analysis

Elderly Healthcare Business

With the accelerating aging of China's population, the demand of the elderly for medical services such as chronic disease management, post-operative care and rehabilitation treatment has increased significantly. Coupled with the systematic improvement of national health awareness in the post-pandemic era, the total amount of rigid demand continu34 crehabilgehe totrefss

Management Discussion and Analysis

Financial Review

The Group recorded a revenue from operation of RMB738.6 million during the Reporting Period (for the six months ended June 30, 2024: RMB829.0 million), representing a decrease of 10.9% compared with the same period of 2024.

Management Discussion and Analysis

The table below sets forth a breakdown of the Billing Revenue, cost of revenue and gross profit of the Group's owned hospitals by psychiatric healthcare business and elderly healthcare business for the periods indicated:

	For the six months ended June 30,	
	2025	2024
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Billing Revenue from psychiatric healthcare business	515,802	542,413
Cost of revenue	351,923	362,789
Gross profit	163,879	179,624
Billing Revenue from elderly healthcare business	206,638	242,479
Cost of revenue	171,970	192,429
Gross profit	34,668	50,050

During the Reporting Period, the Group's Billing Revenue from its owned hospitals amounted to RMB722.4 million, representing a decrease of RMB62.5 million compared with the same period of 2024, mainly due to the decrease in Billing Revenue from Wenzhou Kangning Hospital, Geriatric Hospital, Yongjia Kangning Hospital, Pingyang Changgeng Yining Hospital and Beijing Yining Hospital. During the Reporting Period, the gross profit of the Group's owned hospitals on a Billing Revenue basis decreased by 13.6% compared with the same period of 2024, mainly due to the decrease in average inpatient spending per day per bed.

Management Discussion and Analysis

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

Psychiatric healthcare business

	For the six months ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
Inpatients		
Inpatient bed as at period end	8,918	8,918
Effective inpatient service bed-day capacity	1,614,158	1,623,076
Utilization rate *(%)*	88.1	86.3
Number of inpatient bed-days	1,422,112	1,400,730
Treatment and general healthcare services revenue attributable to inpatients *(RMB'000)*	387,395	411,795
Average inpatient spending per bed-day on treatment and general healthcare services *(RMB)*	272	294
Pharmaceutical sales revenue attributable to inpatients *(RMB'000)*	44,393	43,626
Average inpatient spending per bed-day on pharmaceutical sales *(RMB)*	31	31
Total inpatient revenue *(RMB'000)*	431,788	455,421
Total average inpatient spending per bed-day *(RMB)*	304	325
Outpatients		
Number of outpatient visits	308,444	198,749
Treatment and general healthcare services revenue attributable to outpatients *(RMB'000)*	21,140	22,953
Average outpatient spending per visit on treatment and general healthcare services *(RMB)*	69	115
Pharmaceutical sales revenue attributable to outpatients *(RMB'000)*	62,873	64,039
Average outpatient spending per visit on pharmaceutical sales *(RMB)*	204	322
Total outpatient revenue *(RMB'000)*	84,013	86,992
Total average outpatient spending per visit *(RMB)*	272	438

Total treatment and general healthcare services revenue

Management Discussion and Analysis

Management Discussion and Analysis

Elderly healthcare business

	For the six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Inpatients		
Inpatient bed as at period end	2,900	2,730
Effective inpatient service bed-day capacity	499,230	496,860
Utilization rate *(%)*	85.3	90.9
Number of inpatient bed-days	425,751	451,667
Treatment and general healthcare services revenue attributable to inpatients *(RMB'000)*	151,629	174,351
Average inpatient spending per visit on treatment and general healthcare services		

Management Discussion and Analysis

The cost of revenue of the Group's owned hospitals mainly includes pharmaceuticals and consumables used, employee benefits and expenses, depreciation of right-of-use assets, depreciation and amortization, canteen expenses and testing fees. The table below sets forth a breakdown of cost of revenue of the Group's owned hospitals for the periods indicated:

	For the six months ended June 30,	
	2025	2024
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Pharmaceuticals and consumables used	149,554	177,398
Employee benefits and expenses	233,447	228,188
Depreciation and amortization of long-term assets	57,175	66,865
Canteen expenses	33,470	33,351
Testing fees	5,413	8,450
Others	44,834	40,966
Cost of revenue of owned hospitals	523,893	555,218

During the Reporting Period, the cost of revenue of the Group's owned hospitals decreased to RMB523.9 million, representing a decrease of 5.6% compared with the same period of 2024. This was mainly due to: (i) a 15.7% decrease in the cost of pharmaceuticals and consumables compared with the same period of 2024; (ii) a 2.3% increase in employee benefits and expenses due to the increase in operating beds of owned hospitals; and (iii) a 14.5% decrease in depreciation and amortization of long-term assets compared with the same period of 2024.

In terms of cost structure, the proportion of pharmaceuticals and consumables used to the cost of revenue of owned hospitals decreased to 28.6% (for the six months ended June 30, 2024: 32.0%), the proportion of employee benefits and expenses to the cost of revenue of owned hospitals increased to 44.6% (for the six months ended June 30, 2024: 41.1%), and the proportion of depreciation and amortization of long-term assets to the cost of revenue of owned hospitals was 10.9% (for the six months ended June 30, 2024: 12.0%).

Management Discussion and Analysis

Revenue from other healthcare related business

The Group's revenue from other healthcare-related business mainly includes revenue from sales of medical devices, revenue from pharmaceutical sales outside hospitals, revenue from social psychological services and revenue from medical information technology business, etc. During the Reporting Period, the Group's revenue from other healthcare-related business amounted to RMB46.8 million, of which revenue from sales of pharmaceuticals and medical devices outside hospitals was RMB28.3 million (for the six months ended June 30, 2024: RMB41.7 million).

Other revenue not related to healthcare business

The Group's other revenue not related to healthcare business mainly includes revenue from property leasing. During the Reporting Period, revenue from property leasing amounted to RMB0.9 million (for the six months ended June 30, 2024: RMB0.3 million).

Gross Profit and Gross Profit Margin

During the Reporting Period, the total gross profit of the Group on an operating revenue basis amounted to RMB189.2 million, representing a decrease of 16.3% compared with the same period of 2024; the gross profit of the owned hospital business on an operating revenue basis amounted to RMB167.0 million, representing a decrease of 20.6% compared with the same period of 2024. The table below sets forth a breakdown of the gross profit margin of different businesses for the periods indicated:

	For the six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Owned hospitals businesses	24.2%	27.5%
Psychiatric healthcare business	28.4%	31.2%
Elderly healthcare business	16.4%	19.2%
Other businesses	46.6%	24.9%
Consolidated gross profit margin	25.6%	27.3%

During the Reporting Period, the consolidated gross profit margin of the Group decreased to 25.6% (for the six months ended June 30, 2024: 27.3%), among which the gross profit margin of the owned hospital business decreased by 3.3 percentage points compared with the same period of 2024.

Management Discussion and Analysis

Tax and Surcharge

During the Reporting Period, the taxes and surcharges of the Group amounted to RMB5.1 million (for the six months ended June 30, 2024: RMB6.3 million).

Selling Expenses

During the Reporting Period, the selling expenses of the Group amounted to RMB3.7 million (for the six months ended June 30, 2024: RMB9.2 million). Selling expenses accounted for 0.5% of the Group's revenue from operating owned hospitals (for the six months ended June 30, 2024: 1.2%).

Administrative Expenses

During the Reporting Period, the administrative expenses of the Group mainly include employee benefits and expenses, depreciation and amortization, professional service fees, travel expenses and other expenses. The table below sets forth a breakdown of administrative expenses of the Group for the periods indicated:

	For the six months ended June 30,	
	2025	2024
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Employee benefits and expenses	71,695	64,383
Depreciation and amortization	15,388	13,955
Consultancy expenses		

Management Discussion and Analysis

Research and Development Expenses

During the Reporting Period, the research and development expenses of the Group mainly include clinical research, information technology software development and internet hospital platform construction. The table below sets forth a breakdown of research and development expenses of the Group for the periods indicated:

	For the six months ended June 30,	
	2025	2024
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Clinical research	11,923	12,779
Development of informatization software	2,933	4,035
Construction of Internet hospital platform	807	748
Others	–	26
Total	15,663	17,588

During the Reporting Period, the Group's research and development expenses amounted to RMB15.7 million (for the six months ended June 30, 2024: RMB17.6 million), representing a decrease of 10.9% compared with the same period of 2024. Research and development expenses accounted for 2.3% of the Group's revenue from operating owned hospitals (for the six months ended June 30, 2024: 2.3%).

Management Discussion and Analysis

Finance Expenses – Net

Our finance income includes interest income from bank deposits, while finance expenses include borrowing interest expenses, lease liability interest expenses and interest expenses on finance leases. The table below sets forth a breakdown of our financial income and expenses for the periods indicated:

	For the six months ended June 30,	
	2025	2024
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Interest income	-587	-2,686
Foreign exchange losses	2	99
Bank borrowing interest expense	13,723	18,078
Interest expenses on lease liabilities	4,654	5,245
Interest expenses on finance leases	3,682	2,968
Others	533	761
Finance expenses – net	22,007	24,465

During the Reporting Period, the net finance expenses of the Group amounted to RMB22.0 million, representing a decrease of RMB2.5 million compared with the same period of 2024, of which borrowing interest expenses decreased by RMB4.4 million compared with the same period of 2024, mainly due to the reduction in the interest rate on the Group's bank borrowings.

Management Discussion and Analysis

Investment Gains

Our investment income includes share of losses/gains of investments accounted for using the equity method and gains arising from disposal of long-term equity investments and gains from investment in wealth management products. The table below sets forth a breakdown of our investment income for the periods indicated:

	For the six months ended June 30,	
	2025	2024
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Share of investment losses/gains accounted for under the equity method	-1,206	479
Gains on disposal of long-term equity investments	5,033	1,201
Gains from investment in wealth management products2025		

Management Discussion and Analysis

Non-Operating Income and Non-Operating Expenses

Our non-operating income mainly includes government grants and donation income, while non-operating expenses

Management Discussion and Analysis

Financial Position

Inventory

As of June 30, 2025, inventory balance amounted to RMB49.6 million (as of December 31, 2024: RMB50.6 million), mainly including inventory of pharmaceuticals and turnover materials.

Accounts Receivable

As of June 30, 2025, the balance of accounts receivable amounted to RMB419.9 million (as of December 31, 2024: RMB571.8 million), representing a decrease of 26.6% compared with the balance as of December 31, 2024, mainly due

Management Discussion and Analysis

Liquidity and Capital Resources

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

	For the six months ended June 30,	
	2025	2024
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	198,522	116,536
Net cash used in investing activities	-126,962	-112,711
Net cash generated from financing activities	6,317	-41,660
Net increase/decrease in cash and cash equivalents	77,874	-37,934

Net Cash Generated from Operating Activities

During the Reporting Period, net cash generated from operating activities amounted to RMB198.5 million, mainly including net profit attributable to the parent company of RMB36.5 million, adjustments of RMB-7.6 million for credit impairment losses and asset impairment losses, and adjustments of RMB74.7 million for depreciation and amortization of various assets. Cash inflow from changes in working capital amounted to RMB88.3 million, mainly due to the decrease in the balance amount of accounts receivable.

Net Cash Used in Investing Activities

During the Reporting Period, net cash used in investing activities amounted to RMB127.0 million, mainly due to the purchase of property, plant and equipment of RMB97.5 million, including infrastructure investments in Longquan Kangning Hospital, Lucheng Yining Hospital and Linhai Cining Hospital.

Net Cash Generated from Financing Activities

During the Reporting Period, net cash inflow generated from financing activities amounted to RMB6.3 million.

Signi□cant Investment, Acquisition and Disposal

The Group had no significant investments, acquisitions or disposals during the six months ended June 30, 2025.

As of the date of this report, the Group did not receive any specific plan with authorization from the Board on significant investment in or acquisition of capital assets.

Management Discussion and Analysis

Indebtedness

Bank Borrowings

As of June 30, 2025, the balance of bank borrowings of the Group amounted to RMB1,005.9 million (as of December 31, 2024: RMB946.2 million), mainly due to the repayment of borrowings of RMB179.1 million and an e44rease e4 borrowings of RMB238.8 million during the Reporting Period.

Contingent Liabilities

As of June 30, 2025, the Group had no contingent liabilities or guarantees that would have a material impact on the Group's financial position or operations.

Asset Pledge

The Group's Wenzhou Kangning Hospital pledged real estate with property right certificates numbered Wenfangquan Lucheng District No.826751, Wenfangquan Lucheng District No.826750, Zhejiang (2016) Wenzhou Real Estate Right No.0010144, Zhejiang (2016) Wenzhou Real Estate Right No.0010142, Zhejiang (2021) Wenzhou Real Estate Right No.0081628, Wenguoyong (2015) No.1-11836 and Wenguoyong (2015) No.1-11833 to China Minsheng Bank Wenzhou Longwan Sub-branch, and Zhejiang (2017) Cangnan County Real Estate Right No.0018361 to Industrial and Commercial Bank of China Ouhai Sub-branch to obtain bank loans. As of June 30, 2025, the balance of such pledged loans was RMB413.9 million; Lucheng Yining Hospital pledged real estate with property right certificate numbered Zhejiang (2020) Wenzhou Real Estate Right No.0068897 to Bank of Communications Wenzhou Commercial City Sub-branch. As of June 30, 2025, the balance of such pledged loan was RMB116.0 million; Jinyun Shuning Hospital pledged real estate with property right certificate numbered Zhejiang (2022) Jinyun Real Estate Certificate No.0002503, and buildings and other fixtures with construction permit No.331122202000043 to Zhejiang Jinyun Rural Commercial Bank Wuyun Sub-branch. As of June 30, 2025, the balance of such pledged loan was RMB35.0 million; Quzhou Yining Hospital pledged real estate with property right certificate numbered Zhejiang (2022) Quzhou Real Estate Right No.0045588 to China CITIC Bank Wenzhou Branch. As of June 30, 2025, the balance of such pledged loan was RMB58.0 million and Longquan Kangning Hospital pledged real estate with property right certificate numbered Zhejiang (2023) Longquan Real Estate Right No. 0004112 to China CITIC Bank Wenzhou Branch. As of June 30, 2025, the balance of such pledged loan was RMB39.7 million.

Management Discussion and Analysis

Lease Liabilities

The Group's lease liabilities mainly include operating lease arrangements. As of June 30, 2025, after deducting the amount of RMB33.4 million due within one year, the present value of outstanding lease payments under non-cancellable lease agreements was RMB184.9 million.

Financial Instruments

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

Exposure to Fluctuation in Exchange Rates

The Group deposits certain of its financial assets in foreign currencies, which mainly involve risks of fluctuation in the exchange rate of HKD against RMB. The Group is therefore exposed to foreign exchange risks.

During the six months ended June 30, 2025, the Group did not use any derivative financial instruments to hedge against its exposure to exchange rate risk. The management of the Company manages the exchange rate risk by closely

Management Discussion and Analysis

Equity Incentive Scheme

In order to fully mobilize the enthusiasm of senior management and core technical personnel of the Group, the Company has formulated the Equity Incentive Scheme for the Year 2018 of Wenzhou Kangning Hospital Co., Ltd. (the "Equity Incentive Scheme"), which was considered and approved at the annual general meeting of the Company for the year 2017 convened on June 13, 2018. In order to meet the requirement of ascertained share capital for the Company's A Share listing application in the future, the Board of the Company considered and approved the resolutions regarding, among others, further amendments to the Equity Incentive Scheme to cancel the performance assessment requirements and the Company's obligation to repurchase the locked incentive shares under the Equity Incentive Scheme, at the Board meeting held on June 24, 2021. Unless otherwise specified, capitalized terms used hereinafter shall have the same meanings as those defined in the announcement of the Company dated May 29, 2018, the supplementary circular dated May 30, 2018, the circular dated May 14, 2021, the announcement dated June 18, 2021 and the announcement dated June 25, 2021.

Under the Equity Incentive Scheme, participants of the first actual grant comprised a total of 165 persons, with 1,818,529 incentive shares being granted. Participants of the second phase of the actual grant comprised a total of 23 persons, with 180,516 incentive shares being granted. Participants (including connected persons) of the third phase of the actual grant comprised a total of 13 persons, with 540,229 incentive shares being granted. As of June 30, 2025, a total of 8 participants exited, corresponding to a total of 79,274 incentive shares. As of June 30, 2025, participants of the actual grant under the Equity Incentive Scheme comprised 193 persons, and all 2,460,000 incentive shares proposed to be granted had been granted. The incentive shares granted accounted for 3.3997% of the total issued share capital of the Company as of June 30, 2025, and were unlocked at one time after 48 months from the date of grant at the grant price of RMB10.47 per share.

As all 2,460,000 incentive shares proposed to be granted under the Equity Incentive Scheme had been granted before June 18, 2021, the number of awards to be granted separately at the beginning and the end of the Reporting Period with the authorization under the Equity Incentive Scheme was nil. Therefore, there were no shares available for issuance under the Equity Incentive Scheme as at June 30, 2025.

Management Discussion and Analysis

For the six months ended June 30, 2025, the changes in the Incentive Shares granted under the Equity Incentive Scheme were as follows:

Name/Category of Grantee	Date of Grant	Vesting Date (Unlocking Date)	Grant Price (RMB/ Share)	Balance of Incentive Shares Granted but not Vested as at January 1, 2025	Balance of Incentive Shares Granted and Vested as at January 1, 2025	Granted during the Reporting Period	Vested (Unlocked) during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Balance of Incentive Shares Granted but not Vested as at June 30, 2025
Director										
Ms. WANG Lianyue	June 18, 2021	June 28, 2022	10.47	–	248,328	–	–	–	–	–
Supervisor										
Mr. XIE Tiefan	June 18, 2021	June 28, 2022	10.47	–	4,776	–	–	–	–	–
Others										
Mr. XU Yi (Spouse of Ms. WANG Hongyue)	June 18, 2021	June 28, 2022	10.47	–	28,653	–	–	–	–	–
Ms. WANG Hongyue (Younger Sister of Ms. WANG Lianyue)	June 18, 2021	June 28, 2022	10.47	–	95,511	–	–	–	–	–
Ms. WANG Biyu (Resigned) (Niece of Ms. WANG Lianyue and Ms. WANG Hongyue)	June 18, 2021	June 28, 2022	10.47	–	4,776	–	–	–	–	–
Ms. XU Qunyan (Resigned) (Younger Sister of Mr. XU Yi)	June 18, 2021	June 28, 2022	10.47	–	4,776	–	–	–	–	–
Mr. GUAN Weilu (Younger Brother of Mr. GUAN Weili)	June 18, 2021	June 28, 2022	10.47	–	19,102	–	–	–	–	–
Mr. SUN Fangjun (Resigned)	June 18, 2021	June 28, 2022	10.47	–	14,327	–	–	–	–	–
Mr. SUN Hongbo (Nephew of Ms. WANG Lianyue and Ms. WANG Hongyue)	June 18, 2021	June 28, 2022	10.47	–	30,563	–	–	–	–	–

Management Discussion and Analysis

H Share Award and Trust Scheme

To attract, motivate and retain extensively skilled and experienced "core backbone members of the technicians and management" to continuously strive for the continuing operation and development of the Company in the future, in accordance with the requirements of the Company Law of the People's Republic of China and other relevant laws, administrative regulations, regulatory documents and the Articles of Association, the Company has formulated the H Share Award and Trust Scheme, which was considered and approved by the 2023 first extraordinary general meeting of the Company convened on September 27, 2023. Unless the context otherwise requires, capitalized terms used hereinafter shall have the same meanings as those defined in the circular of the Company dated September 8, 2023 and the announcements of the Company dated September 27, 2023, April 12, 2024, April 23, 2024 and June 18, 2024.

Pursuant to the H Share Award and Trust Scheme, a trust deed will be entered into between the Company and the trustee. The trust will be constituted to serve the H Share Award and Trust Scheme whereby the trustee shall assist with the administration of the H Share Award and Trust Scheme and shall, subject to the relevant provisions of the trust deed and upon the instruction of the Company, acquire H Shares through on-market transactions and such Shares shall be acquired by the trust through the funds transferred by the Company and shall be retained and disposed of by the trustee at the Company's instructions. Such H Shares under the H Share Award and Trust Scheme shall not account for more than 5% (being 3,730,015 shares) of the total share capital of the Company following the date on which the mandate of the H Share Award and Trust Scheme is granted or at the date on which the approval of updating the limit is obtained. The awards granted to the selected participants shall be held by the trustee for the benefit of the selected participants, and the trustee shall, for the purposes of vesting of the awards and upon the instruction of the Board and/or its delegates, release from the trust the award shares to the selected participants or sell the award shares so vested through on-market transactions at the prevailing market price and pay the selected participants the proceeds from such sale in accordance with rules of the H Share Award and Trust Scheme and relevant provisions under the trust deed.

Under the H Share Award and Trust Scheme, the selected participants (including connected persons) of the first actual grant comprised a total of 36 persons, with 364,100 award shares being granted. The selected participants (including connected persons) of the second phase of the actual grant comprised a total of 36 persons, with 616,000 incentive shares being granted. The selected participants (including connected persons) of the third phase of the actual grant comprised a total of 52 persons, with 335,000 award shares being granted. As of June 30, 2025, a total of 7 participants exited, corresponding to a total of 75,000 award shares. As of June 30, 2025, the selected participants of the actual grant under the H Share Award and Trust Scheme comprised 101 persons, and a total of 1,240,100 award shares had been granted. The award shares granted accounted for 1.71% of the total issued share capital of the Company as of June 30, 2025. For details of the grant plan, please refer to the circular of the Company dated September 8, 2023 and the announcements of the Company dated September 27, 2023, April 12, 2024, April 23, 2024 and June 18, 2024.

As at the beginning of the Reporting Period, 2,489,900 award shares were available for grant under the H Share Award and Trust Scheme, and as at the end of the Reporting Period, 2,489,900 award shares were available for grant under the H Share Award and Trust Scheme.

Management Discussion and Analysis

Note 1: The vesting time and percentage under the H Share Award and Trust Scheme are set out in the table below:

Vesting Period	Vesting Time	Vesting Percentage
First vesting period	From the first trading day after the date of grant until the last trading day within 12 months following the date of grant	25%
Second vesting period	From the first trading day after the expiry of 12 months following the date of grant until the last trading day within 24 months following the date of grant	25%
Third vesting period	From the first trading day after the expiry of 24 months following the date of grant until the last trading day within 36 months following the date of grant	25%
Fourth vesting period	From the first trading day after the expiry of 36 months following the date of grant until the last trading day within 48 months following the date of grant	25%

Corporate Governance and Other Information

Audit Committee and Review of the Interim Report and the Interim Results

The Company established the Audit Committee in compliance with Rule 3.21 and Rule 3.22 of the Hong Kong Listing Rules and with written terms of reference in compliance with the CG Code and the roles and the responsibilities delegated to the Audit Committee by the Board. As of June 30, 2025, the Audit Committee consists of two independent non-executive Directors, Ms. ZHONG Wentang (the chairman of the Audit Committee) and Ms. JIN Ling, and one non-executive Director, Mr. LI Changhao. The Audit Committee has reviewed this interim report and the Group's unaudited financial information for the six months ended June 30, 2025 and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

Interim Dividend

The Board recommends the payment of the Proposed Interim Dividend. Based on the total share capital before the record date determined by the implementation of the 2025 interim profit distribution plan (excluding the number of Shares repurchased but not cancelled by the Company), a cash dividend of RMB1.80 (tax inclusive) per 10 shares will be distributed to all shareholders of the Company. As at the disclosure date of the "INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025" of the Company, the total share capital of the Company is 72,358,900 Shares. Assuming that there is no change in the total share capital of the Company from the date of this interim report to the record date, the total proposed cash dividend is expected to be RMB13,024,602 (inclusive of tax), representing 35.7% of the net profit attributable to shareholders of the parent company as set out in the consolidated statement of accounts for the Reporting Period. The Proposed Interim Dividend will be denominated and declared in RMB. The holders of Domestic Shares will be paid in RMB and the holders of H Shares will be paid in Hong Kong dollars. The exchange rate for the Proposed Interim Dividend to be paid in Hong Kong dollars will be the mean of the exchange rates of Hong Kong dollars to RMB as announced by the People's Bank of China during the five business days prior to the date of declaration of the Proposed Interim Dividend (i.e. the date of convening the EGM of the Company). The proposal for payment of 2025 interim dividend is subject to the consideration and approval at the EGM of the Company.

For the purpose of ascertaining Shareholders who qualify for the Proposed Interim Dividend, the register of members for H Shares will be closed from October 21, 2025 to October 26, 2025 (both days inclusive). Subject to the approval of the Proposed Interim Dividend by shareholders at the upcoming extraordinary general meeting, the Proposed Interim Dividend is expected to be paid on or about November 21, 2025 to the Shareholders whose names appear on the register of members on the Record Date (October 26, 2025). In order to qualify for the Proposed Interim Dividend, the H Shareholders shall lodge their share certificates accompanied by the transfer documents with Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on October 20, 2025 for registration.

Corporate Governance and Other Information

Purchase, Sale or Redemption of Listed Securities

During the Report Period, the Share Repurchases could have increased net asset value per Share and/or earnings per Share, which was in the interests of the Company and the Shareholders as a whole, the Company repurchased a total of 311,100 Shares for an aggregate consideration of HKD3,514,896.5 (before deduction of expenses) on the Hong Kong Stock Exchange (the "**Repurchased Shares**"). The Company cancelled such Repurchased Shares on June 6, 2025. Details of the Repurchased Shares are as follows:

Repurchase date	Number of Repurchased Shares	Price paid per Share		Total consideration (before deduction of expenses)
		Highest *(HKD)*	Lowest *(HKD)*	*(HKD)*
March 31, 2025	3,000	9.03	9.03	27,090
April 3, 2025	183,500	11.50	11.20	2,067,678
April 7, 2025	124,600	11.50	10.22	1,420,128.5
Total	311,100			3,514,896.5

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares) during the Reporting Period.

As of June 30, 2025, the Group did not hold any treasury shares.

Corporate Governance and Other Information

Change in Directors, Supervisors and Senior Management

On May 22, 2025, Ms. ZHANG Yue resigned from the position of supervisor of the Company due to personal matters and other work commitments.

At the 2024 Annual General Meeting of Shareholders convened on June 30, 2025, Mr. FANG Wei was appointed as a supervisor of the 4th Session of the Board of Supervisors of the Company, with his term of office commencing from June 30, 2025 until the date on which the term of office of the 4th Session of the Board of Supervisors expires.

Save as disclosed above, there have been no changes in the Directors, Supervisors and senior management of the Company during the Reporting Period and up to the date of this interim report.

Events after the Reporting Period

There have been no major subsequent events occurred to the Group from the end of the Reporting Period to the date of this interim report.

Change in Directors', Supervisors' and Chief Executives' Biographical Details

Set out below are the changes in the Directors', the Supervisors' and the chief executives' biographical details between the period of January 1, 2025 to June 30, 2025 and up to the date of this interim report, which are required to becaK 0 595.27

Corporate Governance and Other Information

Save as disclosed above, as of June 30, 2025, to the knowledge of the Board, none of the Directors, the Supervisors or the chief executives of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (i) notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors, the Supervisors and the chief executives of the Company were taken or deemed to have under such provisions of the SFO); (ii) recorded in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Interests of Substantial Shareholders

As of June 30, 2025, according to the register kept by the Company pursuant to Section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following person/entity (other than the Directors, the Supervisors or the chief executives of the Company) had an interest or short position which would fall to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or be directly and indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote on all circumstances at general meetings of the Company:

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 Shares Capital[1]
Central Enterprises Rural Industry 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 Jinxi Enterprise Management Center (Limited Partnership) (上海金淅企業管理中心(有限合夥))[2]	Domestic Shares	Interest in a controlled corporation	4,540,000(L)	8.61%	6.27%
FAN Yin[2]	Domestic Shares	Interest in a controlled corporation	4,540,000(L)	8.61%	6.27%
SUN Jian[2]	Domestic Shares	Interest in a controlled corporation	4,540,000(L)	8.61%	6.27%

Corporate Governance and Other Information

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 Shares Capital[1]
Shanghai Jinpu Jianfu Equity Investment Management Co., Ltd. (上海金浦健服股權投資管理有限公司)[2]	Domestic Shares	Interest in a controlled corporation	4,540,000(L)	8.61%	6.27%
Wenzhou Jinning Equity Investment Partnership (Limited Partnership) (溫州金寧股權投資合夥企業(有限合夥))	Domestic Shares	Beneficial owner	4,540,000(L)	8.61%	6.27%
XU Yi[6]	Domestic Shares H Shares	Interest of spouse Interest of spouse	27,330,100(L) 458,300(L)	51.80% 2.34%	37.77% 0.63%
Shanghai Tanying Investment L.P. (上海檀英投資合夥企業(有限合夥))	Domestic Shares	Beneficial owner	4,519,003(L)	8.57%	6.25%
Shanghai Lejin Investment L.P. (上海樂進投資合夥企業(有限合夥))[3]	Domestic Shares	Interest in a controlled corporation	4,519,003(L)	8.57%	6.25%
LIN Lijun	Domestic Shares	Interest in a controlled corporation	5,846,364(L)	11.08%	8.08%
Shanghai Loyal Valley Investment Management Co., Limited (上海正心谷投資管理有限公司) (formerly know as Shanghai Shengge Investment Management Co., Ltd. (上海盛歌投資管理有限公司))[4]	Domestic Shares	Interest in a controlled corporation	5,846,364(L)	11.08%	8.08%
Wind Information Co., Ltd. (萬得信息技術股份有限公司)	Domestic Shares	Interest in a controlled corporation	3,333,000(L)	6.32%	4.61%
Shanghai Hehuayuan Enterprise Management Center (Limited Partnership) (上海荷花緣企業管理中心(有限合夥))	Domestic Shares	Interest in a controlled corporation	3,333,000(L)	6.32%	4.61%

Corporate Governance and Other Information

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 Shares Capital[1]
Wind Impact Equity Investment (Jiaxing) Partnership (Limited Partnership) ("Wind Investment") (萬得影響力股權投資(嘉興)合夥企業(有限合夥)) ("萬得投資")	Domestic Shares	Beneficial owner	3,333,000(L)	6.32%	4.61%
CITIC Securities Investment Limited (中信証券投資有限公司)	Domestic Shares	Beneficial owner	2,780,000(L)	5.27%	3.84%
CITIC Securities Company Limited (中信証券股份有限公司)[5]	Domestic Shares	Interest in a controlled corporation	2,780,000(L)	5.27%	3.84%
OrbiMed Advisors LLC	H Shares	Investment manager	1,454,000(L)	7.42%	2.01%
OrbiMed Capital LLC	H Shares	Investment manager	2,150,900(L)	10.97%	2.97%
OrbiMed Partners Master Fund Limited	H Shares	Beneficial owner	1,279,900(L)	6.53%	1.77%
OrbiMed Partners II, L.P.	H Shares	Beneficial owner	1,052,000(L)	5.37%	1.45%
UBS Group AG	H Shares	Interest in a controlled corporation	1,029,400(L)	5.25%	1.42%
ZOU Haili	H Shares	Beneficial owner	1,680,000(L)	8.57%	2.32%
WANG Hongyue[6]	Domestic Shares	Beneficial owner	5,785,350(L)	10.97%	8.00%
		Interest held jointly with another person	21,544,750(L)	40.84%	29.77%
	H Shares	Beneficial owner	309,000(L)	1.58%	0.43%
		Interest held jointly with another person	149,300(L)	0.76%	0.21%
Kangning Success Holding Limited	H Shares	Interest in a controlled corporation	3,347,975(L)	17.08%	4.63%
Trident Trust Company (HK) Limited	H Shares	Trustee	3,347,975(L)	17.08%	4.63%

Corporate Governance and Other Information

Notes:

(L): Long position

(1) The shareholding percentages are calculated on the basis of 52,760,000 Domestic Shares and 19,598,900 H Shares (an aggregate of 72,358,900 Shares) issued by the Company as of June 30, 2025.

(2) FAN Yin holds 50% equity interest in Shanghai Jinxi Enterprise Management Center (Limited Partnership) (上海金淅企業管理中心(有限合夥)) and Shanghai Jinxi Enterprise Management Center (Limited Partnership) (上海金淅企業管理中心(有限合夥)) is a general partner of Wenzhou Jinning Equity Investment Partnership (Limited Partnership) (溫州金寧股權投資合夥企業(有限合夥)). SUN Jian holds 33.94% equity interest in Wenzhou Jinning Equity Investment Partnership (Limited Partnership) (溫州金寧股權投資合夥企業(有限合夥)). Shanghai Jinpu Jianfu Equity Investment Management Co., Ltd. (上海金浦健服股權投資管理有限公司) is a general partner of Wenzhou Jinning Equity Investment Partnership (Limited Partnership). Therefore, by virtue of Part XV of the SFO, FAN Yin, Shanghai Jinxi Enterprise Management Center (Limited Partnership) (上海金淅企業管理中心(有限合夥)), SUN Jian and Shanghai Jinpu Jianfu Equity Investment Management Co., Ltd. (上海金浦健服股權投資管理有限公司) were deemed to be interested in all the Domestic Shares held by Wenzhou Jinning Equity Investment Partnership (Limited Partnership) (溫州金寧股權投資合夥企業(有限合夥)) in the Company.

(3) Shanghai Lejin Investment L.P. (上海樂進投資合夥企業(有限合夥)) holds 99.99% equity interest in Shanghai Tanying Investment L.P. (上海檀英投資合夥企業(有限合夥)). Therefore, by virtue of Part XV of the SFO, Shanghai Lejin Investment L.P. (上海樂進投資合夥企業(有限合夥)) is deemed to be interested in all the Domestic Shares held by Shanghai Tanying Investment L.P. (上海檀英投資合夥企業(有限合夥)) in the Company.

(4) Shanghai Loyal Valley Investment Management Co., Limited (上海正心谷投資管理有限公司) (formerly know as Shanghai Shengge Investment Management Co., Ltd. (上海盛歌投資管理有限公司)) is a general partner of Shanghai Qiangang Investment Management Partnership (L.P.) (上海乾剛投資管理合夥企業(有限合夥)) and Shanghai Tanying Investment L.P. (上海檀英投資合夥企業(有限合夥)). Therefore, by virtue of Part XV of the SFO, Shanghai Loyal Valley Investment Management Co., Limited is deemed to be interested in all the Domestic Shares held by Shanghai Qiangang Investment Management Partnership (L.P.) (上海乾剛投資管理合夥企業(有限合夥)) (which directly holds 1,987,356 Domestic Shares of the Company) and Shanghai Tanying Investment L.P. (上海檀英投資合夥企業(有限合夥)) in the Company.

(5) CITIC Securities Investment Limited (中信証券投資有限公司) is wholly held by CITIC Securities Company Limited. Therefore, by virtue of Part XV of the SFO, CITIC Securities Company Limited is deemed to be interested in all the Domestic Shares held by CITIC Securities Investment Limited (中信証券投資有限公司) in the Company.

(6) Mr. Guan Weili, Ms. Wang Lianyue and Ms. Wang Hongyue (sister of Ms. Wang Lianyue) are deemed to be acting in concert, and thus are deemed to collectively have an interest in 27,330,100 domestic shares and 458,300 H shares of the Company. Mr. XU Yi is the spouse of Ms. WANG Hongyue and, therefore, pursuant to Part XV of the Securities and Futures Ordinance, Mr. XU Yi is deemed to be interested in the share of the Company held by Ms. WANG Hongyue.

Corporate Governance and Other Information

Save as disclosed above, as at June 30, 2025, to the knowledge of the Directors, no other person (other than a Director, a Supervisor or chief executive of the Company) had, or was deemed or taken to have interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to Section 336 of the SFO.

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

Zhejiang, the PRC
August 12, 2025

Consolidated Balance Sheet

As at 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

Assets	Note 4	Balance as at the end of the period	Balance as at the end of the previous year
Non-current assets:			
Granted loans and advances			
Debt investments			
Other debt investments			
Long-term accounts receivables	4.9		14,000,000.00
Long-term equity investments	4.10	96,169,747.92	99,413,985.20
Investments in other equity instruments			
Other non-current financial assets	4.11	36,804,698.26	36,755,116.10
Investment properties			
Fixed assets	4.12	874,140,219.23	889,544,442.13
Construction in progress	4.13	238,348,770.46	185,164,227.10
Productive biological assets			
Oil and gas assets			
Right-of-use assets	4.14	193,217,590.80	161,821,444.56
Intangible assets	4.15	304,978,952.60	291,535,792.26
Including: data sources			
Development expenditure			
Including: data sources			
Goodwill	4.16	127,198,933.05	114,158,433.92
Long-term prepaid expenses	4.17	135,015,255.27	150,407,031.48
Deferred tax assets	4.18	52,433,591.56	

Consolidated Balance Sheet

As at 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

Liabilities and shareholders' equity	Note 4	Balance as at the end of the period	Balance as at the end of the previous period
Non-current liabilities:			
Provision for insurance contracts			
Long-term borrowings	4.32	678,248,077.26	691,017,337.44
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	4.33	184,944,626.00	151,300,062.80
Long-term payables	4.34	70,878,075.78	76,236,878.60
Long-term employee benefits payable			
Provisions			
Deferred income	4.35	8,278,411.00	8,430,307.00
Deferred tax liabilities	4.18	36,447,159.37	40,313,058.68
Other non-current liabilities			
Total non-current liabilities		978,796,349.41	967,297,644.52
Total liabilities		1,686,110,271.13	1,661,651,469.98

Consolidated Balance Sheet

As at 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

Liabilities and shareholders' equity	Note 4	Balance as at the end of the period	Balance as at the end of the previous period
Shareholders' equity:			
Share capital	4.36	72,358,900.00	72,670,000.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital surplus	4.37	789,916,782.12	790,024,238.03
Less: treasury stocks	4.38	22,366,848.64	22,366,848.64
Other comprehensive income			
Special reserves			
Surplus reserves	4.39	38,399,577.13	38,399,577.13
Provision for general risks			
Retained earnings	4.40	359,015,187.58	344,285,828.01
Total equity attributable to shareholders of the parent company		1,237,323,598.19	1,223,012,794.53
Non-controlling interests		122,953,611.03	120,288,896.30
Total shareholders' equity		1,360,277,209.22	1,343,301,690.83
Total liabilities and shareholders' equity		3,046,387,480.35	3,004,953,160.81

The accompanying notes form an integral part of these financial statements.

Legal Representative:	Principal in Charge of Accounting:	Head of the Accounting Department:
GUAN Weili	JIN Hui	WANG Minhui

Assets	Note 15	Balance as at the end of the period	Balance as at the end of the previous year
Current assets:			
Cash at bank and on hand		133,059,953.02	112,152,552.80
Financial assets held for trading			
Derivative financial assets			
Notes receivable			
Accounts receivable	15.1	53,585,753.40	69,696,752.09
Receivables financing			
Advances to suppliers		960,475.58	2,264,057.74
Other receivables	15.2	716,079,091.47	616,875,722.47
Inventories		9,753,068.43	10,162,306.19
Including: data sources			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets			355,000.00
Total current assets		913,438,341.90	811,506,391.29

Assets	Note 15	Balance as at the end of the period	Balance as at the end of the previous year
Non-current assets:			
Debt investments			
Other debt investments			
Long-term accounts receivables			
Long-term equity investments	15.3	690,261,006.13	834,837,987.87
Investments in other equity instruments			
Other non-current financial assets		36,804,698.26	36,755,116.10
Investment properties			
Fixed assets		276,689,649.59	280,273,134.88
Construction in progress		2,963,737.96	622,13d07 572.2008 cm0 0 r

Liabilities and shareholders' equity	Note	Balance as at the end of the period	Balance as at the end of the previous year
Current liabilities:			
Short-term borrowings		93,720,000.00	75,000,000.00
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable		42,997,929.14	50,885,691.57
Receipts in advance		6,258,455.76	4,828,444.68
Contract liabilities			
Employee benefits payable		16,670,235.33	20,234,697.93
Taxes payable		2,667,567.68	3,208,892.78
Other payables		29,416,960.12	51,395,823.13
Liabilities held for sale			
Non-current liabilities due within one year		230,630,144.00	172,880,144.00
Other current liabilities			
Total current liabilities		422,361,292.03	378,433,694.09
Non-current liabilities:			
Long-term borrowings		329,250,000.00	399,350,000.00
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables		27,509,595.18	34,016,324.10
Long-term employee benefits payable			
Provisions			
Deferred income		8,278,411.00	8,430,307.00
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		365,038,006.18	441,796,631.10
Total liabilities		787,399,298.21	820,230,325.19

Liabilities and shareholders' equity	Note	Balance as at the end of the period	Balance as at the end of the previous year
Shareholders' equity:			
Share capital		72,358,900.00	72,670,000.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital surplus		832,177,309.37	832,320,975.11
Less: treasury stocks		22,366,848.64	22,366,848.64
Other comprehensive income			
Special reserves			
Surplus reserves		38,399,577.13	38,399,577.13
Retained earnings		277,528,906.80	288,933,417.68
Total shareholders' equity		1,198,097,844.66	1,209,957,121.28
Total liabilities and shareholders' equity		1,985,497,142.87	2,030,187,446.47

The accompanying notes form an integral part of these financial statements.

Legal Representative:	Principal in Charge of Accounting:	Head of the Accounting Department:
GUAN Weili	JIN Hui	WANG Minhui

Consolidated Income Statement

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Note 4

Consolidated Income Statement

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Note 4	Current period	Prior period
(II) Other comprehensive income that can be reclassified to profit or loss			
1. Other comprehensive income that can be reclassified to profit or loss under the equity method			
2. Changes in fair value of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Credit impairment provisions for other debt investments			
5. Reserves for cash flow hedges			
6. Exchange difference on translation of financial statements in foreign currencies			
7. Others			
Other comprehensive income attributable to non-controlling interests, net of tax			
VII. Total comprehensive income		26,769,118.15	44,996,433.29
Attributable to shareholders of the parent company		36,530,359.57	50,723,744.20
Attributable to non-controlling interests		-9,761,241.42	-5,727,310.91
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)	4.55	0.50	0.68
(II) Diluted earnings per share (RMB/share)	4.55	0.50	0.68

The accompanying notes form an integral part of these financial statements.

Legal Representative:	Principal in Charge of Accounting:	Head of the Accounting Department:
GUAN Weili	JIN Hui	WANG Minhui

Company's Income Statement

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Note 15	Amount for the current period	Amount for the previous period
I. Revenue	15.4	191,631,445.80	193,286,941.03
Less: Cost of sales	15.4	128,370,674.76	130,785,130.41
Taxes and surcharges		2,561,069.88	3,245,018.31
Selling and distribution expenses		90,226.09	421,415.53
General and administrative expenses		38,256,463.25	33,439,820.06
Research and development expenses		11,922,725.70	12,778,787.81
Financial expenses		4,120,776.89	7,528,437.05
Including: Interest expenses		9,614,227.57	13,692,407.18
Interest income		7,236,569.03	8,491,601.94
Add: Other income		2,672,633.24	2,425,821.83
Investment income (losses represented with "-" signs)	15.5	1,526,125.08	14,189,338.60
Including: Investment income from associates and joint ventures		1,526,125.08	128,019.62
Derecognition income of financial assets measured at the amortized cost			
Gains from net exposure hedges (losses represented with "-" signs)			
Gains from changes in fair value (losses represented with "-" signs)		49,582.16	-347,402.79
Credit impairment losses (losses represented with "-" signs)		1,715,895.58	6,859,241.73
Asset impairment losses (losses represented with "-" signs)			
Gains from disposal of assets (losses represented with "-" signs)			
II. Operating profits (losses represented with "-" signs)		12,273,745.29	28,215,331.23
Add: non-revenue		600.00	
Less: non-operating expenses		149,905.92	321,888.39
III. Total profits (losses represented with "-" signs)		12,124,439.37	27,893,442.84
Less: income tax expenses		1,727,950.25	-1,490,906.78
IV. Net profit (losses represented with "-" signs)		10,396,489.12	29,384,349.62
(I) Net profit from continuing operations (losses represented with "-" signs)		10,396,489.12	29,384,349.62
(II) Net profit from discontinued operations (losses represented with "-" signs)			

Company's Income Statement

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Note 15	Amount for the current period	Amount for the previous period

Consolidated Statement of Cash Flows

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Note 4	Current period	Prior period
I. Cash □ows from operating activities			
Cash received from sales of goods and rendering of services		906,586,410.37	774,736,897.94
Net increase in customer deposits and interbank deposits			
Net increase in borrowings from central bank			
Net increase in placements from other financial institutions			
Cash received from original insurance contract premium			
Net cash received from reinsurance business			
Net increase in deposits and investments from policyholders			
Cash received from interest, fees and commissions			
Net increase in placements from banks and other financial institutions			
Net capital increase in repurchase business			
Net cash received from securities brokerage services			
Refund of taxes and levies			
Cash received relating to other operating activities		53,351,834.67	40,064,567.80
Sub-total of cash in□ows of operating activities		959,938,245.04	814,801,465.74
Cash paid for goods and services		278,457,055.04	264,247,149.21
Net increase in customers' loans and advances			
Net increase in deposits with central bank and other banks			
Cash paid for compensation under original insurance contract			
Net increase in placements with banks and other financial institutions			
Cash paid for interest, fees and commissions			
Cash paid for policyholders' dividends			
Cash paid to and on behalf of employees		342,221,800.43	329,971,885.59
Cash paid for taxes and surcharges		44,199,367.80	40,687,505.65
Cash paid relating to other operating activities		96,538,403.71	63,358,941.68
Sub-total of cash out□ows of operating activities		761,416,626.98	698,265,482.13
Net cash □ows from operating activities		198,521,618.06	116,535,983.61

Consolidated Statement of Cash Flows

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Note 4	Current period	Prior period
II. Cash □ows from investing activities:			
Cash received from disposal of investments		7,870,000.00	
Cash received from returns on investments		5,699.09	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		263,925.46	644,865.42
Net cash received from disposal of subsidiaries and other business units			432,733.42
Cash received relating to other investing activities			
Sub-total of cash inflows of investing activities		8,139,624.55	1,077,598.84
Cash paid to acquire fixed assets, intangible assets and other long-term assets		97,487,136.11	111,001,022.93
Cash paid to acquire investments		7,199,999.19	2,000,000.00
Net increase in pledged loans			
Net cash paid to acquire subsidiaries and other business units		17,316,274.30	
Cash paid relating to other investing activities		13,098,602.88	787,500.00
Sub-total of cash out□ows of investing activities		135,102,012.48	113,788,522.93
Net cash □ows from investing activities		-126,962,387.93	-112,710,924.09
III. Cash □ows from □nancing activities			
Cash received from capital contributions		6,000,000.00	5,210,500.00
Including: cash received from subsidiaries capital contributions by non-controlling shareholders of subsidiaries		6,000,000.00	5,210,500.00
Cash received from borrowings		238,829,338.74	362,766,250.00
Cash received relating to other financing activities		19,541,873.20	22,800,000.00
Sub-total of cash in□ows of □nancing activities		264,371,211.94	390,776,750.00
Cash repayments of borrowings		179,128,598.92	304,772,127.25
Cash payments for distribution of dividends, profits or interest expenses		17,913,126.07	43,748,490.45
Including: Cash payments for distribution of dividends and profit by subsidiaries to noncontrolling shareholders		1,114,000.00	1,145,517.00
Cash paid relating to other financing activities		61,012,338.80	83,915,997.58
Sub-total of cash out□ows of □nancing activities		258,054,063.79	432,436,615.28
Net cash □ows from □nancing activities		6,317,148.15	-41,659,865.28

Consolidated Statement of Cash Flows

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Note 4	Current period	Prior period
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-2,486.65	-99,244.67
V. Net increase in cash and cash equivalents		77,873,891.63	-37,934,050.43
Add: Cash and cash equivalents at the beginning of the period	4.56	255,232,744.16	404,723,339.37
VI. Cash and cash equivalents at the end of the period	4.56	333,106,635.79	366,789,288.94

The accompanying notes form an integral part of these financial statements.

Legal Representative:	Principal in Charge of Accounting:	Head of the Accounting Department:
GUAN Weili	JIN Hui	WANG Minhui

Company's Statement of Cash Flows

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Note 15	Current period	Prior period
I. Cash □ows from operating activities			
Cash received from sales of goods and rendering of services		204,706,377.93	178,625,474.28
Refund of taxes and levies			
Cash received relating to other operating activities		223,954,868.42	334,259,258.00
Sub-total of cash in□ows of operating activities		428,661,246.35	512,884,732.28
Cash paid for goods and services		73,535,871.41	66,197,024.94
Cash paid to and on behalf of employees		92,633,698.18	84,545,764.25
Cash paid for taxes and surcharges		3,772,451.41	2,949,959.92
Cash paid relating to other operating activities		192,295,435.48	338,808,072.60
Sub-total of cash out□ows of operating activities		362,237,456.48	492,500,821.71
Net cash □ows from operating activities		66,423,789.87	20,383,910.57
II. Cash □ows from investing activities:			
Cash received from disposal of investments			
Cash received from returns on investments			13,273,818.98
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		2,832.00	10,427.00
Net cash received from disposal of subsidiaries and other business units			
Cash received relating to other investing activities			
Sub-total of cash in□ows of investing activities		2,832.00	13,284,245.98
Cash paid to acquire fixed assets, intangible assets and other long-term assets		5,284,196.52	

Company's Statement of Cash Flows

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Note 15	Current period	Prior period
III. Cash □ows from □nancing activities			
Cash received from capital contributions			
Cash received from borrowings		113,720,000.00	293,000,000.00
Cash received relating to other financing activities			
Sub-total of cash in□ows of □nancing activities		113,720,000.00	293,000,000.00
Cash repayments of borrowings		117,350,000.00	276,792,127.25
Cash payments for distribution of dividends, profits or interest expenses		11,533,957.02	35,406,263.84
Cash paid relating to other financing activities		16,069,212.44	25,472,250.00
Sub-total of cash out□ows of □nancing activities		144,953,169.46	337,670,641.09
Net cash □ows from □nancing activities		-31,233,169.46	-44,670,641.09
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-2,486.65	-119,720.72
V. Net increase in cash and cash equivalents		20,906,769.24	-19,599,539.89
Add: 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		131,695,190.49	165,876,268.59

The accompanying notes form an integral part of these financial statements.

Legal Representative:	Principal in Charge of Accounting:	Head of the Accounting Department:
GUAN Weili	JIN Hui	WANG Minhui

Consolidated Statement of Changes in Shareholders' Equity

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Amount for the current period												
	Equity attributable to owners of the parent company												
		Other equity instruments											
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserves	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserves	Provision for general risk	Retained earnings	Subtotal	Minority equity	Total shareholders' equity
I. Balance as at the end of the previous year	72,670,000.00				790,024,238.03	22,366,848.64			38,399,577.13		344,285,928.01	1,223,012,794.53	120,288,896.30	1,343,301,690.83
Add: changes in accounting policies														
Correction of accounting errors in prior year														
Business combination under common control														
Others														
II. Balance as at the beginning of the current year	72,670,000.00				790,024,238.03	22,366,848.64			38,399,577.13		344,285,928.01	1,223,012,794.53	120,288,896.30	1,343,301,690.83
III. Increases/decreases in the current period ("-" for decreases)	-311,100.00				-107,455.91						14,729,359.57	14,310,803.66	2,664,714.73	16,975,518.39
(I) Total comprehensive income											36,530,359.57	36,530,359.57	-9,761,241.42	26,769,118.15
(II) Capital contributed or decreased by owners	-311,100.00				-107,455.91							-418,555.91	12,425,956.15	12,007,400.24
1. Common stock contributed by owners	-311,100.00				-2,939,238.96							-3,250,338.96	12,425,956.15	9,175,557.19
2. Capital contributed by the holders of other equity instruments														
3. Amounts of share-based payments recognised in shareholders' equity					2,831,843.05							2,831,843.05		2,831,843.05
4. Others														
(III) Profit distribution											-21,801,000.00	-21,801,000.00		-21,801,000.00
1. Withdrawal of surplus reserves														
2. Withdrawal of provision for general risk														
3. Profit distributed to owners (or shareholders)											-21,801,000.00	-21,801,000.00		-21,801,000.00
4. Others														
(IV) Internal carry-forward of shareholders' equity														
1. Conversion of capital reserves into paid-in capital (or share capital)														
2. Conversion of surplus reserves into paid-in capital (or share capital)														
3. Surplus reserves offsetting losses														
4. Carry-forward of changes in the defined benefit plan for retained earnings														
5. Carry-forward of other comprehensive income for retained earnings														
6. Others														
(V) Special reserves														
1. Withdrawal for the period														
2. Usage for the period														
(VI) Others														
IV. Balance as at the end of the current period	72,358,900.00				789,916,782.12	22,366,848.64			38,399,577.13		359,015,287.58	1,237,323,598.19	122,953,611.03	1,360,277,209.22

Consolidated Statement of Changes in Shareholders' Equity

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Amount for the previous period												
	Equity attributable to owners of the parent company												
	Share capital	Other equity instruments: Preferred shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserves	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserves	Provision for general risk	Retained earnings	Subtotal	Minority equity	Total shareholders' equity
I. Balance as at the end of the previous year	74,600,300.00				852,695,601.69	12,587,011.74			38,399,577.13		311,956,229.16	1,265,064,696.24	143,141,250.58	1,408,205,946.82
Add: changes in accounting policies														
Correction of accounting errors in prior year														
Business combination under common control														
Others														
II. Balance as at the beginning of the current year	74,600,300.00				852,695,601.69	12,587,011.74			38,399,577.13		311,956,229.16	1,265,064,696.24	143,141,250.58	1,408,205,946.82
III. Increases/decreases in the current period ("-" for decreases)					-111,942,120.95	-9,440,179.03					28,343,654.20	25,841,712.28	-7,385,802.94	18,255,909.34
(I) Total comprehensive income											50,723,744.20	50,723,744.20	-5,727,310.91	44,996,433.29
(II) Capital contributed or decreased by owners					-8,668,709.51	-9,440,179.03						879,469.52	1,033,024.97	1,906,494.49
1. Common stock contributed by owners					-9,334,383.19	-9,440,179.03						105,795.84	1,033,024.97	1,138,820.81
2. Capital contributed by the holders of other equity instruments														
3. Amounts of share-based payments recognised in owner's equity					767,673.68							767,673.68		767,673.68
4. Others														
(III) Profit distribution											-22,380,090.00	-22,380,090.00	-2,891,517.00	-25,271,607.00
1. Withdrawal of surplus reserves														
2. Withdrawal of provision for general risk														
3. Profit distributed to owners (or shareholders)											-22,380,090.00	-22,380,090.00	-2,891,517.00	-25,271,607.00
4. Others														
(IV) Internal carry-forward of shareholders' equity														
1. Conversion of capital reserves into paid-in capital (or share capital)														
2. Conversion of surplus reserves into paid-in capital (or share capital)														
3. Surplus reserves offsetting losses														
4. Carry-forward of changes in the defined benefit plan for retained earnings														
5. Carry-forward of other comprehensive income for retained earnings														
6. Others														
(V) Special reserves														
1. Withdrawal for the period														
2. Usage for the period														
(VI) Others					-3,375,411.44							-3,375,411.44		-3,375,411.44
IV. Balance as at the end of the current period	74,600,300.00				840,753,480.74	3,146,832.71			38,399,577.13					

Parent Company's Statement of Changes in Shareholders' Equity

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Amount for the current period										
		Other equity instruments									
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserves	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Total shareholders' equity
I. Balance as at the end of the previous year	72,670,000.00				832,320,975.11	22,366,848.64			38,28f 577.13	288,933,417.68	1,209,957,121.28
Add: changes in accounting policies											
Correction of accounting errors in prior year											
Others											
II. Balance as at the beginning of the current year	72,670,000.00				832,320,975.11	22,366,848.64			38,28f 577.13	288,933,417.68	1,209,957,121.28
III. Increases/decreases in the current period ("-" for decreases)	-311,100.00				-143,665.74					-11,404,510.88	-11,859,276.62
(I) Total comprehensive income										10,286,489.12	10,286,489.12
(II) Capital contributed or decreased by owners	-311,100.00				-143,665.74						-454,765.74
1. Common stock contributed by owners	-311,100.00				-2,939,298.96						-3,250,288.96
2. Capital contributed by the holders of other equity instruments											
3. Amounts of share-based payments recognised in shareholders' equity					2,795,633.22						2,795,633.22
4. Others											
(III) Profit distribution										-21,801,000.00	-21,801,000.00
1. Withdrawal of surplus reserves											
2. Profit distributed to owners or shareholders										-21,801,000.00	-21,801,000.00
3. Others											
(IV) Internal carry-forward of shareholders' equity											
1. Conversion of capital reserves into paid-in capital (or share capital)											
2. Conversion of surplus reserves into paid-in capital (or share capital)											
3. Surplus reserves offsetting losses											
4. Carry-forward of changes in the defined benefit plan for retained earnings											
5. Carry-forward of other comprehensive income for retained earnings											
6. Others											
(V) Special reserves											
1. Withdrawal for the period											
2. Usage for the period											
(VI) Others											
IV. Balance as at the end of the current period	72,358,900.00				832,177,309.37	22,366,848.64			38,28f 577.13	277,528,906.80	1,198,097,844.66

The accompanying notes form an integral part of these financial statements.

Legal Representative: GUAN Weili

Principal in Charge of Accounting: JIN Hui

Head of the Accounting Department: WANG Minhui

Parent Company's Statement of Changes in Shareholders' Equity

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Prior period										
		Other equity instruments									
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserves	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Total shareholders' equity
I. Balance as at the end of the previous year	74,600,300.00				871,230,628.64	12,587,011.74			38,399,577.13	284,123,941.46	1,255,767,435.49
Add: changes in accounting policies											
Correction of accounting errors in prior year											
Others											
II. Balance as at the beginning of the current year	74,600,300.00				871,230,628.64	12,587,011.74			38,399,577.13	284,123,941.46	1,255,767,435.49
III. Increases/decreases in the current period ("-" for decreases)					-8,566,709.51	-9,440,179.03				7,004,259.62	7,877,729.14
(I) Total comprehensive income										29,384,349.62	29,384,349.62
(II) Capital contributed or decreased by owners					-8,566,709.51	-9,440,179.03					873,469.52
1. Common stock contributed by owners					-9,334,383.19	-9,440,179.03					105,795.84
2. Capital contributed by the holders of other equity instruments											
3. Amounts of share-based payments recognised in shareholders' equity					767,673.68						767,673.68
4. Others											
(III) Profit distribution										-22,380,090.00	-22,380,090.00
1. Withdrawal of surplus reserves											
2. Profit distributed to owners or shareholders										-22,380,090.00	-22,380,090.00
3. Others											
(IV) Internal carry-forward of shareholders' equity											
1. Conversion of capital reserves into paid-in capital (or share capital)											
2. Conversion of surplus reserves into paid-in capital (or share capital)											
3. Surplus reserves offsetting losses											
4. Carry-forward of changes in the defined benefit plan for retained earnings											
5. Carry-forward of other comprehensive income for retained earnings											
6. Others											
(V) Special reserves											
1. Withdrawal for the period											
2. Usage for the period											
(VI) Others											
IV. Balance as at the end of the current period	74,600,300.00				862,663,919.13	3,146,832.71			38,399,577.13	291,128,201.08	1,263,645,164.63

The accompanying notes form an integral part of these financial statements.

Legal Representative:
GUAN Weili

Principal in Charge of Accounting:
JIN Hui

Head of the Accounting Department:
WANG Minhui

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

1 Company profile

Wenzhou Kangning Hospital Co., Ltd. (the “Company”) was established as a joint stock cooperative enterprise jointty (jointthprise)]334 0.05053 T39.2324

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

2 Basis for preparation of the financial statements

2.1 Basis for preparation

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises – Basic Standards and various specific accounting standards, application guidance for the Accounting Standards for Business Enterprises, interpretations of the Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance (hereafter collectively referred to as the "Accounting Standards for Business Enterprises"), and the relevant requirements of *Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 – General*

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

3 Taxation

3.1 Main tax types and tax rates

Tax type	Basis of tax assessment	Tax rate
Value-added tax	Value-added tax payable shall be the difference obtained by the output taxes calculated based on the income from the sale of goods and taxable services as computed by tax laws less the input taxes allowed to be deducted for the current period	3%, 6% or 13%
City maintenance and construction tax	The amount of VAT actually paid	7%
Educational surcharge	The amount of VAT actually paid	3%
Local educational surcharge	The amount of VAT actually paid	2%
Enterprise income tax	Based on taxable income	15% or 25%
Property tax	70% of the original value of the property or the rental income	1.2% or 12%

Notes to disclosure of enterprises with different enterprise income tax rates

Taxpayer	Income tax rate
Wenzhou Kangning Hospital Co., Ltd.	15%
Zhejiang Jerinte Health Technology Co., Ltd.	15%

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

3 Taxation *(Continued)*

3.2 Tax preferences

1. Pursuant to the relevant requirements under the *Circular on the Overall Promotion of Pilot Program of Levying VAT in Place of Business Tax* (Cai Shui [2016] No. 36) jointly issued by the Ministry of Finance and the State Taxation Administration, the Company and its subsidiaries comply with the provisions of the *Administrative Measures on Medical Institutions* (Order of the State Council No. 149) issued by the State Council and the *Implementation Measures of the Administrative Measures on Medical Institutions* (Order of the Ministry of Health No. 35) issued by the Ministry of Health and the medical services provided by them are exempted from value-added tax upon the registration and obtaining the Medical Institution Practicing License

2. Pursuant to relevant tax regulations, during the Reporting Period, the income from judicial forensic services provided by the Wenzhou Kangning Judicial Forensic Centre, a subsidiary of the

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Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.3 Notes receivable *(Continued)*

4.3.2 Disclosure under methods of provision for bad debts by category

	Balance as at the end of the period			Balance as at the end of the previous year		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
Category			Book value			Book value

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.4 Accounts receivable *(Continued)*

4.4.2 Disclosure by category of accounts receivable under method of provision for bad debts

	Balance as at the end of the period					Balance as at the end of the previous year				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
Type	Amount	Proportion (%)	Amount	Proportion of provision (%)	Book value	Amount	Proportion (%)	Amount	Proportion of provision (%)	Book value
Provision for bad debts accrued on an individual basis	14,298,993.08	3.17	10,202,247.81	71.35	4,096,745.27	12,375,105.95	2.04	12,337,791.47	99.70	37,314.48
Including:										
Medical fees due from patients	14,298,993.08	3.17	10,202,247.81	71.35	4,096,745.27	12,375,105.95	2.04	12,337,791.47	99.70	37,314.48
Provision for bad debts by portfolio with the credit risk characteristics	437,038,144.17	96.83	21,222,231.02	4.86	415,815,913.15	593,170,465.27	97.96	21,394,822.78	3.61	571,775,642.49
Including:										
Portfolio of overdue days	437,038,144.17	96.83	21,222,231.02	4.86	415,815,913.15	593,170,465.27	97.96	21,394,822.78	3.61	571,775,642.49
Total	451,337,137.25	100.00	31,424,478.83	/	419,912,658.42	605,545,571.22	100.00	33,732,614.25	/	571,812,956.97

Significant accounts receivable with individual provision for bad debts:

	Balance as at the end of the period				Balance as at the end of the previous year	
Name	Book balance	Provision for bad debts	Proportion of provision (%)	Basis of provision	Book balance	Provision for bad debts
Medical fees due from patients	14,298,993.08	10,202,247.81	71.35	Provision for bad debts for lifetime expected credit loss	12,375,105.95	12,337,791.47
Total	14,298,993.08	10,202,247.81	/	/	12,375,105.95	12,337,791.47

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.4 Accounts receivable *(Continued)*

4.4.2 Disclosure by category of accounts receivable under method of provision for bad debts (Continued)

Provision for bad debts by portfolio with the credit risk characteristics:

Item accrued on a portfolio basis:

	Balance as at the end of the period		
Name	Accounts receivable	Provision for bad debts	Proportion of provision (%)
Portfolio of overdue days	437,038,144.17	21,222,231.02	4.86
Total	437,038,144.17	21,222,231.02	/

4.4.3 Provision, reversal or recovery of provision for bad debts in the current period

		Changes in the current period				
Type	Balance as at the end of the previous year	Provision	Recovery or reversal	Written-back or written-off	Other changes	Balance as at the end of the period
Provision for bad debts accrued on an individual basis	12,337,791.47	378,773.79		2,514,317.45		10,202,247.81
Provision for bad debts accrued on a portfolio basis	21,394,822.78		216,979.05		44,387.29	21,222,231.02
Total	33,732,614.25	378,773.79	216,979.05	2,514,317.45	44,387.29	31,424,478.83

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.4 Accounts receivable *(Continued)*

4.4.4 Accounts receivable actually charged off in the current period

Item	Charge-off amount
Accounts receivable actually charged off	2,514,317.45

In which, charge-off of significant accounts receivable:

Enterprise name	Nature of accounts receivable	Charge-off amount	Reason for charge-off	Charge-off procedures performed	Whether23m is due to the related transaction
Medical fees due from patients	Receivables from patients	2,514,317.45	Aging of more than 3 years	Upon the approval of the management	No
Total		2,514,317.45			

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.6 Other receivables

Item	Balance as at the end of the period	Balance as at the end of the previous year
Interest receivable	787,500.00	787,500.00
Dividends receivable		
Other receivables	98,482,139.12	80,567,441.59
Total	99,269,639.12	81,354,941.59

4.6.1 Interest receivable

(1) Classification of interest receivable

Item	Balance as at the end of the period	Balance as at the end of the previous year
Time deposits	787,500.00	787,500.00
Sub-total	787,500.00	787,500.00
Less: provision for bad debts		
Total	787,500.00	787,500.00

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.6 Other receivables *(Continued)*

4.6.2 Other receivables (Continued)

(2) Disclosure under the methods of provision for bad debts by category

Category

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.6 Other receivables *(Continued)*

4.6.2 Other receivables (Continued)

(2) Disclosure under the methods of provision for bad debts by category (Continued)

Significant other receivables with individual provision for bad debts:

	Balance as at the end of the period				Balance as at the end of the previous year	
Name	Book balance	Provision for bad debts	Proportion of provision (%)	Basis of provision	Book balance	Provision for bad debts
Hangzhou Yining Hospital Co., Ltd.				Measurement of provision for bad debts for lifetime expected credit loss	8,000,000.00	8,000,000.00
Sichuan Hongji Pharmaceutical Co., Ltd.	10,204,311.69	10,204,311.69	100.00	Expected to be difficult to recover	10,204,311.69	10,204,311.69
Wang Changsheng	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

Provision for bad debts by portfolio with the credit risk characteristics:

Item accrued on a portfolio basis:

	Balance as at the end of the period		
Name	Other receivables	Provision for bad debts	Proportion of provision (%)
Portfolio of the nature and characteristics of payments	101,176,229.50	2,694,090.38	2.66
Total	101,176,229.50	2,694,090.38	/

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.6 Other receivables *(Continued)*

4.6.2 Other receivables (Continued)

(3) Information of provision for bad debts

Provision for bad debts	Stage I Expected credit loss in the next 12 months	Stage II Lifetime expected credit loss (without credit impairment)	Stage III Lifetime expected credit loss (with credit impairment)	Total
Balance as at the end of the previous year	2,457,854.75		21,694,758.77	24,152,613.52
In current period, balance as at the end of the previous year				
– Transferred to Stage II				
– Transferred to Stage III				
– Reversed to Stage II				
– Reversed to Stage I				
Provision in the current period	617,967.49			617,967.49
Reversal in the current period	396,644.67		8,000,000.00	8,396,644.67
Written back in the current period				
Written off in the current period	2,000.00			2,000.00
Other changes				
Balance as at the end of the period	2,694,090.38		13,694,758.77	16,388,849.15

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.6 Other receivables *(Continued)*

4.6.2 Other receivables (Continued)

(3) Information of provision for bad debts (Continued)

Changes in the book balance of other receivables are as follows:

	Stage I	Stage II	Stage III	
Book balance	Expected credit losses in the next 12 months	Lifetime expected credit loss (without credit impairment)	Lifetime expected credit loss (with credit impairment)	Total
Balance as at the end of the previous year	83,025,296.34		21,694,758.77	104,720,055.11
In current period, balance as at the end of the previous year				
– Transferred to Stage II				
– Transferred to Stage III				
– Reversed to Stage II				
– Reversed to Stage I				
Addition for the current period	18,150,933.16			18,150,933.16
Derecognised in the current period			8,000,000.00	8,000,000.00
Other changes				
Balance as at the end of the period	101,176,229.50		13,694,758.77	114,870,988.27

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.6 Other receivables *(Continued)*

4.6.2 Other receivables (Continued)

(4) Provision for bad debts provided for, reversed or recovered in the current period

Category	Balance as at the end of the previous year	Changes in the current period				Balance as at the end of the period
		Provision	Recovery or reversal	Write-off or charge-off	Other changes	
Provision for bad debts accrued on an individual basis	21,694,758.77		8,000,000.00			13,694,758.77
Provision for bad debts accrued on a portfolio basis	2,457,854.75	617,967.49	396,644.67	2,000.00		2,694,090.38
Total	24,152,613.52	617,967.49	8,396,644.67	2,000.00		16,388,849.15

(5) Other receivables actually charged off in the current period

Item	Amount charged off
Other receivables actually charged off	2,000.00

(6) Classification of other receivables by the nature of payment

Nature of payment	Book balance as at the end of the year	Book balance as at the end of the previous year
Deposit and security deposit	41,187,790.05	19,433,847.49
Staff loans	36,116,029.82	38,067,000.00
Loans		3,878,281.89
Advanced payment	48,709.70	256,914.93
Receivables from related parties	33,163,920.31	39,121,016.95
Others	4,354,538.39	3,962,993.85
Total	114,870,988.27	104,720,055.11

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.7 Inventories

	Balance as at the end of the period			Balance as at the end of the previous year		
Category	Book balance	Provision for inventory depreciation/ Provision for impairment of contract performance cost	Book value	Book balance	Provision for inventory depreciation/ Provision for impairment of contract performance cost	Book value
Revolving materials	1,613,330.77		1,613,330.77	657,701.74		657,701.74
Commodities dispatched	4,122,566.17		4,122,566.17	1,819,908.26		1,819,908.26
Stock commodities	43,901,765.62		43,901,765.62	48,151,521.38		48,151,521.38
Total	49,637,662.56		49,637,662.56	50,629,131.38		50,629,131.38

4.8 Other current assets

Item	Balance as at the end of the period	Balance as at the end of the previous year
Input tax to be deducted	8,631,560.30	3,761,468.41
Enterprise income tax prepaid	12,210.28	
Deferred expenses	1,237,515.04	2,097,885.50
Total	9,881,285.62	5,859,353.91

4.9 Long-term accounts receivables

	Balance as at the end of the period			Balance as at the end of the previous year			
Item	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value	Interval for discount rate

4 Notes to main items of the consolidated financial statements *(Continued)*

4.10 Long-term equity investments

Investee	Balance as at the end of the previous year	Balance of provision for impairment as at the end of the previous year	Increase/decrease in current year								Balance as at the end of the period	Provision for impairment Balance as at the end of the period
			Additional investment	Reduced investment	Profit or loss on investments recognised under the equity method	Adjustment to other comprehensive income	Changes in other equity	Cash dividends or profits declared to be distributed	Provision for impairment	Others		
Associates												
Hangzhou Anken Medical Technology Co., Ltd. ("Hangzhou Anken Medical Technology")	6,869,165.91				1,733,956.37						8,603,122.28	
Wenzhou Longwan Yining Hospital Co., Ltd. ("Wenzhou Longwan Yining Hospital")	56,424,778.61				-207,831.29						56,216,947.32	
Shaanxi Shanda Hospital Management Consulting Co., Ltd. ("Shaanxi Shanda")	21,989,636.75				-626,023.17						21,363,613.58	
Chongqing Hechuan Kangning Hospital Co., Ltd. ("Chongqing Hechuan Kangning Hospital")	16,992,584.03	10,745,274.26		8,000,000.00	-1,710,890.90						7,281,693.13	5,983,353.47
Zhejiang Fengsheng Nutrition Technology Co., Ltd. ("Fengsheng Nutrition Technology")	4,911,260.44				-298,297.84						4,612,962.60	
Wenzhou Ouyue Health Management Co., Ltd. ("Wenzhou Ouyue Health")	2,971,833.72		1,200,000.00		-97,071.24						4,074,762.48	
Hangzhou Yining Mental Health Management Co., Ltd. ("Hangzhou Yining Mental")												
Total	110,159,259.46	10,745,274.26	1,200,000.00	8,000,000.00	-1,206,158.07						102,153,101.39	5,983,353.47

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.10 Long-term equity investments *(Continued)*

Other description:

1. In May 2025, Chongqing Hechuan Kangning Hospital reduced its capital by RMB20,000,000.00 in accordance with the resolution of the shareholders' meeting according to the shareholders' shareholding ratio, of which the Company was entitled to a capital reduction of RMB8,000,000.00 based on its 40% shareholding ratio, resulting in a corresponding reduction of the long-term equity investments by RMB8,000,000.00 and the corresponding provision for impairment of the long-term equity investments by RMB4,761,920.79.

2. In June 2025, pursuant to the resolution of the shareholders' meeting of Wenzhou Ouyue Health, the Company injected RMB1,200,000 to Wenzhou Ouyue Health. After the injection, the Company

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.12 Fixed assets *(Continued)*

4.12.2 Breakdown of fixed assets

Item	Buildings and constructions	Medical equipment	Transportation facilities	Electronic and other equipment	Fixed assets acquired under leaseback after sale and □nance lease	Total
1. Original book value						
(1) Balance as at the end of the previous year	979,979,414.92	86,353,056.93	13,125,329.74	76,920,085.06	92,932,472.62	1,249,310,359.27
(2) Increase in the current period	379,518.29	12,177,316.32	1,227,958.34	7,116,906.53		

4 Notes to main items of the consolidated financial statements *(Continued)*

4.13 Construction in progress *(Continued)*

4.13.3 Changes in important construction projects in progress in current period

Project name	Budget (RMB '0,000)	Balance as at the end of the previous year	Increase in current period	Amount transferred to fixed assets in current period	Other decreases in current period	Balance as at the end of the period	Proportion of accumulated project investment in budget (%)	Project progress (%)	Accumulated capitalised amount of interest	Including: capitalization amount of interest in current period	Capitalization rate of interest in the current period (%)	Source of funds
The construction project of Lucheng Yining Hospital	18,680.91	159,409,044.58	19,649,171.67			179,058,216.25	95.85	95.00	9,282,993.83	1,059,176.91	1.83	Self-owned funds and long-term borrowings
The construction project of Longquan Kangning Hospital	8,754.00	24,326,199.34	28,190,497.32			52,516,696.66	60.00	60.00				Self-owned funds
Total		183,735,243.92	47,839,668.99			231,574,912.91	/	/	9,282,993.83	1,059,176.91		

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.14 Right-of-use assets

Item	Buildings and constructions	Total
1. Original book value		
(1) Balance as at the end of the previous year	307,410,601.64	307,410,601.64
(2) Increase in the current period	69,360,017.84	69,360,017.84
– Newly-added leases	13,650,871.74	13,650,871.74
– Increase due to business combination	53,484,895.22	53,484,895.22
– Revaluation adjustment	2,224,250.88	2,224,250.88
(3) Decrease in the current period	11,621,487.28	11,621,487.28
– Termination of the lease	11,621,487.28	11,621,487.28
(4) Balance as at the end of the period	**365,149,132.20**	**365,149,132.20**
2. Accumulated depreciation		
(1) Balance as at the end of the previous year	145,589,157.08	145,589,157.08
(2) Increase in the current period	33,272,568.68	33,272,568.68
– Provision	17,436,605.58	17,436,605.58
– Increase due to business combination	15,835,963.10	15,835,963.10
(3) Decrease in the current period	6,930,184.36	6,930,184.36
– Disposal	6,930,184.36	6,930,184.36
(4) Balance as at the end of the period	**171,931,541.40**	**171,931,541.40**
3. Provision for impairment		
(1) Balance as at the end of the previous year		
(2) Increase in the current period		
(3) Decrease in the current period		
(4) Balance as at the end of the period		
4. Book value		
(1) Book value as at the end of the period	**193,217,590.80**	**193,217,590.80**
(2) Book value as at the end of the previous year	161,821,444.56	161,821,444.56

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.15 Intangible assets

Item	Land use right	Trademark right	Software	Medical practicing qualification	Contractual right to provide management services	Total
1. Original book value						
(1) Balance as at the end of the previous year	158,746,648.48	3,061,637.13	16,037,718.87	216,837,000.00	32,400,000.00	427,083,004.48
(2) Increase in the current period			2,421,753.00	23,000,000.00		25,421,753.00
– Purchase			1,287,783.00			1,287,783.00
– Increase due to business combination			1,133,970.00	23,000,000.00		24,133,970.00
(3) Decrease in the current period			7,832.64			7,832.64
– Disposal			7,832.64			7,832.64
(4) Balance as at the end of the period	**158,746,648.48**	**3,061,637.13**	**18,451,639.23**	**239,837,000.00**	**32,400,000.00**	**452,496,924.84**
2. Accumulated amortisation						
(1) Balance as at the end of the previous year	23,725,212.01	1,404,895.19	10,123,731.63	87,868,373.39	12,425,000.00	135,547,212.22
(2) Increase in the current period	1,710,596.22	193,534.59	1,785,613.07	7,420,813.06	864,285.72	11,974,842.66
– Provision	1,710,596.22	193,534.59	649,143.11	7,420,813.06	864,285.72	10,883,372.70
– Increase due to business combination			1.091.469.96			1.091.469.96
(3) Decrease in the current period			4,082.64			4,082.64
– Disposal			4,082.64			4,082.64
(4) Balance as at the end of the period	**25,435,808.23**	**1,598,429.78**	**11,905,262.06**	**95,289,186.45**	**13,289,285.72**	**147,517,972.24**
3. Provision for impairment						
(1) Balance as at the end of the previous year						
(2) Increase in the current period						
(3) Decrease in the current period						
(4) Balance as at the end of the period						
4. Book value						
(1) Book value as at the end of the period	**133,310,840.25**	**1,463,207.35**	**6,546,377.17**	**144,547,813.55**	**19,110,714.28**	**304,978,952.60**
(2) Book value as at the end of the previous year	135,021,436.47	1,656,741.94	5,913,987.24	128,968,626.61	19,975,000.00	291,535,792.26

Other notes:

As of 30 June 2025, the fixed assets with the book value of RMB95,800,309.84 are used for bank loan collateral. See Note 4.20 for details.

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.16 Goodwill *(Continued)*

4.16.2 Information on the composition of the asset group or combination of asset groups to which the

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.18 Deferred tax assets and deferred tax liabilities *(Continued)*

4.18.2 Deferred tax liabilities before offset

	Balance as at the end of the period		Balance as at the end of the previous year	
Item	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Asset evaluation increment from business combination not under common control	176,524,058.06	44,131,014.52	162,308,548.18	40,577,137.06
Changes in fair value of other non-financial assets	15,890,877.23	2,383,631.58	15,841,295.07	2,376,194.26
One-off additional deduction for fixed assets	363,477.54	66,892.75	561,601.28	116,423.68
Right-of-use assets	186,967,590.80	46,741,897.73	162,649,241.29	40,662,310.34
Total	379,746,003.63	93,323,436.58	341,360,685.82	83,732,065.34

4.18.3 Deferred tax assets or liabilities presented by net amount after offset

	As at the end of the year		As at the end of the previous year	
Item	Amount offset in deferred tax assets and liabilities	Balance of deferred tax assets or liabilities after the offset	Amount offset in deferred tax assets and liabilities	Balance of deferred tax assets or liabilities after the offset
Deferred tax assets	56,876,277.21	52,433,591.56	43,419,006.66	56,197,544.77
Deferred tax liabilities	56,876,277.21	36,447,159.37	43,419,006.66	40,313,058.68

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.18 Deferred tax assets and deferred tax liabilities *(Continued)*

4.18.4 Details of unrecognised deferred tax assets

Item	Balance as at the end of the period	Balance as at the end of the previous year
Deductible temporary differences	25,557,498.41	8,368,159.52
Deductible losses	150,780,565.04	150,780,565.04
Total	176,338,063.45	159,148,724.56

4.18.5 Deductible losses of unrecognised deferred tax assets will become due in the following years

Years	Balance as at the end of the period	Balance as at the end of the previous year	Remark
2025	22,159,074.53	22,159,074.53	
2026	25,192,303.89	25,192,303.89	
2027	32,822,061.33	32,822,061.33	
2028	20,321,168.09	20,321,168.09	
2029	50,285,957.20	50,285,957.20	
Total	150,780,565.04	150,780,565.04	

4.19 Other non-current assets

	Balance as at the end of the period			Balance as at the end of the previous year		
Item	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Prepaid equity investment expenses	17,779,221.88		17,779,221.88	7,764,995.66		7,764,995.66
Prepayment for house and equipment	2,580,020.68		2,580,020.68	3,468,668.68		3,468,668.68

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.22 Financial liabilities held for trading

Item	Balance as at the end of the period	Balance as at the end of the previous year
Financial liabilities held for trading		14,000,000.00
Including: others		14,000,000.00
Total		14,000,000.00

4.23 Notes payable

Category	Balance as at the end of the period	Balance as at the end of the previous year
Bank acceptance bills	1,522,204.00	
Total	1,522,204.00	

4.24 Accounts payable

Aging analysis of accounts receivable by recording date is as follows:

Item	Balance as at the end of the period	Balance as at the end of the previous year
Within 1 year	107,175,017.18	127,861,415.20
1 – 2 years		

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.27 Employee bene□ts payable

4.27.1 Presentation of employee benefits payable

Item	Balance as at the end of the previous year	Increase in the current period	Decrease in the current period	Balance as at the end of the period
Short-term compensation	82,608,332.00	302,233,858.83	321,493,800.18	63,348,390.65
Post-employment benefits – defined contribution plans	3,138,964.61	21,605,943.03	21,358,485.48	3,386,422.16
Total	85,747,296.61	323,839,801.86	342,852,285.66	66,734,812.81

4.27.2 Presentation of short-term compensation

Item	Balance as at the end of the previous year	Increase in the current period	Decrease in the current period	Balance as at the end of the period
(1) Salary, bonus, allowance and subsidies	80,188,073.48	267,286,336.08	286,357,208.02	61,117,201.54
(2) Employee welfare fees		459,887.66EmplPom Td(current period)741Tj1.1d7e56 8 T5c4-0nni36.08		

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.27 Employee benefits payable *(Continued)*

4.27.3 Presentation of defined contribution plans

Item	Balance as at the end of the previous year	Increase in the current period	Decrease in the current period	Balance as at the end of the period
Basic endowment insurance premiums	3,047,812.97	20,963,018.03	20,718,025.12	3,292,805.88
Unemployment insurance premiums	91,151.64	642,925.00	640,460.36	93,616.28
Total	3,138,964.61	21,605,943.03	21,358,485.48	3,386,422.16

According to Chinese regulations, the group participates in a statutory defined contribution retirement benefit plan (basic pension insurance) organised by the local government for its employees. Contributions are made based on employee salaries according to local government policies and regulations, at a specified ratio, and cannot be used to offset the Group's future contributions for its employees.

4.28 Taxes and surcharges payable

Taxes and surcharges	Balance as at the end of the period	Balance as at the end of the previous year
Value-added tax	1,330,755.93	1,253,541.90
Enterprise income tax	15,497,835.97	28,623,585.71
Individual income tax	1,227,210.89	1,280,818.51
Urban maintenance and construction tax	59,760.73	128,273.19
House property tax	2,784,918.85	6,799,424.03
Education surtax	43,237.84	65,721.04
Land use tax	236,795.94	778,342.55
Stamp duty	71,560.85	195,717.23
Environmental protection tax	1,140.00	2,121.00
Water conservancy fund	284.59	538.69
Total	21,253,501.59	39,128,083.85

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.29 Other payables

Item	Balance as at the end of the period	Balance as at the end of the previous year
Interest payable		1,919,729.45
Dividends payable	22,671,159.70	1,090,000.00
Other payables	50,075,780.13	78,277,703.70
Total	72,746,939.83	81,287,433.15

4.29.1 Interests payable

Item	Balance as at the end of the period	Balance as at the end of the previous year
Interest on long-term borrowings with interest paid by installments and principal paid on maturity date		1,919,729.45
Total		1,919,729.45

4.29.2 Dividend payable

Item	Balance as at the end of the period	Balance as at the end of the previous year
Common stock dividends payable	21,801,000.00	
Dividends payable to minority shareholders of subsidiaries	870,159.70	1,090,000.00
Total	22,671,159.70	1,090,000.00

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.29 Other payables *(Continued)*

4.29.3 Other payables

Item	Balance as at the end of the period	Balance as at the end of the previous year
Payables for long-term asset purchases	7,116,904.16	25,610,062.45
Equity purchase price payable	1,313,457.77	1,313,457.77
Accrued expenses	4,775,235.63	6,681,680.88
Deposit and security deposit	1,122,795.76	1,136,955.18
Current amounts	16,320,353.67	24,729,158.13
Loans	9,813,235.11	8,748,024.96
Payables to related parties	9,613,798.03	9,416,830.18
Others		641,534.15
Total	50,075,780.13	78,277,703.70

As of 30 June 2025, there were no significant other payables aged over 1 year or overdue.

4.30 Non-current liabilities due within one year

Item	Balance as at the end of the period	Balance as at the end of the previous year
Long-term borrowings due within one year	221,920,000.00	164,170,000.00
Long-term payables due within one year	33,567,546.82	38,367,421.50
Lease liabilities due within one year	33,380,665.86	26,733,022.63
Total	288,868,212.68	229,270,444.13

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.31 Other current liabilities

Item	Balance as at the end of the period	Balance as at the end of the previous year
Output tax to be carried forward	218,774.38	
Account payable endorsed without derecognition		615,218.00
Total	218,774.38	615,218.00

4.32 Long-term borrowings

Item	Balance as at the end of the period	Balance as at the end of the previous year
Pledged borrowings	76,500,000.00	78,500,000.00
Mortgaged borrowings	568,858,077.26	554,557,337.44
Guaranteed borrowings	254,810,000.00	222,130,000.00
Less: long-term borrowings due within one year	221,920,000.00	164,170,000.00
Total	678,248,077.26	691,017,337.44

4.33 Lease liabilities

Item	Balance as at the end of the period	Balance as at the end of the previous year
Lease liabilities	184,944,626.00	151,300,062.80
Total	184,944,626.00	151,300,062.80

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.35 Deferred income

Item	Balance as at the end of the previous year	Increase in the current period	Decrease in the current period	Balance as at the end of the period	Forming reason
Government grants	8,430,307.00		151,896.00	8,278,411.00	Amortisation not completed yet
Total	8,430,307.00		151,896.00	8,278,411.00	/

4.36 Share capital

		Changes in the current period ("+" for increase and "-" for decrease)					
Item	Balance as at the end of the previous year	New shares issued	Share donation	Public reserve transferred to shares	Others	Subtotal	Balance as at the end of the period
Total shares	72,670,000.00				-311,100.00	-311,100.00	72,358,900.00

Other notes: during the period, the Company has repurchased and cancelled 311,100 H shares.

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.37 Capital reserves

Item	Balance as at the end of the previous year	Increase in the current period	Decrease in the current period	Balance as at the end of the period
Capital premium (share premium)	726,023,779.76		2,939,298.96	723,084,480.80
Other capital reserves				
– Share-based payments	48,854,883.98	2,831,843.05		51,686,72735Spremiur.78d(2735

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.41 Revenue and cost of sales

4.41.1 Details of revenue and cost of sales

	Amount for the current period		Amount for the previous period	
Item	Income	Cost	Income	Cost
Primary business	690,902,820.42	523,893,300.01	765,636,198.08	555,217,793.42

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.42 Taxes and surcharges

Item	Amount for the current period	Amount for the previous period
House property tax	3,786,940.26	4,886,926.23
Urban maintenance and construction tax	400,163.50	460,954.07
Educational surcharges	291,972.68	331,720.92
Land use tax	423,158.41	445,099.29
Stamp duty	203,170.66	130,348.60
Others	11,652.83	13,249.84
Total	5,117,058.34	6,268,298.95

4.43 Selling and distribution expenses

Item	Amount for the current period	Amount for the previous period
Employee benefits	1,717,804.62	5,264,561.40
Depreciation costs	21,434.73	99,249.43
Amortization of intangible assets	71.70	21,787.27
Amortization of long-term prepaid expenses	29,673.69	155,095.54
Business entertainment fees	127,110.28	435,531.57
Office expenses	34,948.45	316,961.17
Traffic and traveling expenses	57,237.67	179,730.55
Outsourcing expenses	27,282.10	219,294.83
Business promotion expenses	1,548,324.27	2,388,776.86
Maintenance and repair expenses	13,220.19	139,038.00
Others	111,172.30	29,239.82
Total	3,688,280.00	9,249,266.44

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.44 General and administrative expenses

Item	Amount for the current period

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.46 Financial expenses

Item	Amount for the current period	Amount for the previous period
Interest expenses	18,377,254.10	23,323,466.98
Including: interest expenses of lease liability	4,653,633.38	5,245,075.86
Less: interest income	587,377.24	2,686,209.46
Gains or losses on exchange	2,486.65	99,244.67
Others	4,214,451.98	3,728,948.96
Total	22,006,815.49	24,465,451.15

4.47 Other income

Item	Amount for the current period	Amount for the previous period
Government grants	10,568,938.30	5,386,176.18
Additional deduction of input tax	792,415.54	13,945.83
Handling charges for withdrawal of individual income tax	240,461.59	188,141.27
Total	11,601,815.43	5,588,263.28

4.48 Investment income

Item	Amount for the current period	Amount for the previous period
Income from long-term equity investments calculated under equity method	-1,206,158.07	478,827.96
Investment income from disposal of long-term equity investments	5,032,728.01	1,201,371.61
Investment income from financial products	5,699.09	
Total	3,832,269.03	1,680,199.57

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.49 Pro□t from changes in fair value

Sources of the gains from changes in fair value	Amount for the current period	Amount for the previous period
Financial assets held for trading	428,261.38	248,879.60
Other non-current financial assets	49,582.16	-347,402.79
Total	477,843.54	-98,523.19

4.50 Losses from credit impairment

Item	Amount for the current period	Amount for the previous period
Losses from bad debts of accounts receivable	-161,794.74	462,548.63
Losses from bad debts of other receivables	7,778,677.18	-6,046,812.64
Total	7,616,882.44	-5,584,264.01

4.51 Income from asset disposal

Item	Amount for the current period	Amount for the previous period	Amount included in non-recurring profit or loss in the current period
Gain on disposal of non-current assets ("-" for losses)	1,250,151.08	-75,116.21	1,250,151.08
Including: Gain on disposal of fixed assets ("-" for losses)	-3,599.79	-75,116.21	-3,599.79
Others		130.80	
Total	1,250,151.08	-74,985.41	1,250,151.08

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.54 Income tax expenses

4.54.1 Table of income tax expenses

Item	Amount for the current period	Amount for the previous period
Current income tax expenses	13,016,683.24	19,082,552.41
Deferred income tax expenses	2,193,768.79	-2,566,409.06
Total	15,210,452.03	16,516,143.35

4.54.2 Adjustment process of accounting profits and income tax expenses

Item	Amount for the current period
Total profits	41,979,570.18
Income tax expenses calculated at statutory or applicable tax rate	10,444,306.75
Impact of different tax rates applicable to subsidiaries	-43,610.88
Impact of adjustments to the income tax for the prior years	355,099.93
Influence of non-taxable income	
Effect of non-deductible costs, expenses and losses	729,658.31
Influence of unrecognised deferred tax assets in previous periods	-7,934,940.40
Effect of deductible temporary differences or losses from deferred tax assets unrecognised in the current period	13,861,654.07
Impact of additional deduction of R&D expenses	-2,338,334.17

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.56 Supplementary information to the statement of cash □ows

4.56.1 Supplementary information to the statements of cash flows

Supplementary information	Amount for the current period	Amount for the previous period

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

4 Notes to main items of the consolidated financial statements *(Continued)*

4.56 Supplementary information to the statement of cash □ows *(Continued)*

4.56.1 Supplementary information to the statements of cash flows (Continued)

Supplementary information	Amount for the current period	Amount for the previous period
2. Significant investing and financing activities not involving cash receipts and payments:		
Conversion of debt to capital		
Convertible corporate bonds maturing within one year		
Right-of-use assets acquired through bearing lease liabilities		
3. Net change in cash and cash equivalents:		
Ending balance of cash	333,106,635.79	366,789,288.94
Less: balance of cash at the beginning of the period	255,232,744.16	404,723,339.37
Plus: balance of cash equivalents at the end of the period		
Less: balance of cash equivalents at the beginning of the period		
Net increase in cash and cash equivalents	77,873,891.63	-37,934,050.43

4.56.2 Breakdowns of cash and cash equivalents

Item	Balance as at the end of the period	Balance as at the end of the previous year
I. Cash	333,106,635.79	366,789,288.94
Including: cash on hand	195,546.26	315,188.51
Unrestricted bank deposits	332,122,993.91	365,833,425.73
Other unrestricted cash and cash equivalents	788,095.62	640,674.70
II. Cash equivalents		
Including: bond investment maturing within three months		
III. Balance of cash and cash equivalents at the end of the period	333,106,635.79	366,789,288.94
Including: cash and cash equivalents held but restricted for use by the parent company or subsidiaries within the Group		

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

5 Changes in the scope of consolidation

5.1 Business combination not under common control

5.1.1 Business combination not under common control occurred in current period

Acquiree	Time-point for equity acquisition	Cost on equity acquisition	Proportion of equity acquired	Way of equity acquisition	Acquisition date	Determination basis on acquisition date	Income of the acquiree from the acquisition date to the end of the period	Net profit of the acquiree from the acquisition date to the end of the period	Cash flows of the acquiree from the acquisition date to the end of the period
Hangzhou Yining Hospital Co., Ltd.	31 May 2025	28,000,000.00	65.00%	Purchase	31 May 2025	Completion of equity delivery	2,637,455.19	-75,355.35	1,150,619.02

5.1.2 Combination costs and goodwill

Item	Hangzhou Yining Hospital Co., Ltd.
Combination cost	
– Cash	28,000,000.00
Total combination cost	28,000,000.00
Less: share of fair value of the identifiable net assets acquired	14,959,500.87
Difference of goodwill/the combination costs in short of the fair value of net identifiable assets	13,040,499.13

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

5 Changes in the scope of consolidation *(Continued)*

5.1 Business combination not under common control *(Continued)*

5.1.3 Identifiable assets and liabilities purchased by the acquiree on the acquisition date

	Hangzhou Yining Hospital Co., Ltd.	
Item	Fair value on the acquisition date	Book value on the acquisition date
Assets:		
Monetary funds	10,683,725.70	10,683,725.70
Receivables	4,394,341.81	4,256,426.56
Advances to suppliers	11,966.69	11,966.69
Other receivables	1,216,973.87	1,216,973.87
Inventories	872,927.05	872,927.05
Fixed assets	1,617,264.97	484,744.28
Right-of-use assets	41,886,805.14	41,886,805.14
Intangible assets	23,042,500.04	42,500.04
Long-term prepaid expenses	1,828,479.92	1,828,479.92
Deferred income tax assets	2,295,714.89	
Liabilities:		
Accounts payable	2,379,189.56	2,379,189.56
Receipts in advance	923,339.06	923,339.06
Employee benefits payable	954,790.22	954,790.22
Taxes and surcharges payable	31,295.32	31,295.32
Other payables	8,040,465.94	8,040,465.94
Non-current liabilities maturing within one year	5,816,845.00	
Lease liabilities	46,690,158.25	52,507,003.25
Net asset	23,014,616.73	-3,551,534.10
Less: minority equity	8,055,115.86	-1,243,036.94
Net assets gained	14,959,500.87	-2,308,497.17

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

5 Changes in the scope of consolidation *(Continued)*

5.2 Disposal of subsidiaries

5.2.1 Transactions or events in which control of subsidiaries was lost during the period

Name of subsidiary	Disposal consideration at the date of loss of control	Percentage of disposals at the date of loss of control (%)	Disposal method of equity interest	Date of loss of control	Basis for determining the date of loss of control	Difference between the consideration for disposal and the share of net assets of the subsidiary at the level of the relevant consolidated financial statements in which the disposed investments presented	Percentage of remaining equity on the date of loss of control (%)	Carrying amount of remaining equity at the level of the relevant consolidated financial statements in which on the date of loss of control	Fair value of remaining equity at the level of the relevant consolidated financial statements in which on the dale of loss of control	Gain or loss on fair value remeasurement of remaining equity interests	Determination method and major assumptions of the fair value of remaining equity at the level of the relevant consolidated financial statements in which on the date of loss of control	Amount transferred into investment gain or loss/retained earnings from other comprehensive income relating to the equity investment in the former subsidiary
Eatip equiRD Co., Lid.												

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

6 Equities in other entities *(Continued)*

6.1 Equities in subsidiaries *(Continued)*

6.1.1 Structure of the enterprise group (Continued)

Name of subsidiary	Type of legal person	Registered capital (RMB'0,000)	Principal place of business	Registration place	Nature of business	Shareholding ratio (%) Direct	Shareholding ratio (%) Indirect	Way of acquisition
Nanjing Yining Hospital Co., Ltd.	Limited liability company	1,000.00	Nanjing	Nanjing	Medical services		85.65	Combination not under common control
Heze Yining Psychiatric Hospital Co., Ltd.	Limited liability company	3,000.00	Heze	Heze	Medical services		51.00	Combination not under common control
Guanxian Yining Hospital Co., Ltd.	Limited liability company	1,000.00	Guanxian	Guanxian	Medical services		90.00	Combination not under common control
Wenling Nanfang Psychiatric Specialty Hospital Co., Ltd.	Limited liability company	753.00	Taizhou	Taizhou	Medical services		68.80	Combination not under common control
Beijing Yining Hospital Co., Ltd.	Limited liability company	4,653.67	Beijing	Beijing	Medical services		67.77	Incorporation
Wenzhou Yixin Health Technology Co., Ltd.	Limited liability company	50.00	Wenzhou	Wenzhou	Technology service		100.00	Combination not under common control
Huainan Kangning Hospital Co., Ltd.	Limited liability company	1,000.00	Huainan	Huainan	Medical services		95.00	Combination not under common control
Zhejiang Yining Health Technology Co., Ltd.	Limited liability company	2,040.82	Hangzhou	Hangzhou	Technology service		98.00	Incorporation
Wenzhou Yining Drugstore Co., Ltd.	Limited liability company	50.00	Wenzhou	Wenzhou	Drug retail		100.00	Incorporation
Yining Psychology Internet Hospital (Wenzhou) Co., Ltd.	Limited liability company	500.00	Wenzhou	Wenzhou	Hospital management		100.00	Incorporation
Zhejiang Dening Pharmaceutical Co., Ltd.	Limited liability company	1,000.00	Wenzhou	Wenzhou	Pharmaceutical retail		80.00	Incorporation
Changchun Kanglin Psychological Hospital Co., Ltd.	Limited liability company	1,000.00	Changchun	Changchun	Medical services		64.55	Combination not under common control
Hangzhou Yining Nursery Service Co., Ltd.	Limited liability company	100.00	Hangzhou	Hangzhou	Nursing care		100.00	Incorporation
Linhai Cining Hospital Co., Ltd.	Limited liability company	5,000.00	Taizhou	Taizhou	Medical services		100.00	Incorporation
Shenzhen Yining Hospital	Limited liability company	6,000.00	Shenzhen	Shenzhen	Medical services		55.00	Incorporation
Pujiang Yining Huangfeng Hospital Co., Ltd.	Limited liability company	1,400.00	Jinhua	Jinhua	Medical services		95.00	Incorporation
Chun'an Kangning Huangfeng Hospital Co., Ltd.	Limited liability company	1,000.00	Hangzhou	Hangzhou	Medical services		80.00	Incorporation
Longquan Kangning Hospital Co., Ltd.	Limited liability company	3,000.00	Lishui	Lishui	Medical services		100.00	Incorporation

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

Name of subsidiary	Type of legal person	Registered capital (RMB'0,000)	Principal place of business	Registration place	Nature of business	Shareholding ratio (%) Direct	Indirect	Way of acquisition
Chengdu Jinniu Yining Psychiatric Hospital Co., Ltd.	Limited liability company	2,083.33	Chengdu	Chengdu	Medical services		49.33	Combination not under common control
Wenzhou Gaopin Fangzhou Hospital Co., Ltd.	Limited liability company	1,000.00	Wenzhou	Wenzhou	Medical services		100.00	Incorporation
Cangnan Kangning Hospital Co., Ltd.	Limited liability company	5,000.00	Cangnan	Cangnan	Medical services	100.00		Incorporation
Yueqing Kangning Hospital Co., Ltd.	Limited liability company	500.00	Yueqing	Yueqing	Medical services	100.00		Incorporation
Linhai Kangning Hospital Co., Ltd.	Limited liability company	200.00	Taizhou	Taizhou	Medical services	85.00		Incorporation
Qingtian Kangning Hospital Co., Ltd.	Limited liability company	436.00	Lishui	Lishui	Medical services	100.00		Incorporation
Wenzhou Kangning Judicial Forensic Centre	Judicial forensic institution	50.00	Wenzhou	Wenzhou	Judicial expertise	100.00		Incorporation
Wenzhou Lucheng Yining Hospital Co., Ltd.	Limited liability company	10,000.00	Wenzhou	Wenzhou	Medical services	60.00		Incorporation
Yongjia Kangning Hospital Co., Ltd.	Limited liability company	2,700.00	Wenzhou	Wenzhou	Medical services	100.00		Incorporation
Jinyun Shuning Hospital Co., Ltd.	Limited liability company	2,398.26	Jinyun	Jinyun	Medical services	55.00		Combination not under common control
Loudi City Kangle Kangning Hospital Co., Ltd.	Limited liability company	2,040.00	Loudi	Loudi	Medical services	51.00		Combination not under common control
Dongkou Lening Hospital Co., Ltd.	Limited liability company	1,800.00	Shaoyang	Shaoyang	Medical services	51.00		Combination not under common control
Wenzhou Kangning Psychological Consulting Co., Ltd.	Limited liability company	50.00	Wenzhou	Wenzhou	Medical services	100.00		Incorporation
Jiaxing Jiulikang Zizheng Equity Investment Partnership (Limited Partnership)	Limited partnership	6,001.00	Jiaxing	Jiaxing	Equity investments	66.60	33.30	Incorporation
Qingtian Kangning Property Management Co., Ltd.	Limited liability company	2,764.00	Lishui	Lishui	Property management	100.00		Incorporation

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

6 Equities in other entities *(Continued)*

6.1 Equities in subsidiaries *(Continued)*

6.1.1 Structure of the enterprise group (Continued)

Notes to the differences between the shareholding ratios in subsidiaries and the corresponding voting ratios:

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

6 Equities in other entities *(Continued)*

6.1 Equities in subsidiaries *(Continued)*

6.1.3 Main financial information of major non-wholly-owned subsidiaries

	Balance as at the end of the period					
Name of subsidiary	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Wenzhou Lucheng Yining Hospital Co., Ltd.	21,416,593.94	204,253,407.79	225,670,001.73	15,064,596.77	115,982,880.00	131,047,476.77
Jinyun Shuning Hospital Co., Ltd.	9,205,917.55	68,850,607.67	78,056,525.22	9,003,066.81	37,889,846.54	46,892,913.35
Zhejiang Dening Pharmaceutical Co., Ltd.	141,569,335.08	809,246.92	142,378,582.00	57,033,974.41	319,887.19	57,353,861.60

	Balance as at the end of the previous year					
Name of subsidiary	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Wenzhou Lucheng Yining 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
Jinyun Shuning Hospital Co., Ltd.	12,386,739.26	70,370,750.35	82,757,5 c as at the end of the previous year			
			Pharmaceutical Co., Ltd.	141,569,335.08Non-cu1837 Tj10,120he (Co,353,8698708)		

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

	Amount for the current period	Amount for the previous period
Name of subsidiary	Revenue	

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

6 Equities in other entities *(Continued)*

6.2 Equity in joint venture arrangements or associates *(Continued)*

6.2.2 Main financial information on major associates

Item	Balance as at the end of the period/Amount

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

7 Risks related to financial instruments

7.1 Various risks generated by nancial instruments

The Company faces various financial risks in the course of its business operation, including credit risks, liquidity risks and market risks (including the exchange rate risk, interest rate risk and other price risk). The above financial risks and the risk management policies adopted by the Company to reduce these risks are as follows:

The Board of Directors is responsible for planning and establishing the Company's risk management structure, formulating the Company's risk management policies and related guidelines, and supervising the implementation of risk management measures. The Company has formulated risk management policies to identify and analyse the risks faced by the Company. These risk management policies clearly stipulate specific risks, covering many aspects such as market risk, credit risk and liquidity risk management. The Company regularly evaluates the market environment and changes in the Company's business activities to determine whether to update the risk management policies and systems. The Company's risk management is carried out by the Strategy and Tc 0ompany

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Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

7 Risks related to financial instruments *(Continued)*

7.1 Various risks generated by □nancial instruments *(Continued)*

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

7 Risks related to financial instruments *(Continued)*

7.1 Various risks generated by financial instruments *(Continued)*

7.1.2 Liquidity risk (Continued)

The Company's financial liabilities are presented based on non-discounted contractual cash flows by the due date as follows:

	Balance as at the end of the period						
Item	Instant repayment	Within 1 year	1–2 years	2–5 years	Over 5 years	Total undiscounted contractual amount	Book value
Accounts payable		118,842,628.09				118,842,628.09	118,842,628.09
Other payables		72,746,939.83				72,746,939.83	72,746,939.83
Short-term borrowings		105,720,000.00				105,720,000.00	105,720,000.00

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

7 Risks related to financial instruments *(Continued)*

7.1 Various risks generated by □nancial instruments *(Continued)*

7.1.3 Market risk

Market risk associated with financial instruments refers to the risk that fair value or future cash flows of financial instruments fluctuate due to variations in market prices, and it includes exchange rate risk, interest rate risk and price risks.

(1) Interest rate risk

Interest rate risk refers to the risk that fair values or future cash flows of financial instruments may fluctuate due to the change in market interest rate.

Fixed-rate and floating-rate interest-bearing financial instruments make the Company expose to fair value interest rate risk and cash flow interest rate risk, respectively. The Company determines the ratio of fixed interest rate and floating interest rate instruments based on the market environment, and maintains appropriate portfolio of fixed and floating interest rate instruments through regular review and monitoring. When necessary, the Company will use interest rate swap instrument to hedge interest rate risk.

On 30 June 2025, the Company's long-term interest-bearing borrowings were mainly RMB denominated fixed-rate contracts.

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

7 Risks related to financial instruments *(Continued)*

7.1 Various risks generated by financial instruments *(Continued)*

7.1.3 Market risk (Continued)

(2) Exchange rate risk

Exchange rate risk refers to the risk that fair value or future cash flows of financial instruments fluctuates due to variations in foreign exchange rate.

The Company continuously monitors the scale of foreign currency transactions and foreign currency assets and liabilities to minimize foreign exchange risks. In addition, the Company may also sign the forward foreign exchange contract or currency swap contract to avoid the exchange rate risk. In current period and previous period, the Company did not sign any forward foreign exchange contract or currency swap contract.

The exchange rate risk the Company is facing is mainly from the financial assets and liabilities denominated in USD, and the foreign currency assets and liabilities are equivalent to the amount denominated in RMB indicated as below:

	Balance as at the end of the period		Balance as at the end of the previous year	
Item	USD	Other foreign currency		

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

7 Risks related to financial instruments *(Continued)*

7.1 Various risks generated by □nancial instruments *(Continued)*

7.1.3 Market risk (Continued)

(3) Other price risk

Other price risk refers to the risk that fair value or future cash flows of financial instruments fluctuate due to variations in market prices other than interest rate risk and interest rate risk.

The Company's other price risk arises primarily from investments in various equity instruments. There is the risk of changes in the prices of equity instruments.

As at 30 June 2025, on the conditions that all the other variables remain unchanged, if the value of the equity instruments increases or decreases by 3%, then the net profit of the Company will increase or decrease by RMB1,743,898.91 (31 December 2024: net profit RMB1,340,803.16)

8 Disclosure of fair value

The input value used for measuring fair value is divided into three levels:

Level 1 input values are unadjusted quoted prices in the active market of identical assets or liabilities accessible on the measurement date.

Level 2 input values are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 input values are unobservable inputs that have been applied in valuing the respective asset or liability.

The level of the measurement result of fair value shall subject to the lowest level which the input that is great significance to the entire measurement of fair value belongs to.

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

8 Disclosure of fair value *(Continued)*

8.1 Fair value of assets and liabilities measured at fair value as at the end of the period

	Fair value as at the end of the period			
Item	Measured at fair value at Level 1	Measured at fair value at Level 2	Measured at fair value at Level 3	Total
I. Continuous measurement of fair value				
Financil52assets held for trading			21,325,265.41	21,325,265.41
1. Financil52assets measured at fair value through the current profit or loss			21,325,265.41	21,325,265.41
(1) Investment in equity instruments			8,255,855.31	8,255,855.31
(2) Others			13,069,410.10	13,069,410.10
Other non-current financil52assets			36,804,698.26	36,804,698.26
Financil52assets measured at fair value through the current profit or loss			36,804,698.26	36,804,698.26
(1) Investment in equity instruments			36,804,698.26	36,804,698.26
Total2assets with continuous measurement at fair value			58,129,963.67	58,129,963.67

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

8 Disclosure of fair value *(Continued)*

8.2 Qualitative and quantitative information on the valuation techniques and important parameters adopted for continuous and non-continuous measurements of fair values at level 3

1. The financial assets held for trading and other non-current financial assets of the Company are equity instrument investments and bank financial products. Management prepares disclosures related to fair value based on verified valuation results, considering investment contract terms, realizable conditions, and parameters such as P/B ratio, liquidity discount and discount rate of underlying assets of related investment projects:

Item	Fair value as at the end of the period	Valuation techniques	Unobservable input values	Range interval
Financial assets held for trading	8,255,855.31	Discounted cash flow method	Weighted average capital cost	8%
	13,069,410.10	Discounted cash flow method	Weighted average capital cost	1.28%
Other non-current financial assets	36,804,698.26	Market method	P/B ratio	1.97-4.31
			Liquidity discount	23.91~24.71
		Discounted cash flow method	Weighted average capital cost	9%-18%

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

9 Related parties and related transactions

9.1 Information on the parent company of the Company

The actual controllers of the Company refer to Guan Weili and his spouse Wang Lianyue.

9.2 Subsidiaries of the Company

See "Note 6 Equity in other entities" for details of subsidiaries of the Company.

9.3 Joint ventures and associates of the Company

Please refer to "Note 6 Equity in other entities" for details of significant joint ventures and associates of the Company.

Other joint ventures or associates having balances from related party transactions with the Company in the current period or in the previous period:

Name of joint venture or associate	Relationship with the Company
Hangzhou Anken Medical Technology Co., Ltd.	Associates of the Company
Wenzhou Longwan Yining Hospital Co., Ltd.	Associates of the Company
Zhejiang Huangfeng Hospital Management Co., Ltd.	Associates of the Company
Shaanxi Shanda Hospital Management Consulting Co., Ltd.	Associates of the Company
Chongqing Hechuan Kangning Hospital Co., Ltd.	Associates of the Company
Zhejiang Fengsheng Nutrition Technology Co., Ltd.	Associates of the Company
Wenzhou Ouyue Health Management Co., Ltd.	Associates of the Company

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

9 Related parties and related transactions *(Continued)*

9.4 Other related parties

Name of other related party	Relationship between other related party and the Company
Cai Wenqin	Minority shareholder of the Company's subsidiary
Chen Guanghong	Minority shareholder of the Company's subsidiary
Jiang Danping	Minority shareholder of the Company's subsidiary
Ningbo Meishan Bonded Port Area Kuanzhan Investment Management Partnership (Limited Liabilities Partnership)	Minority shareholder of the Company's subsidiary
Shandong Furen Hospital Management Co., Ltd.	Minority shareholder of the Company's subsidiary
Wang Hongyue	One of the substantial shareholders of the Company and an immediate family member of the ultimate controlling parties of the Company
Wu Lianxi	Minority shareholder of the Company's subsidiary
Wu Zihuang	Minority shareholder of the Company's subsidiary
Xu Xiuhu	Minority shareholder of the Company's subsidiary
Ye Liangfu	Close relative of the Company's ultimate controller
Sichuan Hongji Pharmaceutical Co., Ltd.	Minority shareholder of the Company's subsidiary
Wang Changsheng	Actual controller of minority shareholder of the Company's subsidiary
Yiwu Mental Health Centre	Non-profit organisation invested by the Company with council members assigned
Zhejiang Tianqu Environment Construction Co., Ltd.	Minority shareholder of the Company's subsidiary
Zhejiang Yangge Property Management Co., Ltd.	Minority shareholder of the Company's subsidiary
Wenzhou Donghu Property Management Co., Ltd.	Minority shareholder of the Company's subsidiary
Hangzhou Yining Hospital Co., Ltd.	Used to be an associate of the Company during the reporting period
Wenzhou Anken Psychological Consultation Co., Ltd.	Subsidiaries of the Company's associate
Luonan Shanda Rehabilitation Hospital Co., Ltd.	Subsidiaries of the Company's associate

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

9 Related parties and related transactions *(Continued)*

9.5 Information on related party transactions

9.5.1 Purchase or sale of goods, and rendering or receipt of labor services

Purchase of goods/receipt of services

Related-party	Content of related party transaction	Amount for the current period	Amount for the previous period
Zhejiang Fengsheng Nutrition Technology Co., Ltd.	Purchase of medicines	311,783.03	46,490.62
Wenzhou Anken Psychological Consultation Co., Ltd.	Purchase of medicines		17,960.18
Ye Liangfu	Purchase of canteen services	88,374.93	

Sales of goods/rendering of services

Related party	Content of related party transaction	Amount for the current period	Amount for the previous period
Yiwu Mental Health Centre	Medical management services	1,485,148.52	1,485,148.52
Hangzhou Yining Hospital Co., Ltd.	Rendering of services		84,905.66
Hangzhou Anken Medical Technology Co., Ltd.	Sales of drugs	280,200.88	

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

9 Related parties and related transactions *(Continued)*

9.5 Information on related party transactions *(Continued)*

9.5.2 Related-party guarantee

The Company as the guarantor:

Guaranteed party	Guaranteed amount	Commencement date	Expiry date	Whether or not the guarantee performance has been completed
Quzhou Yining Hospital Co., Ltd.	60,000,000.00	2023/10/9	2034/10/9	No
Yongjia Kangning Hospital Co., Ltd.	60,000,000.00	2019/8/20	2031/8/21	No
Linhai Cining Hospital Co., Ltd.	68,440,000.00	2023/4/3	2032/3/2	No
Jinyun Shuning Hospital Co., Ltd.	6,000,000.00	2024/7/30	2025/7/30	No
Hangzhou Anken Medical Technology Co., Ltd.	32,400,000.00	2024/7/1	2027/6/30	No
Wenzhou Lucheng Yining Hospital Co., Ltd.	8,400,000.00	2024/3/31	2027/3/31	No
Wenzhou Lucheng Yining Hospital Co., Ltd.	103,000,000.00	2023/10/12	2034/10/9	No
Yongjia Kangning Hospital Co., Ltd.	12,000,000.00	2024/7/18	2029/6/18	No
Yueqing Yining integrated Traditional and Western Medicine Hospital Co., Ltd.	8,000,000.00	2024/7/18	2029/6/18	No
Qingtian Kangning Hospital Co., Ltd.	5,300,780.00	2024/1/1	2028/12/31	No
Wenzhou Yining Geriatric Hospital Co., Ltd.	4,337,088.00	2024/1/25	2028/12/25	No
Wenzhou Yining Geriatric Hospital Co., Ltd.	17,000,000.00	2022/10/25	2025/10/25	No
Pingyang Changgeng Yining Hospital Co., Ltd.	26,000,000.00	2023/12/20	2031/12/20	No
Longquan Kangning Hospital Co., Ltd.	60,000,000.00	2025/4/29	2039/4/14	No

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

9 Related parties and related transactions *(Continued)*

9.5 Information on related party transactions *(Continued)*

9.5.2 Related-party guarantee (Continued)

The Company acted as guaranteed party:

Guarantee	Guaranteed amount	Commencement date	Expiry date	Whether or not the guarantee performance has been completed
Yueqing Kangning Hospital Co., Ltd.	200,000,000.00	2021/12/24	2026/12/24	No
Yongjia Kangning Hospital Co., Ltd.	200,000,000.00	2021/12/24	2026/12/24	No
Cangnan Kangning Hospital Co., Ltd.	200,000,000.00	2021/12/24	2026/12/24	No
Wenzhou Yining Geriatric Hospital Co., Ltd.	200,000,000.00	2021/12/24	2026/12/24	No
Pingyang Kangning Hospital Co., Ltd.	200,000,000.00	2021/12/24	2026/12/24	No
Wenzhou Lucheng Yining Hospital Co., Ltd.	200,000,000.00	2021/12/24	2026/12/24	No
Wenzhou Cining Hospital Co., Ltd.	200,000,000.00	2021/12/24	2026/12/24	No
Cangnan Kangning Hospital Co., Ltd.	66,474,000.00	2021/12/24	2026/12/10	No
Guan Weili, Wang Lianyue	24,000,000.00	2020/6/30	2027/6/30	No
Guan Weili, Wang Hongyue, Wang Lianyue	79,642,127.25	2021/11/29	2028/11/29	No
Guan Weili, Wang Hongyue, Wang Lianyue, Xu Yi	180,950,000.00	2020/10/26	2026/10/25	No
Guan Weili	70,000,000.00	2023/11/8	2026/11/15	No
Guan Weili, Wang Lianyue, Wang Hongyue	14,660,000.00	2019/9/10	2029/8/20	No
Guan Weili, Wang Lianyue, Wang Hongyue	10,280,000.00	2020/1/1	2029/8/20	No
Guan Weili, Wang Lianyue, Wang Hongyue	3,320,000.00	2020/12/22	2029/8/20	No
Guan Weili, Wang Lianyue, Wang Hongyue	2,200,000.00	2020/9/27	2029/8/20	No
Guan Weili, Wang Lianyue, Wang Hongyue	2,200,000.00	2020/9/27	2029/8/20	No
Guan Weili, Wang Lianyue, Wang Hongyue	3,050,000.00	2021/3/1	2029/8/20	No
Guan Weili, Wang Lianyue, Wang Hongyue	3,050,000.00	2021/3/1	2029/8/20	No
Guan Weili, Wang Lianyue, Wang Hongyue	45,000,000.00	2023/7/3	2037/12/31	No
Guan Weili, Wang Lianyue, Wang Hongyue	15,000,000.00	2023/7/31	2037/12/31	No
Guan Weili, Wang Lianyue, Wang Hongyue	10,116,550.00	2023/10/25	2037/12/31	No
Guan Weili, Wang Lianyue, Wang Hongyue	5,007,200.00	2023/11/24	2037/12/31	No
Guan Weili, Zhejiang Tianqu Environment Construction Co., Ltd., Zhejiang Yangge Property Management Co., Ltd.	60,000,000.00	2023/10/9	2031/10/9	No
Wang Lianyue	18,312,000.00	2023/12/20	2028/12/25	No

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

9 Related parties and related transactions *(Continued)*

9.5 Information on related party transactions *(Continued)*

9.5.3 Loans from and to related parties

Related parties	Lending/ borrowing amount	Commencement date	Expiry date	Remark
Loans from related parties				
Chongqing Hechuan Kangning Hospital Co., Ltd.	2,800,000.00	2024/5/6	2025/5/6	
Luonan Shanda Rehabilitation Hospital Co., Ltd.	1,095,000.00	2023/9/29		Not returned yet
Zhejiang Yangge Property Management Co., Ltd.	2,508,250.00	2022/6/13		Not returned yet
Wenzhou Donghu Property Management Co., Ltd.	6,000,000.00	2025/6/3	2028/6/2	
Loan to related parties				
Wenzhou Longwan Yining Hospital Co., Ltd.	13,950,000.00	2023/1/10	2026/1/9	
Sichuan Hongji Pharmaceutical Co., Ltd.	10,204,311.69	2015/6/1		
Wang Changsheng	3,490,447.08	2015/9/1		

9.5.4 Remuneration of key management personnel

Item	Amount for the current period	Amount for the previous period
Salary, bonus, etc.	3,911,019.68	3,600,689.93
Share-based payments	1,173,758.49	436,155.63

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

9 Related parties and related transactions *(Continued)*

9.6 Unsettled items of receivables from and payables to related parties

9.6.1 Receivables

		Book balance as at the end of the year		Book balance as at the end of the previous year	
Item	Related parties	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable					
	Yiwu Mental Health Centre	13,524,620.00	9,049,240.00	12,024,620.00	7,548,920.00
	Hangzhou Yining Hospital Co., Ltd.			79,780.30	2,807.80
	Chongqing Hechuan Kangning Hospital Co., Ltd.	400,000.00	20,000.00		
Other receivable					
	Hangzhou Yining Hospital Co., Ltd.			8,000,000.00	8,000,000.00
	Wenzhou Longwan Yining Hospital Co., Ltd.	15,263,890.41	763,194.52	14,312,219.18	715,610.96
	Sichuan Hongji Pharmaceutical Co., Ltd.	10,204,311.69	10,204,311.69	10,204,311.69	10,204,311.69
	Yiwu Mental Health Centre	2,475,380.00	123,769.00	2,475,380.00	123,769.00
	Wang Changsheng	3,490,447.08	3,490,447.08	3,490,447.08	3,490,447.08
	Chen Guanghong	100,000.00	1,000.00	100,000.00	1,000.00
	Xu Xiuhu	80,004.00	800.04	80,004.00	800.04
	Cai Wenqin	100,187.50	2,259.38	45,187.50	2,259.38
	Ye Liangfu	30,000.00	1,500.00		

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

9 Related parties and related transactions *(Continued)*

9.6 Unsettled items of receivables from and payables to related parties *(Continued)*

9.6.2 Payables

Item	Related parties	Book balance as at the end of the year	Book balance as at the end of the previous year
Accounts payable			
	Zhejiang Fengsheng Nutrition Technology Co., Ltd.	21,444.60	32,895.70
	Ye Liangfu	40,147.00	23,583.50
Other payables			
	Shandong Furen Hospital Management Co., Ltd.	3,832,261.70	
	Luonan Shanda Rehabilitation Hospital Co., Ltd.	1,095,000.00	1,095,000.00
	Chongqing Hechuan Kangning Hospital Co., Ltd.		3,294,491.66
	Zhejiang Yangge Property Management Co., Ltd.	2,508,250.00	2,508,250.00
	Xu Xiuhu	452,515.19	2,405,961.75
	Chen Guanghong	81,961.66	
	Hangzhou Yining Hospital Co., Ltd.		93,142.79
	Zhejiang Huangfeng Hospital Management Co., Ltd.	19,983.98	19,983.98
	Wenzhou Donghu Property Management Co., Ltd.	6,000,000.00	

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

9 Related parties and related transactions *(Continued)*

9.7 Five individuals with highest remunerations

For January to June 2025, five individuals with highest remunerations of the Company include 2 directors (January to June 2024: 2), the remunerations of the remaining 3 individuals with highest remunerations are reflected in below table:

Item	Amount for the current period	Amount for the previous period
Basic salaries, bonuses, housing allowances and other subsidies	1,187,773.78	1,174,589.67
Share-based payments	293,640.02	17,942.58
Total	1,481,413.80	1,192,532.25

Scope of compensation	Persons in 2024	Persons in 2023
0–500,000	2	3
500,000–1,000,000.00	1	0
Total	3	3

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

10 Share-based payments

10.1 General information of share-based payment

In accordance with the H Share Award and Trust Scheme approved at the Company's first extraordinary general meeting for 2023 held on 27 September 2023, the Company signed a trust deed with the trustee to establish a trust serving the H Share Award and Trust Scheme. The trustee assists in managing the plan and, following the trust deed and the Company's instructions, purchases the Company's H-shares through market transactions. These shares are funded by the Company's foreign exchange transfer to the trust and are held and disposed of by the trustee as per the Company's directives. The H-shares under the H Share Award and Trust Scheme shall not exceed 5% of the Company's total issued capital after the authorisation date of the plan or the date of approval to update this limit, which is 3,730,015 shares.

On 12 April 2024, the Board of Directors resolved to grant a total of 363,100 reward shares to the first

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

10 Share-based payments *(Continued)*

10.1 General information of share-based payment

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

10 Share-based payments *(Continued)*

10.3 Share-based payment fee

	Amount for the current period			Amount for the previous period		
Granting object	Equity-settled share-based payments	Cash-settled share-based payments	Total	Equity-settled share-based payments	Cash-settled share-based payments	Total
H Share Award and Trust Scheme	2,831,843.05		2,831,843.05	767,673.68		767,673.68
Total	2,831,843.05		2,831,843.05	767,673.68		767,673.68

11 Commitments and contingencies

11.1 Signi□cant commitments

11.1.1 Significant commitments existed on the balance sheet date

The Company's commitments related to capital expenditure contracted for but not provided in the balance sheet as at the balance sheet date:

	30 June 2025	30 June 2024
Buildings and constructions, machinery equipment	63,119,306.07	55,890,951.92
Total	63,119,306.07	55,890,951.92

11.1.2 Foreign investment commitment

As of 30 June 2025, the Company had no commitments for outward investments.

11.2 Contingencies

The Company has no significant contingencies required to be disclosed.

12 Post balance sheet events

The Company has no significant post balance sheet events required to be disclosed.

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

13 Capital management

The main objectives of the Company's capital management are:

Ensure the Company's ability to continue as a going concern in order to consistently give returns to shareholders and other stakeholders.

Determine the pricing of products and services based on the level of risk so as to give adequate returns to shareholders.

The Company sets the amount of capital proportional to risk, manages the capital structure and adjusts it in response to changes in the economic environment and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the dividend amount paid to shareholders and the capital returned to shareholders, and issue new shares or sell assets to reduce liabilities.

The Company monitors capital based on the adjusted liability and capital ratio.

As at the balance sheet date, the adjusted debt/capital ratio was as follows:

	Balance as at the end of the period	Balance as at the end of the previous year
Debt/capital ratio	55.35%	55.30%

14 Other significant events

14.1 Segment information

Each segment of the Company provides different products and services or engages in business operations at different areas. Due to the demands of each segment for different technology and market strategy, the Company's management monitors different segments in respect of their business activities separately, and evaluates their operating results on a regular basis in order to allocate resources and evaluate performance.

As the Company transferred its equity interest in Wenzhou Guoda Investment in June 2021, the Company had only one reporting segment.

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

15 Notes to main items of financial statements of the parent company

15.1 Accounts receivable

15.1.1 Disclosure of accounts receivable by aging

Aging	Balance as at the end of the period	Balance as at the end of the previous year
Within 1 year	55,022,027.77	74,677,055.21
1–2 years	4,108,444.71	6,288,695.61
2–3 years	2,714,335.04	257,315.13
Sub-total	61,844,807.52	81,223,065.95
Less: provision for bad debts	8,259,054.12	11,526,313.86
Total	53,585,753.40	69,696,752.09

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

15 Notes to main items of financial statements of the parent company *(Continued)*

15.1 Accounts receivable *(Continued)*

15.1.2 Disclosure by category of accounts receivable under the methods of provision for bad debts

	Balance as at the end of the period					Balance as at the end of the previous year				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
Type	Amount	Proportion (%)	Amount	Proportion of provision (%)	Book value	Amount	Proportion (%)	Amount	Proportion of provision (%)	Book value
Provision for bad debts accrued on an individual basis	11,769,930.45	19.03	7,673,185.18	65.19	4,096,745.27	10,763,194.65	13.25	10,725,880.17	99.65	37,314.48
Including:										
Medical fees due from patients	11,769,930.45	19.03	7,673,185.18	65.19	4,096,745.27	10,763,194.65	13.25	10,725,880.17	99.65	37,314.48
Provision for bad debts by portfolio with the credit risk characteristics	50,074,877.07	80.97	585,868.94	1.17	49,489,008.13	70,459,871.30	86.75	800,433.69	1.14	69,659,437.61
Including:										
Portfolio of overdue days	50,074,877.07	80.97	585,868.94	1.17	49,489,008.13	70,459,871.30	86.75	800,433.69	1.14	69,659,437.61
Total	61,844,807.52	100.00	8,259,054.12	/	53,585,753.40	81,223,065.95	100.00	11,526,313.86	/	69,696,752.09

Significant accounts receivable with individual provision for bad debts:

	Balance as at the end of the period				Balance as at the end of the previous year	
Name	Book balance	Provision for bad debts	Proportion of provision (%)	Basis of provision	Book balance	Provision for bad debts
Medical fees due from patients	11,769,930.45	7,673,185.18	65.19	Provision for bad debts for lifetime expected credit loss	10,763,194.65	10,725,880.17
Total	11,769,930.45	7,673,185.18	/	/	10,763,194.65	10,725,880.17

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

15 Notes to main items of financial statements of the parent company *(Continued)*

15.1 Accounts receivable *(Continued)*

15.1.2 Disclosure by category of accounts receivable under the methods of provision for bad debts (Continued)

Provision for bad debts by portfolio with the credit risk characteristics:

Item accrued on a portfolio basis:

	Balance as at the end of the period		
Name	Accounts receivable	Provision for bad debts	Proportion of provision (%)
Portfolio of overdue days	50,074,877.07	585,868.94	1.17
Total	50,074,877.07	585,868.94	/

15.1.3 Provision, reversal or recovery of provision for bad debts in current period

		Changes in the current period				
Type	Balance as at the end of the previous year	Provision	Recovery or reversal	Write-off or charge-off	Other changes	Balance as at the end of the period
Accounts receivable	11,526,313.86		1,141,090.64	2,126,169.10		8,259,054.12
Total	11,526,313.86		1,141,090.64	2,126,169.10		8,259,054.12

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

15 Notes to main items of financial statements of the parent company *(Continued)*

15.2 Other receivables *(Continued)*

15.2.3 Other receivables

(1) Disclosure by aging

Aging	Balance as at the end of the period	Balance as at the end of the previous year
Within 1 year	634,384,913.08	532,356,857.00
1–2 years	4,021,608.08	32,666,417.15
2–3 years	25,581,000.00	8,304,612.39
3–4 years	8,465,096.66	496,167.22
4–5 years	706,350.52	706,350.52
Sub-total	673,158,968.34	574,530,404.28
Less: provision for bad debts	1,267,376.87	1,842,181.81
Total	671,891,591.47	572,688,222.47

(2) Disclosure under the methods of provision for bad debts by category

	Balance as at the end of the period					Balance as at the end of the previous year				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
Category	Amount	Proportion (%)	Amount	Proportion of provision (%)	Book value	Amount	Proportion (%)	Amount	Proportion of provision (%)	Book value
Provision for bad debts accrued on an individual basis										
Provision for bad debts by portfolio with the credit risk characteristics	673,158,968.34	100.00	1,267,376.87	0.19	671,891,591.47	574,530,404.28	100.00	1,842,181.81	0.32	572,688,222.47
Including:										
Aging portfolio	53,919,600.27	8.01	1,267,376.87	2.35	52,652,223.40	65,297,554.50	11.37	1,842,181.81	2.82	63,455,372.69
Related parties in the consolidation scope	619,239,368.07	91.99			619,239,368.07	509,232,849.78	88.63			509,232,849.78
Total	673,158,968.34	100.00	1,267,376.87	/	671,891,591.47	574,530,404.28	100.00	1,842,181.81	/	572,688,222.47

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

15 Notes to main items of financial statements of the parent company *(Continued)*

15.2 Other receivables *(Continued)*

15.2.3 Other receivables (Continued)

(2) Disclosure under the methods of provision for bad debts by category (Continued)

Provision for bad debts by portfolio with the credit risk characteristics:

Item accrued on a portfolio basis:

	Balance as at the end of the period		
Name	Other receivables	Provision for bad debts	Proportion of provision (%)
Aging portfolio	53,919,600.27	1,267,376.87	2.35
Related parties in the consolidation scope	619,239,368.07		
Total	673,158,968.34	1,267,376.87	/

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

15 Notes to main items of financial statements of the parent company *(Continued)*

15.2 Other receivables *(Continued)*

15.2.3 Other receivables (Continued)

(3) Information of provision for bad debts

Provision for bad debts	Stage I Expected credit loss in the next 12 months	Stage II Lifetime expected credit loss (without credit impairment)	Stage III Lifetime expected credit loss (with credit impairment)	Total
Balance as at the end of the previous period	1,842,181.81			1,842,181.81
Since current period, balance as at the				

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

15 Notes to main items of financial statements of the parent company *(Continued)*

15.2 Other receivables *(Continued)*

15.2.3 Other receivables (Continued)

(4) Provision for bad debts provided for, reversed or recovered in the current period

Category	Balance as at the end of the previous period	Changes in the current period				Balance as at the end of the period
		Provision	Recovery or reversal	Write-off or charge-off	Other changes	
Provision for bad debts made by portfolio:	1,842,181.81		574,804.94			1,267,376.87
Total	1,842,181.81		574,804.94			1,267,376.87

(5) Classification of other receivables by nature

Nature of payment	Book balance as at the end of the year	Book balance as at the end of the previous year
Other receivables of related parties within the scope of consolidation	619,239,368.07	509,232,849.78
Staff loans	35,017,000.00	38,067,000.00
Current accounts	81,266.23	1,354,960.78
Deposits and margin	1,890,100.00	1,891,780.00
Others	1,667,343.63	1,671,594.54
Receivables from related parties	15,263,890.41	22,312,219.18
Total	673,158,968.34	574,530,404.28

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

15 Notes to main items of financial statements of the parent company *(Continued)*

15.3 Long-term equity investments

Item	Balance as at the end of the period	Balance as at the end of the previous period

15 Notes to main items of financial statements of the parent company *(Continued)*

15.3 Long-term equity investments *(Continued)*

15.3.1 Investment in subsidiaries

Investee	Balance as at the end of the previous year	Balance of provision for impairment as at the end of the previous year	Increase/decrease in current period				Balance as at the end of the period	Balance of provision for impairment as at the end of the period
			Additional investment	Reduced investment	Provision for impairment in current period	Others		
Loudi City Kangle Kangning Hospital Co., Ltd.	14,480,000.00			765,000.00			13,715,000.00	
Wenzhou Kangning Judicial Forensic Centre	500,000.00						500,000.00	
Zhejiang Kangning Hospital Management Co., Ltd.	204,839,156.10						204,839,156.10	
Cangnan Kangning Hospital Co., Ltd.	52,734,559.81					[illegible]		

Co., Ltd.

15 Notes to main items of financial statements of the parent company *(Continued)*

15.3 Long-term equity investments *(Continued)*

15.3.2 Investments in associates and joint ventures

Investee	Balance as at the end of the previous period	Balance of provision for impairment as at the end of the previous year	Increase/decrease in current year								Balance as at the end of the period	Balance of provision for impairment as at the end of the period
			Additional investment	Reduced investment	Profit or loss on investments recognised under the equity method	Adjustment to other comprehensive income	Changes in other equity	Cash dividends or profits declared to be distributed	Provision for impairment	Others		
Hangzhou Anken Medical Technology Co., Ltd.	6,869,165.91				1,733,956.37						8,603,122.28	
Wenzhou Longwan Yining Hospital Co., Ltd.	56,424,778.61				-207,831.29						56,216,947.32	
Total	63,293,944.52				1,526,125.08						64,820,069.60	

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

15 Notes to main items of financial statements of the parent company *(Continued)*

15.4 Revenue and cost of sales

15.4.1 Details of revenue and cost of sales

Notes to the Financial Statements

For the Six Months Ended 30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

15 Notes to main items of financial statements of the parent company *(Continued)*

15.5 Investment income

Item	Amount for the current period	Amount for the previous period
Long-term equity investment income calculated under the cost method		14,061,318.98
Long-term equity investment income calculated under the equity method	1,526,125.08	128,019.62
Total	1,526,125.08	14,189,338.60

De□nitions

"Domestic Share(s)"	ordinary Share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted Shares which are currently not listed or traded on any stock exchange
"Dongkou Lening Hospital"	Dongkou Lening Hospital Co., Ltd. (洞口樂寧醫院有限公司

De□nitions

"Pingyang Kangning Hospital"	Pingyang Kangning Hospital Co., Ltd (平陽康寧醫院有限公司), a company established in the PRC with limited liability on November 2, 2015, one of the Company's indirect wholly owned subsidiaries
"Pujiang Yining Hospital"	Pujiang Yining Huangfeng Hospital Co., Ltd. (浦江怡寧黃鋒醫院有限公司), a company established in the PRC with limited liability on September 3, 2018, one of the Company's indirect non-wholly owned subsidiaries
"PRC" or "China"	the People's Republic of China which, for the purpose of this interim report, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Proposed Interim Dividend"	the proposed interim dividend distribution plan of RMB1.80 (tax-inclusive) per 10 Shares for the six months ended June 30, 2025 subject to the approval by the Shareholders at the extraordinary general meeting as described under the section headed "INTERIM DIVIDEND" of this interim report
"Quzhou Yining Hospital"	Quzhou Yining Hospital Co., Ltd. (衢州怡寧醫院有限公司), a company established in the PRC with limited liability on November 20, 2015, one of the Company's indirect non-wholly owned subsidiaries
"Reporting Period"	the six months ended June 30, 2025
"Remuneration Committee"	the remuneration committee of the Board
"RMB"	the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, including the Domestic Share(s) and the H Share(s)
"Shareholder(s)"	holder(s) of the Share(s)
"Shenzhen Yining Hospital"	Shenzhen Yining Hospital (深圳怡寧醫院, previously known as Shenzhen Yining Hospital Co., Ltd. (深圳市怡寧醫院有限公司)), a company established in the PRC with limited liability on September 22, 2014, one of the Company's indirect non-wholly owned subsidiaries

De□nitions

"Strategy and Risk Management Committee"	the strategy and risk management committee of the Board
"subsidiary" or "subsidiaries"	has the meaning ascribed thereto in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"substantial Shareholder(s)"	has the meaning ascribed thereto in the Hong Kong Listing Rules
"Supervisor(s)"	the members of the Supervisory Committee
"Supervisory Committee"	the Company's supervisory committee established pursuant to the PRC Company Law
"treasury shares"	has the meaning ascribed thereto in the Hong Kong Listing Rules
"Wenzhou Ouhai Yining Elderly Hospital"	Wenzhou Ouhai Yining Elderly Hospital Co., Ltd. (溫州甌海怡寧老年醫院有限公司), a company established in China with limited liability on March 8, 2021, one of the non-wholly owned subsidiaries of the Company
"Yining Psychology Internet Hospital"	Yining Psychology Internet Hospital (Wenzhou) Co., Ltd. (怡寧心理互聯網醫院(溫州)有限公司), a company established in the PRC with limited liability on March 10, 2020, one of the Company's indirect wholly owned subsidiaries
"Yongjia Kangning Hospital"	Yongjia Kangning Hospital Co., Ltd. (永嘉康寧醫院有限公司), a company established in the PRC with limited liability on December 12, 2012, one of the Company's wholly owned subsidiaries
"%"	percentage ratio

溫州康寧醫院股份有限公司

Wenzhou Kangning Hospital Co., Ltd.