

(A joint stock limited liability company incorp

2025

ANNUAL REPORT



Corporate Information

B O D

Executive Directors

M . GUAN W

Corporate Information

Registered Office: Hangzhou

40/F, D S F C

248 Q R E

W

H K

HS R

C H K I S L

S 1712-1716, 17 F

H C

183 Q R E

W

H K

S C

2120

C W

:

I R

T : (86) 577 8877 1689

F : (86) 577 8878 9117

E : @

Chairman's Statement

Dear Shareholders,

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

In 2025, the company has achieved significant progress in various aspects. The management team has focused on improving operational efficiency, enhancing service quality, and expanding market share. The company has successfully completed several key projects, including the launch of new services and the expansion of our service network. The financial performance has also shown steady growth, with revenue and profit both increasing compared to the previous year.

Looking ahead to 2026, we will continue to adhere to our corporate strategy and focus on innovation and development. We will further strengthen our management system, optimize our business structure, and explore new growth opportunities. We will also pay more attention to the needs of our shareholders and stakeholders, ensuring that we provide them with the best possible returns and services. We believe that with the continued support and cooperation of all parties, the company will achieve even greater success in the future.

I am confident that the company's future is bright and full of potential. I will continue to work hard and strive for excellence, contributing to the company's sustainable development and the well-being of our shareholders.

W
 L
 A C
 C
 C
 G
 G

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

GUAN W

C

A 27, 2026

Management Discussion and Analysis

Business Overview

Psychiatric Specialized Medical Service Industry and Elderly Healthcare Industry in China

Psychiatric Specialized Medical Service Industry: According to the "China Statistical Yearbook of Mental Health" (2023), the number of psychiatric specialized medical service institutions in China has increased significantly in recent years, with a compound annual growth rate of 10.6%. The industry is characterized by high technical requirements and a long history. With the improvement of people's living standards and the awareness of mental health, the demand for psychiatric specialized medical services is increasing. The industry is currently in a period of rapid development, with the number of institutions and the quality of services both showing significant growth.

Elderly Healthcare Industry: The elderly healthcare industry is a new and emerging industry. According to the "China Statistical Yearbook of Elderly Healthcare" (2023), the number of elderly healthcare institutions in China has increased significantly in recent years, with a compound annual growth rate of 10.6%. The industry is characterized by high technical requirements and a long history. With the improvement of people's living standards and the awareness of elderly healthcare, the demand for elderly healthcare services is increasing. The industry is currently in a period of rapid development, with the number of institutions and the quality of services both showing significant growth.

According to the "China Statistical Yearbook of Mental Health" (2023), the number of psychiatric specialized medical service institutions in China has increased significantly in recent years, with a compound annual growth rate of 10.6%. The industry is characterized by high technical requirements and a long history. With the improvement of people's living standards and the awareness of mental health, the demand for psychiatric specialized medical services is increasing. The industry is currently in a period of rapid development, with the number of institutions and the quality of services both showing significant growth.

According to the "China Statistical Yearbook of Elderly Healthcare" (2023), the number of elderly healthcare institutions in China has increased significantly in recent years, with a compound annual growth rate of 10.6%. The industry is characterized by high technical requirements and a long history. With the improvement of people's living standards and the awareness of elderly healthcare, the demand for elderly healthcare services is increasing. The industry is currently in a period of rapid development, with the number of institutions and the quality of services both showing significant growth.

I S
 W

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

 T

Management Discussion and Analysis

Business Review

In 2025, the Company continued to implement its business strategy, focusing on the development of its core business and the expansion of its market share. The Company's operating performance was stable, with a slight increase in revenue and a decrease in expenses. The Company's financial position remained solid, with a strong cash flow and a low level of debt. The Company's management team continued to work hard to improve the Company's operating performance and to create value for its shareholders.

During the reporting period, the Company's operating performance was as follows: Revenue increased by 2.1% compared with the same period of 2024. A total of RMB1,619.8 million, compared with RMB1,448.7 million in the same period of 2024. A total of RMB1,448.7 million. Expenses decreased by 4.6% compared with the same period of 2024. A total of RMB54.4 million, compared with RMB54.4 million in the same period of 2024. A total of RMB54.4 million. The Company's operating profit increased by 17.1% compared with the same period of 2024. A total of RMB1,565.4 million, compared with RMB1,448.7 million in the same period of 2024. A total of RMB1,448.7 million. The Company's net profit increased by 17.1% compared with the same period of 2024. A total of RMB1,565.4 million, compared with RMB1,448.7 million in the same period of 2024. A total of RMB1,448.7 million. The Company's cash flow remained strong, with a total of RMB1,565.4 million, compared with RMB1,448.7 million in the same period of 2024. A total of RMB1,448.7 million. The Company's financial position remained solid, with a strong cash flow and a low level of debt.

The Company's operating performance was as follows:

The Company's operating performance was as follows: Revenue increased by 2.1% compared with the same period of 2024. A total of RMB1,619.8 million, compared with RMB1,448.7 million in the same period of 2024. A total of RMB1,448.7 million. Expenses decreased by 4.6% compared with the same period of 2024. A total of RMB54.4 million, compared with RMB54.4 million in the same period of 2024. A total of RMB54.4 million. The Company's operating profit increased by 17.1% compared with the same period of 2024. A total of RMB1,565.4 million, compared with RMB1,448.7 million in the same period of 2024. A total of RMB1,448.7 million. The Company's net profit increased by 17.1% compared with the same period of 2024. A total of RMB1,565.4 million, compared with RMB1,448.7 million in the same period of 2024. A total of RMB1,448.7 million. The Company's cash flow remained strong, with a total of RMB1,565.4 million, compared with RMB1,448.7 million in the same period of 2024. A total of RMB1,448.7 million. The Company's financial position remained solid, with a strong cash flow and a low level of debt.

Management Discussion and Analysis

[illegible]

		As at December 31, 2025	As at December 31, 2024
		Number of beds in operation	Number of beds in operation
Residential		16	15
Nursing		10	10
Total		26	25

$$E \quad H \quad B \quad \dots$$

R
 T 2025
 S
 G
 G
 I 2025,
 G

A - D, 31, 2025, G 7, 1

T

G, D, 31, 2025:

	As at December 31, 2025		As at December 31, 2024	
	Number of facilities	Number of beds in operation	Number of facilities	Number of beds in operation
W	6	2,630	6	2,580
H	1	170	1	170
T	7	2,800	6	2,580

Management Discussion and Analysis

Business Highlights

In 2025, the Company continued to implement its business strategy, focusing on the development of its core business and the expansion of its market share. The Company achieved significant progress in various areas, including research and development, production, and sales.

In the field of research and development, the Company has made significant progress in the development of new products. The Company has successfully developed several new products, including the "H-I-S" series, which has been widely recognized by the market. The Company also invested in the development of AI technology, which has been applied in various fields, including medical diagnosis and treatment.

In the field of production, the Company has improved its production efficiency and quality. The Company has successfully completed the production of several large-scale projects, including the "3" project, which has been widely recognized by the market. The Company also invested in the development of its production facilities, which has helped to improve its production efficiency and quality.

In the field of sales, the Company has expanded its market share and increased its sales volume. The Company has successfully completed the sales of several large-scale projects, including the "R&D K B" project, which has been widely recognized by the market. The Company also invested in the development of its sales network, which has helped to expand its market share and increase its sales volume.

In the field of financial management, the Company has improved its financial management and increased its profitability. The Company has successfully completed the financial management of several large-scale projects, including the "R&D K B" project, which has been widely recognized by the market. The Company also invested in the development of its financial management system, which has helped to improve its financial management and increase its profitability.

In the field of human resources management, the Company has improved its human resources management and increased its employee satisfaction. The Company has successfully completed the human resources management of several large-scale projects, including the "R&D K B" project, which has been widely recognized by the market. The Company also invested in the development of its human resources management system, which has helped to improve its human resources management and increase its employee satisfaction.

In the field of corporate social responsibility, the Company has improved its corporate social responsibility and increased its social contribution. The Company has successfully completed the corporate social responsibility of several large-scale projects, including the "R&D K B" project, which has been widely recognized by the market. The Company also invested in the development of its corporate social responsibility system, which has helped to improve its corporate social responsibility and increase its social contribution.

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

Management Discussion and Analysis

Financial Review

Total operating revenue for the year ended December 31, 2024, was RMB1,619.8 million, an increase of 2.1% compared with RMB1,448.7 million for the year ended December 31, 2023, an increase of 4.6% compared with 2024. Domestic revenue for the year ended December 31, 2024, was RMB1,448.7 million, an increase of 25.8% (2024: 25.9%), compared with RMB1,119.6 million for the year ended December 31, 2023, an increase of 4.4% compared with 2024. Net revenue for the year ended December 31, 2024, was RMB419.1 million, an increase of 17.1% compared with RMB340.3 million for the year ended December 31, 2023, an increase of 17.1% compared with 2024. Domestic revenue for the year ended December 31, 2024, was RMB54.4 million, an increase of 17.1% compared with RMB440.0 million for the year ended December 31, 2023, an increase of 17.1% compared with 2024.

Revenue from operating owned hospitals for the year ended December 31, 2024, was RMB1,448,706,000, an increase of 2.1% compared with RMB1,019,941,000 for the year ended December 31, 2023, an increase of 4.6% compared with 2024. Domestic revenue for the year ended December 31, 2024, was RMB1,448,706,000, an increase of 25.8% (2024: 25.9%), compared with RMB1,119,600,000 for the year ended December 31, 2023, an increase of 4.4% compared with 2024. Net revenue for the year ended December 31, 2024, was RMB419,100,000, an increase of 17.1% compared with RMB340,300,000 for the year ended December 31, 2023, an increase of 17.1% compared with 2024.

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

Management Discussion and Analysis

Revenue from operating owned hospitals is derived from the provision of medical services to patients. It is primarily derived from the provision of inpatient services, outpatient services, and medical examinations. Revenue from operating owned hospitals is measured by the number of inpatient services, outpatient services, and medical examinations provided. Revenue from operating owned hospitals is measured by the number of inpatient services, outpatient services, and medical examinations provided.

Total revenue from operating owned hospitals is derived from the provision of medical services to patients. It is primarily derived from the provision of inpatient services, outpatient services, and medical examinations. Revenue from operating owned hospitals is measured by the number of inpatient services, outpatient services, and medical examinations provided.

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

During the period, the Company's revenue from operating owned hospitals was RMB1,479.0 million, an increase of 6.5% compared with 2024, which was RMB1,479.0 million. The Company's revenue from operating owned hospitals was RMB1,479.0 million, an increase of 6.5% compared with 2024, which was RMB1,479.0 million. The Company's revenue from operating owned hospitals was RMB1,479.0 million, an increase of 6.5% compared with 2024, which was RMB1,479.0 million.

D. R. P., B. R. G. RMB1,479.0
 RMB103.0 2024, B. R. W.
 K. H., G. H., Y. K. H., P. C. Y. H., B.
 Y. H. D. R. P., G. B. R.
 11.5% 2024,

Management Discussion and Analysis

The Company's management discussion and analysis of its business performance for the year ended December 31, 2025, is as follows:

Psychiatric healthcare business

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

Management Discussion and Analysis

During the period, the company's operating income was RMB878.8 million, an increase of 5.9% compared with 2024. The company's operating profit was RMB168.7 million, an increase of 2.8% compared with 2024. The company's net profit was RMB168.7 million, an increase of 2.8% compared with 2024. The company's basic earnings per share was 0.298 yuan, an increase of 38.6% compared with 2024. The company's diluted earnings per share was 0.161 yuan, an increase of 16.1% (2024: 15.7%) compared with 2024. The company's return on assets was 83.9% (2024: 84.3%), and the return on equity was 6.2% (2024: 6.2%).

During the period, the company's operating income was RMB168.7 million, an increase of 2.8% compared with 2024. The company's operating profit was RMB168.7 million, an increase of 2.8% compared with 2024. The company's net profit was RMB168.7 million, an increase of 2.8% compared with 2024. The company's basic earnings per share was 0.298 yuan, an increase of 38.6% compared with 2024. The company's diluted earnings per share was 0.161 yuan, an increase of 16.1% (2024: 15.7%) compared with 2024. The company's return on assets was 83.9% (2024: 84.3%), and the return on equity was 6.2% (2024: 6.2%).

During the period, the company's operating income was RMB168.7 million, an increase of 2.8% compared with 2024. The company's operating profit was RMB168.7 million, an increase of 2.8% compared with 2024. The company's net profit was RMB168.7 million, an increase of 2.8% compared with 2024. The company's basic earnings per share was 0.298 yuan, an increase of 38.6% compared with 2024. The company's diluted earnings per share was 0.161 yuan, an increase of 16.1% (2024: 15.7%) compared with 2024. The company's return on assets was 83.9% (2024: 84.3%), and the return on equity was 6.2% (2024: 6.2%).

Management Discussion and Analysis

Elderly healthcare business

	For the year ended December 31,	
	2025	2024
Inpatients		
I	2,800	2,580
E	1,022,000	944,280
U (%)	89.6	96.1
N	916,061	907,255
T		
(RMB'000)	316,454	346,074
A		
(RMB)	346	382
P (RMB'000)	92,910	93,599
A (RMB)	101	103
Total inpatient revenue (RMB'000)	409,364	439,673
Total average inpatient spending per bed-day (RMB)	447	485

Outpatients		
N	62,353	83,661
T		
(RMB'000)	9,812	15,632
A		
(RMB)	157	187
P (RMB'000)	12,297	19,480
A (RMB)	197	233
Total outpatient revenue		

Management Discussion and Analysis

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

During the period, the company's operating income was RMB22.1 million, an increase of 37.0% compared with 2024, and the operating profit was RMB22.1 million, an increase of 25.5% compared with 2024. The company's operating profit margin was 100.0% (2024: 15.5%), an increase of 84.5 percentage points. The company's operating profit margin was 100.0% (2024: 15.5%), an increase of 84.5 percentage points.

During the period, the company's operating income was RMB22.1 million, an increase of 37.0% compared with 2024, and the operating profit was RMB22.1 million, an increase of 25.5% compared with 2024. The company's operating profit margin was 100.0% (2024: 15.5%), an increase of 84.5 percentage points. The company's operating profit margin was 100.0% (2024: 15.5%), an increase of 84.5 percentage points.

During the period, the company's operating income was RMB22.1 million, an increase of 37.0% compared with 2024, and the operating profit was RMB22.1 million, an increase of 25.5% compared with 2024. The company's operating profit margin was 100.0% (2024: 15.5%), an increase of 84.5 percentage points. The company's operating profit margin was 100.0% (2024: 15.5%), an increase of 84.5 percentage points.

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

Management Discussion and Analysis

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

The Company's operating profit margin was 10.9% (2024: 10.9%). The net profit margin was 10.9% (2024: 10.9%). The return on equity was 9.8% (2024: 11.3%).

The Company's operating profit margin was 10.9% (2024: 10.9%). The net profit margin was 10.9% (2024: 10.9%). The return on equity was 9.8% (2024: 11.3%).

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

The Company's operating profit margin was 10.9% (2024: 10.9%). The net profit margin was 10.9% (2024: 10.9%). The return on equity was 9.8% (2024: 11.3%).

Management Discussion and Analysis

Gross Profit Margin

During the reporting period, the Company's gross profit margin was 25.9% (2024: 26.5%), which was a decrease of 0.6 percentage points. The decrease was primarily due to the increase in the proportion of medical services in the total revenue, which led to a decrease in the gross profit margin. The gross profit margin of medical services was 25.8% (2024: 25.9%), which was a decrease of 0.1 percentage points. The gross profit margin of pharmaceutical services was 30.2% (2024: 29.4%), which was an increase of 0.8 percentage points. The gross profit margin of medical materials was 15.4% (2024: 17.8%), which was a decrease of 2.4 percentage points. The gross profit margin of medical equipment was 26.5% (2024: 33.7%), which was a decrease of 7.2 percentage points.

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

During the reporting period, the Company's gross profit margin was 25.9% (2024: 26.5%).

Total Sales

During the reporting period, the Company's total sales were RMB11.2 billion (2024: RMB12.3 billion), a decrease of RMB1.1 billion.

Sales Expense

During the reporting period, the Company's sales expense was RMB7.7 billion (2024: RMB10.0 billion), a decrease of RMB2.3 billion. The decrease was primarily due to the decrease in the proportion of medical services in the total revenue, which led to a decrease in the sales expense. The sales expense of medical services was 0.5% (2024: 0.7%).

Management Discussion and Analysis

As of the end of the reporting period, the Company's total assets were 140,740,345.09 yuan, an increase of 70.86% compared with the end of the previous reporting period. The total liabilities were 9,000.00 yuan, an increase of 0.00% compared with the end of the previous reporting period. The total equity was 140,731,345.09 yuan, an increase of 70.86% compared with the end of the previous reporting period.

For the year ended
December 31,

2025 2140,7403450 9, 0 0 0 70.86

Management Discussion and Analysis

During the reporting period, the Company's operating income was RMB36.5 million, a decrease of 17.5% compared with the same period in 2024. Total operating expenses were RMB30.1 million, an increase of 2.1% (2024: 2.4%).

Financial Results

Operating profit was RMB6.4 million, an increase of 10.2% compared with the same period in 2024. Profit before income tax was RMB6.4 million, an increase of 10.2% compared with the same period in 2024. Profit after income tax was RMB4.8 million, an increase of 10.2% compared with the same period in 2024.

	For the year ended	
	December 31,	2024
	2025	2024
	(RMB'000)	(RMB'000)
Income	-842	-3,123
Finance income	30	157
Business income	27,289	33,143
Income	11,522	11,177
Profit	11,522	10,458

Management Discussion and Analysis

Income Statement

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

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

During the period, the company's operating income was RMB3.4 million.

Operating Income

During the period, the company's operating income was RMB6.6 million (2024: RMB26.5 million).

Operating Income

During the period, the company's operating income was RMB25.5 million (2024: RMB16.5 million), which was an increase of RMB14.0 million (2024: RMB11.5 million).



Management Discussion and Analysis

Financial Position

Assets

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

Assets by Nature

As at December 31, 2025, the total assets of the Company were RMB462.9 million (December 31, 2024: RMB571.8 million), a decrease of 19.0% over the corresponding period of 2024. The decrease was mainly due to the decrease in the carrying amount of the investment in the equity of the subsidiary, Wenzhou Kangning Hospital Co., Ltd. (Wenzhou Kangning Hospital Co., Ltd.), which was RMB100.0 million (December 31, 2024: RMB100.0 million).

The carrying amount of the investment in the equity of the subsidiary, Wenzhou Kangning Hospital Co., Ltd. (Wenzhou Kangning Hospital Co., Ltd.) was RMB58.0 million (2024: 54.0 million).

Other Receivables and Payables

As at December 31, 2025, the total other receivables and payables of the Company were RMB93.6 million (December 31, 2024: RMB96.1 million).

Long-term Equity Investment

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

Other Non-current Financial Assets

As at December 31, 2025, the total other non-current financial assets of the Company were RMB28.1 million (December 31, 2024: RMB36.8 million). The decrease was mainly due to the decrease in the carrying amount of the investment in the equity of the subsidiary, Wenzhou Kangning Hospital Co., Ltd. (Wenzhou Kangning Hospital Co., Ltd.), which was RMB100.0 million (December 31, 2024: RMB100.0 million).

Fixed Assets

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

Management Discussion and Analysis

Cash and Cash Equivalents

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

Receivables

At December 31, 2025, receivables were RMB192.4 million (December 31, 2024: RMB161.8 million).

Inventory

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

Goodwill

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

Long-term Prepaid Expenses

At December 31, 2025, long-term prepaid expenses were RMB121.6 million (December 31, 2024: RMB150.4 million), which included the prepaid rent for the new hospital building. The decrease was primarily due to the payment of the 2024 year-end dividend of RMB38.0 million.

Deferred Tax Assets

At December 31, 2025, deferred tax assets were RMB55.3 million (December 31, 2024: RMB56.2 million).

Accounts Payable

At December 31, 2025, accounts payable were RMB160.8 million (December 31, 2024: RMB131.9 million).

Restricted Assets

At December 31, 2025, restricted assets were RMB23.3 million (December 31, 2024: RMB21.3 million).

Other Payables

At December 31, 2025, other payables were RMB91.9 million (December 31, 2024: RMB81.3 million).

Management Discussion and Analysis

Liquidity and Capital Resources

The Company's liquidity and capital resources are primarily derived from operating activities. The Company's cash and cash equivalents are primarily derived from operating activities. The Company's cash and cash equivalents are primarily derived from operating activities.

	For the year ended December 31,	
	2025	2024
	(RMB'000)	(RMB'000)
Net cash and cash equivalents	439,970	99,639
Net cash and cash equivalents	-203,913	-172,055
Net cash and cash equivalents	-203,584	-76,917
Net cash and cash equivalents	32,442	-149,491

Net cash and cash equivalents are primarily derived from operating activities. The Company's cash and cash equivalents are primarily derived from operating activities. The Company's cash and cash equivalents are primarily derived from operating activities.

Net cash and cash equivalents are primarily derived from operating activities. The Company's cash and cash equivalents are primarily derived from operating activities. The Company's cash and cash equivalents are primarily derived from operating activities.

Net cash and cash equivalents are primarily derived from operating activities. The Company's cash and cash equivalents are primarily derived from operating activities. The Company's cash and cash equivalents are primarily derived from operating activities.

Management Discussion and Analysis

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

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

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

Indebtedness

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

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

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

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

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

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

Management Discussion and Analysis

T E I S :

(1) P

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

(2) S P

() S P

A P G E I S

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

(-) L P E I S

T P
B

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

(4) V , E , I , S

() V , E , I , S

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

(-) L, E , I , S

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

(.) U, E , I , S

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

(5) G , E , I , S

() T, P, P, P

() T C D N P

() T P D N C

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

() T C, E , I , S

Management Discussion and Analysis

(6) 公司报告期内，实现营业收入 1,234,567.89 元。

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

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

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

Management Discussion and Analysis

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

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

[illegible]

P. HS A T S C
 T HS A T S
 HS A T S C
 C S HS HS A T S 5%
 (- 3,730,015 -) C HS
 A T S T

Management Discussion and Analysis

A. 2025 Annual Report of HS A, T S:

P.

- 1) T, C;
- 2) T, C S;
- 3) T, C D;

P.

- 1) E, C, T) 55.0, J3; T 0-()-1264.7 (T, 352) TJ0.00 (

Management Discussion and Analysis

S,

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

M P

T A S H S A T S
C (A S H S A T S
S A S) 1% C

V

T H S H S A T S
A L P B / D

P

T A S H S A T S B
/ A (B
A L). T
H S H S A T S
S A H S A T S
S

R S

T H S A T S A D (S 27, 2023)
A L R D H S A T S
S 7 4

Management Discussion and Analysis

Management Discussion and Analysis

N 1: F R P N 12 S

N 2: T HS A T S

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

E T R

T C T C

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

Figure 1: Schematic representation of the experimental design. The top part shows a sequence of events: C (Control) with a blue dot, R (Reward) with a green dot, L (Loss) with a red dot, and R (Reward) with a green dot. The bottom part shows a sequence of trials: T (Trial) with a blue dot, C (Control) with a blue dot, and a series of trials with blue and green dots. The trials are labeled with numbers 1 through 10.

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

Report of the Board

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

S C

D C R P N 5
 F S (35)

R

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

D R

A D 31, 2025, G RMB364.2

R, P E

D G R P

Report of the Board

Management Discussion and Analysis

For the period ending December 31, 2025, the Company's operating income increased by 2.0% compared with the same period last year, while the net profit decreased by 4.1%. The Company's operating income for the period ending December 31, 2025, was RMB3.1 billion, and the net profit was RMB3.1 billion. The Company's operating income for the period ending December 31, 2025, was RMB3.1 billion, and the net profit was RMB3.1 billion. The Company's operating income for the period ending December 31, 2025, was RMB3.1 billion, and the net profit was RMB3.1 billion.

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

Non-current assets, including land use rights, buildings, and equipment, decreased by 5% compared with the same period last year. The Company's non-current assets for the period ending December 31, 2025, were RMB3.1 billion, and the net profit was RMB3.1 billion. The Company's non-current assets for the period ending December 31, 2025, were RMB3.1 billion, and the net profit was RMB3.1 billion.

Shareholders and Stakeholders

The Company's shareholders and stakeholders are listed as follows:

Directors and Supervisors

For the period ending December 31, 2025, the Company's directors and supervisors are listed as follows:

Executive Management

For the period ending December 31, 2025, the Company's executive management is listed as follows:

Directors

For the period ending December 31, 2025, the Company's directors are listed as follows:

Supervisors

The Company's supervisors are listed as follows:

Report of the Board

Directors

The Board of Directors of Wenzhou Kangning Hospital Co., Ltd. consists of 10 members:

Executive Directors

M. GUAN W (Chairman)
M. WANG L
M. WANG J

Non-executive Directors

M. QIN H
M. LI C

Independent Non-executive Directors

M. HONG W
M. JIN L
M. CHAN S K H

Supervisors

The Supervisory Board of Wenzhou Kangning Hospital Co., Ltd. consists of 5 members:

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

Report of the Board

Board of Directors, Annual Report of the Company for the period from January 1, 2025, to December 31, 2025, and the financial statements for the same period, and the audit report of the accounting firm.

During the reporting period, the Board of Directors has held 12 meetings, and the Company has held 12 shareholders' meetings. The Board of Directors has reviewed the Company's business performance, financial performance, and the implementation of the business plan for the reporting period. The Board of Directors has also reviewed the Company's financial statements for the reporting period, and the audit report of the accounting firm. The Board of Directors has approved the Company's business plan for the reporting period, and the financial statements for the same period.

During the reporting period, the Board of Directors has held 12 meetings, and the Company has held 12 shareholders' meetings. The Board of Directors has reviewed the Company's business performance, financial performance, and the implementation of the business plan for the reporting period. The Board of Directors has also reviewed the Company's financial statements for the reporting period, and the audit report of the accounting firm. The Board of Directors has approved the Company's business plan for the reporting period, and the financial statements for the same period.

During the reporting period, the Board of Directors has held 12 meetings, and the Company has held 12 shareholders' meetings. The Board of Directors has reviewed the Company's business performance, financial performance, and the implementation of the business plan for the reporting period. The Board of Directors has also reviewed the Company's financial statements for the reporting period, and the audit report of the accounting firm. The Board of Directors has approved the Company's business plan for the reporting period, and the financial statements for the same period.

Report of the Board

Non-Audit

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

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

Director's, Executive's, Financial, and Human Resources

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

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

Director's, Executive's, and Board

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

(3) M. XU Y (有限合夥) S 50% S J E M C (L P) (上海金浙企業管理中心(有限合夥)) S J E M C (L P) (上海金浙企業管理中心(有限合夥)) W J E I P (L P). T , P XV SFO, M. XU Y D S C

Report of the Board

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

I ... S ... S ...

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

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

Report of the Board

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

Report of the Board

Notes:

(L): L

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

Report of the Board

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

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

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

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

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

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

Report of the Board

Report of the Board

The Board of Directors of Wenzhou Kangning Hospital Co., Ltd. (the "Company") has completed the 2025 Annual Meeting of Shareholders on April 21, 2026, and has adopted the following resolutions:

Board of Directors

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

Financial Statements

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

Company's Financial Statements

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

Financial Statements

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

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

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

Report of the Board

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

T C H K L R S
T C

I E R P

T R P N 14 F S P

A C

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

A

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

T C

F B
GUAN W
C

PRC
A 27, 2026

Report of the Supervisory Committee

The Supervisory Committee:

In 2025, the Supervisory Committee, in accordance with the provisions of the Company Law, the Securities Law, the Company's Articles of Association, and the Supervisory Committee Work Rules, has fully performed its supervisory duties. It has closely monitored the company's business operations, financial management, and internal control systems. It has also actively participated in the company's strategic planning and decision-making processes. Through its diligent work, the Supervisory Committee has effectively safeguarded the interests of the company and its shareholders, and has contributed to the company's stable and healthy development.

In 2025, the Supervisory Committee has continued to strengthen its supervisory work. It has established a more complete supervisory system and improved its supervisory methods. It has also actively communicated with the company's management and shareholders, and has provided timely and effective supervision and suggestions. Through its diligent work, the Supervisory Committee has effectively safeguarded the interests of the company and its shareholders, and has contributed to the company's stable and healthy development.

The Supervisory Committee has also paid attention to the company's internal control system. It has actively participated in the company's internal control evaluation and improvement work. It has also actively communicated with the company's management and shareholders, and has provided timely and effective supervision and suggestions. Through its diligent work, the Supervisory Committee has effectively safeguarded the interests of the company and its shareholders, and has contributed to the company's stable and healthy development.

In 2026, the Supervisory Committee will continue to strengthen its supervisory work. It will establish a more complete supervisory system and improve its supervisory methods. It will also actively communicate with the company's management and shareholders, and provide timely and effective supervision and suggestions. Through its diligent work, the Supervisory Committee will effectively safeguard the interests of the company and its shareholders, and contribute to the company's stable and healthy development.

For the Supervisory Committee
XUN
C

Wenzhou, PRC
April 27, 2026

Corporate Governance Report

Corporate Culture

The Company has established a corporate culture system that is in line with the company's business characteristics and development needs. It has formulated a series of corporate culture system documents, including the Corporate Culture System, the Corporate Culture System Implementation Plan, and the Corporate Culture System Evaluation and Improvement Plan. These documents have been widely disseminated to all employees, and the company has actively carried out a series of corporate culture activities, such as corporate culture training, corporate culture competition, and corporate culture exhibition, to further strengthen the corporate culture system and promote the company's corporate culture.

Values

Respect, Learning, Service, Harmony

The Company has established a corporate culture system that is in line with the company's business characteristics and development needs. It has formulated a series of corporate culture system documents, including the Corporate Culture System, the Corporate Culture System Implementation Plan, and the Corporate Culture System Evaluation and Improvement Plan. These documents have been widely disseminated to all employees, and the company has actively carried out a series of corporate culture activities, such as corporate culture training, corporate culture competition, and corporate culture exhibition, to further strengthen the corporate culture system and promote the company's corporate culture.

Vision

Attracting Global Medical Talent

The Company has established a corporate culture system that is in line with the company's business characteristics and development needs. It has formulated a series of corporate culture system documents, including the Corporate Culture System, the Corporate Culture System Implementation Plan, and the Corporate Culture System Evaluation and Improvement Plan. These documents have been widely disseminated to all employees, and the company has actively carried out a series of corporate culture activities, such as corporate culture training, corporate culture competition, and corporate culture exhibition, to further strengthen the corporate culture system and promote the company's corporate culture.

Mission

Build a Domestic Medical Center, Develop Medical Services

The Company has established a corporate culture system that is in line with the company's business characteristics and development needs. It has formulated a series of corporate culture system documents, including the Corporate Culture System, the Corporate Culture System Implementation Plan, and the Corporate Culture System Evaluation and Improvement Plan. These documents have been widely disseminated to all employees, and the company has actively carried out a series of corporate culture activities, such as corporate culture training, corporate culture competition, and corporate culture exhibition, to further strengthen the corporate culture system and promote the company's corporate culture.

Corporate Governance Report

THE BOARD

Board Composition

As of the reporting period, the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. (hereinafter referred to as "the Company") consists of 11 members, including 3 independent non-executive directors, 3 executive directors, and 5 non-executive directors. The Board of Directors is composed of members with diverse backgrounds and professional skills, including medical, management, and finance, which is conducive to the Company's strategic development and decision-making.

The Board of Directors of the Company is composed of 11 members, including 3 independent non-executive directors, 3 executive directors, and 5 non-executive directors. The Board of Directors is responsible for the overall management of the Company and the implementation of the Company's strategy.

The Board of Directors of the Company is composed of 11 members, including 3 independent non-executive directors, 3 executive directors, and 5 non-executive directors. The Board of Directors is responsible for the overall management of the Company and the implementation of the Company's strategy.

The Board of Directors of the Company is composed of 11 members, including 3 independent non-executive directors, 3 executive directors, and 5 non-executive directors. The Board of Directors is responsible for the overall management of the Company and the implementation of the Company's strategy.

The Board of Directors of the Company is composed of 11 members, including 3 independent non-executive directors, 3 executive directors, and 5 non-executive directors. The Board of Directors is responsible for the overall management of the Company and the implementation of the Company's strategy.

The Board of Directors of the Company is composed of 11 members, including 3 independent non-executive directors, 3 executive directors, and 5 non-executive directors. The Board of Directors is responsible for the overall management of the Company and the implementation of the Company's strategy.

Corporate Governance Report

RETURN TO SHAREHOLDERS

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

The Board of Directors has decided to distribute cash dividends to the shareholders of the Company for the year 2025. The dividend is calculated based on the total number of shares held by the shareholders as of the record date, and the dividend is distributed in cash. The dividend is distributed to the shareholders of the Company who are registered as of the record date.

The Board of Directors has also decided to distribute cash dividends to the shareholders of the Company for the year 2025. The dividend is calculated based on the total number of shares held by the shareholders as of the record date, and the dividend is distributed in cash. The dividend is distributed to the shareholders of the Company who are registered as of the record date.

The Board of Directors has also decided to distribute cash dividends to the shareholders of the Company for the year 2025. The dividend is calculated based on the total number of shares held by the shareholders as of the record date, and the dividend is distributed in cash. The dividend is distributed to the shareholders of the Company who are registered as of the record date.

The Board of Directors has also decided to distribute cash dividends to the shareholders of the Company for the year 2025. The dividend is calculated based on the total number of shares held by the shareholders as of the record date, and the dividend is distributed in cash. The dividend is distributed to the shareholders of the Company who are registered as of the record date.

CONSTITUTIONAL CHANGES

The Board of Directors of Wenzhou Kangning Hospital Co., Ltd. (hereinafter referred to as "the Company") has decided to amend the Company's Articles of Association. The amendment is as follows:

REVISION OF THE CHARTER

The Board of Directors of Wenzhou Kangning Hospital Co., Ltd. (hereinafter referred to as "the Company") has decided to amend the Company's Articles of Association. The amendment is as follows:

RETURN TO SHAREHOLDERS

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

Corporate Governance Report

Chairman of the Board, Director, Supervisor, Chairman of the Board

On 22 March 2025, Mr. HANG Y. was elected as the Chairman of the Board of Directors of the Company. On 30 June 2025, Mr. FANG W. was elected as the Chairman of the Board of Supervisors of the Company. On 22 March 2025, Mr. FANG W. was elected as the Chairman of the Board of Directors of the Company.

On 22 March 2025, Mr. FANG W. was elected as the Chairman of the Board of Directors of the Company.

On 22 March 2025, Mr. FANG W. was elected as the Chairman of the Board of Directors of the Company.

Chairman of the Board, Director, Supervisor, Chairman of the Board

On 22 March 2025, Mr. FANG W. was elected as the Chairman of the Board of Directors of the Company. On 30 June 2025, Mr. FANG W. was elected as the Chairman of the Board of Supervisors of the Company. On 22 March 2025, Mr. FANG W. was elected as the Chairman of the Board of Directors of the Company.

Name	Members of the Group	Positions held at members of the Group	Term of office
GUAN W	Y. K. H.	E. D.	E. D. 2012
	C., L.	S.	S. 2025
WANG L	Y. K. H.	D.	E. S. 2025
	C., L.		
WANG J	W. G. F.	E. D., M.	E. M. 2024
	H. C., L.	N.	N. 2025
XU Y	W. G. F.	C., M.	E. N. 2025
	H. C., L.		
JIN W	W. J. H.	C.	E. S. 2025
	T. C., L.		
H. K. L.	H. Y. H. C., L.	D.	E. M. 2025
	W. D. C. S.	D.	E. S. 2025
H. K. L.	C., L.		
	W. G. F.	D.	E. N. 2025
H. K. L.	H. C., L.		
	Y. I. H.	E. D., M.	E. M. 2020
H. K. L.	(W.) C., L.	G. M.	F. 2025
	W. G. F.	D.	E. N. 2025
H. K. L.	H. C., L.		
	P. C. Y.	E. D.	E. S. 2021
H. K. L.	H. C., L.		J. 2025
	P. C. Y.	D.	E. F. 2025
H. K. L.	H. C., L.		

Corporate Governance Report

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

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

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

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

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

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

Corporate Governance Report

Shareholders, Directors, Supervisors

Each shareholder (including the controlling shareholder) shall exercise his/her rights and fulfill his/her obligations in accordance with the law, the Articles of Association and the Regulations for the Shareholders.

The Company shall treat all shareholders equally. The Company shall not discriminate against shareholders of the same class in exercising their rights and fulfilling their obligations. The Company shall not discriminate against shareholders of the same class in distributing dividends.

Annual General Meeting

The Company shall hold an annual general meeting of shareholders each year. The annual general meeting shall be held in the form of a meeting or a meeting by video conference. The annual general meeting shall be held in accordance with the provisions of the Companies Ordinance (Chapter 622 of the Laws of the Hong Kong Special Administrative Region) (the "Companies Ordinance").

Accounting Policies

The Company shall prepare its financial statements in accordance with the Accounting Standards for Business Enterprises (the "Accounting Standards for Business Enterprises") issued by the Ministry of Finance of the People's Republic of China in 2006, and the Accounting Standards for Business Enterprises (the "Accounting Standards for Business Enterprises") issued by the Ministry of Finance of the People's Republic of China in 2006.

The Company shall prepare its financial statements in accordance with the Accounting Standards for Business Enterprises (the "Accounting Standards for Business Enterprises") issued by the Ministry of Finance of the People's Republic of China in 2006, and the Accounting Standards for Business Enterprises (the "Accounting Standards for Business Enterprises") issued by the Ministry of Finance of the People's Republic of China in 2006.

Changes of Significant Accounting Policies

The Company shall prepare its financial statements in accordance with the Accounting Standards for Business Enterprises (the "Accounting Standards for Business Enterprises") issued by the Ministry of Finance of the People's Republic of China in 2006, and the Accounting Standards for Business Enterprises (the "Accounting Standards for Business Enterprises") issued by the Ministry of Finance of the People's Republic of China in 2006.

Annual General Meeting

The Company shall hold an annual general meeting of shareholders each year. The annual general meeting shall be held in the form of a meeting or a meeting by video conference. The annual general meeting shall be held in accordance with the provisions of the Companies Ordinance (Chapter 622 of the Laws of the Hong Kong Special Administrative Region) (the "Companies Ordinance").

Corporate Governance Report

During the reporting period, the Company has strictly followed the provisions of the Securities Law, the Listing Rules, and the Company's Articles of Association and Regulations, and has fully complied with the requirements of the Shanghai Stock Exchange regarding the disclosure of information.

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

All directors have attended the Board meetings and have fully complied with the requirements of the Shanghai Stock Exchange regarding the disclosure of information.

During the reporting period, the Company has strictly followed the provisions of the Securities Law, the Listing Rules, and the Company's Articles of Association and Regulations, and has fully complied with the requirements of the Shanghai Stock Exchange regarding the disclosure of information.



Corporate Governance Report

A, C

Corporate Governance Report

N C

T C N C

CG C N C B T

D C

B C

C D

C B ; D

) 556 24.168 C

Corporate Governance Report

R C

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

2024

Corporate Governance Report

Supervisory Board

The Supervisory Board was established in accordance with the provisions of the Company Law of the People's Republic of China, the Shanghai Stock Exchange Listing Rules, and the Company's Articles of Association. It is composed of three members, including two independent non-executive supervisors and one shareholder supervisor. The Supervisory Board is responsible for supervising and checking the business operations of the Company and its subsidiaries, the financial status, and the behavior of the Company's directors, senior management, and other personnel. It also has the right to propose the removal or appointment of directors and senior management.

At the 2024 Annual General Meeting, the Supervisory Board members were re-elected. The members are: Mr. GUAN W (Chairman), Mr. QIN H, and Mr. ZHONG W. The Supervisory Board held one meeting in 2024, with all members attending.

The Supervisory Board has fully performed its duties in accordance with the law and the Company's Articles of Association, and has not received any complaints or reports from shareholders or other parties.

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

Board of Directors

The Board of Directors is the highest decision-making body of the Company, responsible for the overall management and strategic direction of the Company. It is composed of seven members, including three independent non-executive directors and four executive directors. The Board of Directors is responsible for the Company's business operations, financial status, and the behavior of its directors and senior management. It also has the right to propose the removal or appointment of directors and senior management.

At the 2024 Annual General Meeting, the Board of Directors members were re-elected. The members are: Mr. GUAN W (Chairman), Mr. QIN H, Mr. ZHONG W, Mr. LIU J, Mr. WANG L, Mr. ZHANG Y, and Mr. CHEN X. The Board of Directors held one meeting in 2024, with all members attending.

The Board of Directors has fully performed its duties in accordance with the law and the Company's Articles of Association, and has not received any complaints or reports from shareholders or other parties.

Corporate Governance Report

The Current Composition of the Board

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

Corporate Governance Report

I, the Chairman of the Board of Directors, have reviewed the 2025 Annual Report of Wenzhou Kangning Hospital Co., Ltd. and the related information. I confirm that the 2025 Annual Report and the related information are true, accurate, and complete, and that there is no material omission or misstatement. I also confirm that the 2025 Annual Report and the related information are in accordance with the applicable laws, regulations, and standards, and that they are consistent with the actual situation of the Company.

The Board of Directors has reviewed the 2025 Annual Report of Wenzhou Kangning Hospital Co., Ltd. and the related information. The Board of Directors has confirmed that the 2025 Annual Report and the related information are true, accurate, and complete, and that there is no material omission or misstatement. The Board of Directors has also confirmed that the 2025 Annual Report and the related information are in accordance with the applicable laws, regulations, and standards, and that they are consistent with the actual situation of the Company.

Supervision and Control

The Supervisory Board has reviewed the 2025 Annual Report of Wenzhou Kangning Hospital Co., Ltd. and the related information. The Supervisory Board has confirmed that the 2025 Annual Report and the related information are true, accurate, and complete, and that there is no material omission or misstatement. The Supervisory Board has also confirmed that the 2025 Annual Report and the related information are in accordance with the applicable laws, regulations, and standards, and that they are consistent with the actual situation of the Company.

Remuneration band (RMB)

Number of individuals

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

Appendix

For the period from January 1, 2025, to December 31, 2025, the Company has not received any significant complaints or reports from the public regarding its corporate governance.

Corporate Governance Report

Corporate Governance Report

The Board of Directors, Supervisors, and Management of Wenzhou Kangning Hospital Co., Ltd. (the "Company") have fully complied with the provisions of the Company Law, the Securities Law, and other relevant laws and regulations, and have strictly followed the provisions of the Company's Articles of Association and the Rules of Internal Control, to ensure the Company's corporate governance and the protection of the interests of shareholders.

Shareholder(s) Rights

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

Shareholders holding 10% or more of the Company's shares have the right to request the Board of Directors to convene an EGM. If the Board of Directors fails to convene an EGM within 30 days of receiving the request, the shareholders may convene an EGM on their own.

Shareholders holding 10% or more of the Company's shares may request the Board of Directors to convene an EGM. If the Board of Directors fails to convene an EGM within 30 days of receiving the request, the shareholders may convene an EGM on their own. The shareholders may also request the Board of Directors to convene an EGM to discuss the request.

If the Board of Directors fails to convene an EGM within 30 days of receiving the request, the shareholders may convene an EGM on their own. The shareholders may also request the Board of Directors to convene an EGM to discuss the request.

If the Board of Directors fails to convene an EGM within 30 days of receiving the request, the shareholders may convene an EGM on their own. The shareholders may also request the Board of Directors to convene an EGM to discuss the request.

If the Board of Directors fails to convene an EGM within 30 days of receiving the request, the shareholders may convene an EGM on their own. The shareholders may also request the Board of Directors to convene an EGM to discuss the request.

Corporate Governance Report

Board of Directors () P F R G M

W C , B , S C S , ,
3% S C

S 3% S
10 EGM. T
2 T

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

Board of Directors S ' E B

S B B
T :

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

Corporate Governance Report

C C D

D R P, C A I 2024 H 2025 J 30, 2025. I G A A L C (2025), C L P R C (2023 R), D S C R C A R D S C, T M A O I L S D E A R A F M C R U O R R A R PRC I H K S E H K L R C A PRC H K L R J 30, 2025 2024 C T A J 30, 2025 2025 H K S E C F 2025, H K S E C M 28, 2025 J 30, 2025.

D P

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

T C

(I) $\bullet \rightarrow$;

$$(II) \quad \dots ;$$

(III) $\left\{ \begin{array}{l} \text{if } \alpha \in \mathcal{A} \text{ then } \alpha \in \mathcal{A} \\ \text{if } \alpha \in \mathcal{A} \text{ then } \alpha \in \mathcal{A} \end{array} \right\}$ (.)

T C RMB RMB HKD. S HKD.

T B C

Directors, Supervisors and Senior Management

D. . .

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

Directors, Supervisors and Senior Management

Independent Non-executive Directors

Ms. ZHONG Wentang (鍾文堂), 36, G J 2020. S
D C C S I C C., L. (上海信公企業管理諮詢有限公司),
F 2019,
2019, M. S
I C C., L., F O 2012 F
2016, R C T CPA L
C

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

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

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

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

Mr. XU Yongjiu (徐永九) 韓鎰養一祖羽鯖一鯢鯛工鎰翎；踴髀圭次戟金車鑿麟馭隸車慶陞觀輅煥蟬啤鷹祛蠃蚌

Directors, Supervisors and Senior Management

Mr. QIAN Chengliang (錢成良)

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

Directors, Supervisors and Senior Management

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

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

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

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

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

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

Directors, Supervisors and Senior Management

S. R. P. D. S.
C. G. :

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

Directors, Supervisors and Senior Management

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

Directors, Supervisors and Senior Management

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

Directors, Supervisors and Senior Management

Directors/Senior Management	Members of the Group	Positions Held at Members of the Group	Term of Office
ZHOU C	Y K H M C., L.	S . . .	Feb. J . 2017 . .
	Q Y H C., L.	D . . .	Feb. N . . 2022 . .
ZHANG F	L K H C., L.	E M .	Feb. J . 2018 . .
	W N . P . . . S . H . C., L.	D . . .	Feb. J . 2019 . .
	L C H C., L.	E M .	Feb. D . . 2020 . .
JIN W	H Y P . . . H . C., L.	D . . .	Feb. D . . 2018 . .
	P C Y H . C., L.	D . . .	Feb. F . . 2025 . .
XU N	G Y H C., L.	E	Feb. J . 2019 . .
	H Y P . . . H . C., L.	C .	Feb. M . . 2020 . .
JIN H	W O Y E . H . C., L.	S . . .	Feb. S . . 2022 . .
	C Y N C . C., L.	S . . .	Feb. S . . 2022 . .
	P C Y H . C., L.	S . . .	Feb. J . 2023 . .
	J S H C., L.	D . . .	Feb. M . 2024 . .

Key audit matters	How these matters were addressed in the audit
(I) Goodwill impairment During the year, the Company's goodwill impairment test results showed that the goodwill of the Company's subsidiaries is not impaired. The Company's goodwill impairment test results are as follows: 1. Goodwill impairment test results of the Company's subsidiaries During the year, the Company's goodwill impairment test results showed that the goodwill of the Company's subsidiaries is not impaired. The Company's goodwill impairment test results are as follows: 2. Goodwill impairment test results of the Company's subsidiaries During the year, the Company's goodwill impairment test results showed that the goodwill of the Company's subsidiaries is not impaired. The Company's goodwill impairment test results are as follows:	1. Goodwill impairment test results of the Company's subsidiaries During the year, the Company's goodwill impairment test results showed that the goodwill of the Company's subsidiaries is not impaired. The Company's goodwill impairment test results are as follows: 2. Goodwill impairment test results of the Company's subsidiaries During the year, the Company's goodwill impairment test results showed that the goodwill of the Company's subsidiaries is not impaired. The Company's goodwill impairment test results are as follows:

How these matters were addressed in the audit

Auditor’s Report

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

Auditor's Report

Opinion

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

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

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

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

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

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

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

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

Auditor's Report

Auditor's Report on the Audit of the Financial Statements

On the basis of the audit conducted in accordance with the relevant provisions of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Auditing Standards for Specialized Audit Institutions, and the Auditing Standards for Specialized Audit Institutions, we have audited the financial statements of Wenzhou Kangning Hospital Co., Ltd. for the year ended December 31, 2025, and the results of the audit are as follows:

Auditor's Report

Auditor's Report on the Audit of the Financial Statements of Wenzhou Kangning Hospital Co., Ltd. (Wenzhou Kangning Hospital Co., Ltd.)

Wenzhou Kangning Hospital Co., Ltd. (Wenzhou Kangning Hospital Co., Ltd.) has engaged us to audit the financial statements for the year ended December 31, 2025. Our audit was conducted in accordance with the standards of the Chinese Institute of Certified Public Accountants (CICPA) and the standards of the International Federation of Accountants (IFAC).

We have audited the financial statements of Wenzhou Kangning Hospital Co., Ltd. for the year ended December 31, 2025, which include the balance sheet, the income statement, the cash flow statement, and the statement of changes in equity, and the related disclosures.

In our opinion, the financial statements of Wenzhou Kangning Hospital Co., Ltd. for the year ended December 31, 2025, present fairly, in all material aspects, the financial position, financial performance, and cash flows of the Company, in accordance with the accounting standards of the People's Republic of China.

2025 ()0.5 ()0 / . W

Consolidated Balance Sheet

31 December 2025
(Amount in RMB)

Asset		Balance as at 31 December 2025	Balance as at 31 December 2024
Current assets:			
Cash and cash equivalents	5.1	294,039,860.88	261,749,010.62
Accounts receivable			
Prepaid expenses	5.2	8,573,388.20	7,938,322.41
Due from related parties	5.3	1,486,564.55	663,798.83
Due from non-related parties	5.4	462,939,569.82	571,812,956.97
Other receivables	5.5	15,792,568.62	14,713,963.24
Inventory			
Other current assets	5.6	77,790,656.08	81,354,941.59
Financial assets	5.7	46,032,543.08	50,629,131.38
Investments			
Cost method			
Available-for-sale	5.8		
Non-current			
Other	5.9	25,380,696.08	5,859,353.91
Total current assets		932,035,847.31	994,721,478.95

Consolidated Balance Sheet

31 December 2025

(Amount in RMB '000,000)

Asset	2025	Balance as at 31 December 2025	2024
Non-current assets:			
Land and buildings			
Land			
Buildings			
Construction in progress	5.10		14,000,000.00
Leasehold improvements	5.11	95,912,391.92	99,413,985.20
Intangible assets			
Software	5.12	28,123,065.82	36,755,116.10
Patents	5.13	1,159,366,939.63	889,544,442.13
Other intangible assets	5.14	13,091,854.50	185,164,227.10
Right-of-use assets			
Leasehold improvements	5.15	192,354,108.23	161,821,444.56
Investments in subsidiaries	5.16	285,757,258.42	291,535,792.26
Investments in associates			
Long-term equity investments	5.17	126,454,937.63	114,158,433.92
Other investments	5.18	121,609,290.74	150,407,031.48
Derivative financial assets	5.19	55,346,815.83	56,197,544.77
Other non-current assets	5.20	15,514,860.97	11,233,664.34
Total non-current assets		2,093,531,523.69	2,010,231,681.86
Total assets		3,025,567,371.00	3,004,953,160.81

Total liabilities and equity

Liabilities: Guan W Reserves: Jin H Other equity: Wang M

Consolidated Balance Sheet

31 D 2025
(A RMB)

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

5.31

Consolidated Balance Sheet

31 December 2025
(Amount in RMB)

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

Total

Liabilities and shareholders' equity: Guan W
Reserve for employee benefits: Jin H
Capital reserve: Wang M
Other equity: D

Company’s Balance Sheet

31 D 2025
(A RMB)

Asset	N 16	Balance as at 31 December 2025	B 31 D 2024
Current assets:			
C		94,963,270.69	112,152,552.80
F			
D			
N			
A	16.1	36,684,264.84	69,696,752.09
R			
A		1,846,331.88	2,264,057.74
O	16.2	550,863,300.90	616,875,722.47
I		10,183,513.42	10,162,306.19
I			
C			
A			
N			
O			355,000.00
Total current assets		694,540,681.73	811,506,391.29

Company’s Balance Sheet

31 D . . . 2025
(A RMB)

Asset	N 16	Balance as at 31 December 2025	B . . . 31 D . . . 2024
Non-current assets:			
D			
O			
L			
L	16.3	858,672,101.34	834,837,987.87
O			
O		28,123,065.82	36,755,116.10
I			
F		272,207,527.96	280,273,134.88
C		1,025,192.00	622,132.50
R			
O			
R			
I		22,729,970.04	23,603,766.55
I			
D			
I			
G			
L		15,910,730.63	18,701,115.49
D		18,521,653.76	17,876,806.13
O		4,734,226.16	6,010,995.66
Total non-current assets		1,221,924,467.71	1,218,681,055.18
Total assets		1,916,465,149.44	2,030,187,446.47

T

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

Company's Balance Sheet

31 December 2025

(Amount in RMB)

Liabilities and shareholders' equity	N 16	Balance as at 31 December 2025	Balance as at 31 December 2024
Current liabilities:			
Short-term borrowings		93,720,000.00	75,000,000.00
Accounts payable			
Prepaid expenses			
Other payables			
Contract liabilities			
Other current liabilities			
Financial liabilities			
Other non-current liabilities			
Shareholders' equity			
Capital			
Reserves			
Other equity			
Total current liabilities		323,673,400.07	378,433,694.09
Non-current liabilities:			
Long-term borrowings		379,700,000.00	399,350,000.00
Long-term payables			
Long-term contract liabilities			
Long-term financial liabilities			
Other non-current liabilities			
Total non-current liabilities		408,578,868.52	441,796,631.10
Total liabilities		732,252,268.59	820,230,325.19

Company’s Balance Sheet

31 D 2025
(A RMB)

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

T

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

Consolidated Income Statement

Y 2025

(A RMB)

Item	N 5	Amount in 2025	A 2024
III. Operating profit (losses represented with“ -” signs)		84,833,285.98	75,353,614.13
A : -	5.52	1,321,588.29	1,528,901.03
L : -	5.53	16,935,849.67	8,783,028.50
IV. Pre-tax profit (total loss represented with“ -” signs)		69,219,024.60	68,099,486.66
L : -	5.54	32,615,101.37	17,701,775.29
V. Net profit (net loss represented with“ -” signs)		36,603,923.23	50,397,711.37
(I) C -			
1. N (-)		36,603,923.23	50,397,711.37
2. N (-)			
(II) C -			
1. N (-)		54,395,979.83	65,610,188.85
2. R (-)		-17,792,056.60	-15,212,477.48
VI. Other comprehensive income, net of tax			
O , -			
(I) O			
1. C -			
2. O ,			
3. C -			
4. C ,			

Consolidated Income Statement

Year 2025
(Amount in RMB)

Item	2025	Amount in 2025	2024
(II) Operating income			
1. Operating income			
2. Cost of services			
3. Administrative expenses			
4. General expenses			
5. Research expenses			
6. Earnings from operations			
7. Other income			
Operating income			
VII. Total comprehensive income		36,603,923.23	50,397,711.37
After income tax		54,395,979.83	65,610,188.85
Total comprehensive income		-17,792,056.60	-15,212,477.48
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/ share)	5.55	0.76	0.88
(II) Diluted earnings per share (RMB/ share)	5.55	0.76	0.88

Total comprehensive income attributable to shareholders of the company

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

Company's Income Statement

Y : 2025

(A : RMB)

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

Company’s Income Statement

Y 2025
(A RMB)

Item	N 16	Amount in 2025	A 2024
V. Other comprehensive income, net of tax			
(I) O			
1. C			
2. O			
3. C			
4. C			
(II) O			
1. O			
2. C			
3. A			
4. G			
5. R			
6. E			
7. O			
VI. Total comprehensive income		32,939,727.23	38,090,066.22
VII. Earnings per share:			
(I) B (RMB/)			
(II) D (RMB/)			
T			

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

Consolidated Statement of Cash Flow

Y 2025

(A RMB)

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

Consolidated Statement of Cash Flow

Y • 2025

(A • • • • • RMB • • • • •)

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

Consolidated Statement of Cash Flow

Y 2025
(A RMB)

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

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

Company's Statements of Cash Flows

Y 2025

(A RMB)

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

Company’s Statements of Cash Flows

Y 2025
(A RMB)

Item	N	Amount in 2025	A	2024
III. Net cash flows from financing activities				
C				
C		287,720,000.00	329,000,000.00	
C			35,000,000.00	
Sub-total of cash inflows of financing activities		287,720,000.00	364,000,000.00	
C		319,100,000.00	335,542,127.25	
C				
C		55,890,886.68	58,516,854.32	
C		44,139,769.54	85,949,943.67	
Sub-total of cash outflows of financing activities		419,130,656.22	480,008,925.24	
Net cash flows from financing activities		-131,410,656.22	-116,008,925.24	
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-30,314.57	-157,162.49	
V. Net increase in cash and cash equivalents		-17,190,259.99	-74,687,387.23	
P : C		110,788,421.25	185,475,808.48	
VI. Cash and cash equivalents at the end of the period		93,598,161.26	110,788,421.25	

T

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

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

(A) $\frac{1}{2} \text{RMB}$

Amount in 2025													
Equity attributable to owners of the company													
Item	Other equity instruments				Capital surplus	Less: treasury stock	Other		Provision for general risk	Retained earnings	Subtotal	Minority equity	Total owner's equity
	Share capital	Preferred shares	Perpetual bond	Others			Less: comprehensive income	Specific reserve					
(IV) I	-	-	-	-	-	-	-	-	-	-	-	-	-
1. C	-	-	-	-	-	-	-	-	-	-	-	-	-
(6.6)	-	-	-	-	-	-	-	-	-	-	-	-	-
2. S	-	-	-	-	-	-	-	-	-	-	-	-	-
(6.6)	-	-	-	-	-	-	-	-	-	-	-	-	-
3. S	-	-	-	-	-	-	-	-	-	-	-	-	-
4. C	-	-	-	-	-	-	-	-	-	-	-	-	-
O	-	-	-	-	-	-	-	-	-	-	-	-	-
5. O	-	-	-	-	-	-	-	-	-	-	-	-	-
O	-	-	-	-	-	-	-	-	-	-	-	-	-
6. O	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) S	-	-	-	-	-	-	-	-	-	-	-	-	-
1. W	-	-	-	-	-	-	-	-	-	-	-	-	-
2. U	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) O	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance as at 31 December 2025	772,358,900.00	-	-	-	760,645,326.71	47,815,625.17	-	-	38,399,577.13	364,230,299.84	1,187,818,478.51	123,811,419.81	1,311,629,898.32
T	-	-	-	-	-	-	-	-	-	-	-	-	-
L R	:	:	:	:	C	-A	:	:	H	-A	D	:	:
GUAN W				JIN H					WANG M				

Consolidated Statement of Changes in Shareholders' Equity

Y • 2025

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

[illegible]

Company’s Statements of Changes in Shareholders’ Equity

Y 2025

(A RMB)

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

Company's Statements of Changes in Shareholders' Equity

Y 2025

(A RMB)

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

Company’s Statements of Changes in Shareholders’ Equity

Y 2025

(A RMB)

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

[illegible]

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

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

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3. Significant accounting policies and accounting estimates

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

3.6.2 Consolidated financial statements

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

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

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

W

Notes to the Financial Statements

Fiscal Year Ending 31 December 2025

(All amounts are in RMB unless otherwise specified)

3. Significant accounting policies and accounting estimates

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

3.6.2 Control

(2) Determination of control

Subsidiaries are entities controlled by the Company.

The Company controls an entity when it has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

The Company exercises control over an entity in the following circumstances:

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

(2) The Company holds the majority of the shares or equivalent financial interests of the entity.

When the Company holds the majority of the voting rights of the entity, it is presumed that the Company controls the entity. However, if the Company holds the majority of the voting rights but is unable to exercise its power to govern the financial and operating policies of the entity, it does not control the entity.

When the Company holds the majority of the shares or equivalent financial interests of the entity, it is presumed that the Company controls the entity. However, if the Company holds the majority of the shares or equivalent financial interests but is unable to exercise its power to govern the financial and operating policies of the entity, it does not control the entity.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB, unless otherwise specified)

3. Significant accounting policies and accounting estimates

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.8 Criteria for determining cash and cash equivalents

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

3.9 Foreign currency transactions and foreign currency financial statement translation

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

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

3.10 Financial instruments

The company's financial instruments are classified into cash, accounts receivable, accounts payable, and other financial instruments. The company's financial instruments are measured at fair value.

3.10.1 Cash and cash equivalents

The company's cash and cash equivalents are measured at fair value. The company's cash and cash equivalents are classified into cash and cash equivalents. The company's cash and cash equivalents are measured at fair value.

The company's cash and cash equivalents are measured at fair value. The company's cash and cash equivalents are classified into cash and cash equivalents. The company's cash and cash equivalents are measured at fair value.

☐ The company's cash and cash equivalents are measured at fair value.

☐ The company's cash and cash equivalents are measured at fair value.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.10 Financial instruments

3.10.1 Cash and cash equivalents

Cash and cash equivalents are defined as the company's currency held by the company or other financial institutions, which can be used to settle the company's current liabilities and is subject to an insignificant risk of changes in value.

☐ The company's cash and cash equivalents are measured at fair value.

☐ The company's cash and cash equivalents are measured at cost.

For the purpose of the financial statements, cash and cash equivalents include cash on hand, cash in banks, and other cash equivalents that are highly liquid and have a short maturity period.

At the end of the reporting period, the company's cash and cash equivalents are measured at fair value. The company's cash and cash equivalents are measured at cost. The company's cash and cash equivalents are measured at cost.

For the purpose of the financial statements, cash and cash equivalents include cash on hand, cash in banks, and other cash equivalents that are highly liquid and have a short maturity period.

For the purpose of the financial statements, cash and cash equivalents include cash on hand, cash in banks, and other cash equivalents that are highly liquid and have a short maturity period.

1) The company's cash and cash equivalents are measured at fair value.

2) The company's cash and cash equivalents are measured at cost.

3) The company's cash and cash equivalents are measured at cost.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3.10 Financial instruments (in RMB million)

3.10.2 Receivables

(1) Financial assets measured at amortized cost

Financial assets measured at amortized cost include receivables from patients, receivables from medical insurance companies, and receivables from other medical institutions. The receivables from medical insurance companies are classified as receivables from medical insurance companies, and the receivables from other medical institutions are classified as receivables from other medical institutions. The receivables from patients are classified as receivables from patients. The receivables from medical insurance companies are classified as receivables from medical insurance companies, and the receivables from other medical institutions are classified as receivables from other medical institutions. The receivables from patients are classified as receivables from patients.

The receivables from medical insurance companies are classified as receivables from medical insurance companies, and the receivables from other medical institutions are classified as receivables from other medical institutions. The receivables from patients are classified as receivables from patients.

The receivables from medical insurance companies are classified as receivables from medical insurance companies, and the receivables from other medical institutions are classified as receivables from other medical institutions. The receivables from patients are classified as receivables from patients.

(2) Financial assets measured at fair value

Financial assets measured at fair value include receivables from medical insurance companies, receivables from other medical institutions, and receivables from patients. The receivables from medical insurance companies are classified as receivables from medical insurance companies, and the receivables from other medical institutions are classified as receivables from other medical institutions. The receivables from patients are classified as receivables from patients.

The receivables from medical insurance companies are classified as receivables from medical insurance companies, and the receivables from other medical institutions are classified as receivables from other medical institutions. The receivables from patients are classified as receivables from patients.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.10 Financial instruments

3.10.2 Recognition, measurement and derecognition

(3) Financial assets and financial liabilities are recognized when the company becomes a party to the financial instrument.

Financial assets are measured at initial recognition. For financial assets measured at amortized cost, the company uses the effective interest method to calculate interest income and interest expense. For financial assets measured at fair value, the company uses the fair value at the end of the reporting period to measure the fair value. The company uses the fair value at the end of the reporting period to measure the fair value of financial liabilities.

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

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.10 Financial instruments

3.10.3 Recognition, measurement and derecognition

The Company recognizes financial assets and liabilities at the time it enters into the contract. The Company measures financial assets and liabilities at fair value. The fair value of financial assets and liabilities is determined based on the following methods:

(1) The fair value of financial assets and liabilities is determined based on the following methods:

(2) The fair value of financial assets and liabilities is determined based on the following methods:

The fair value of financial assets and liabilities is determined based on the following methods:

(1) The fair value of financial assets and liabilities is determined based on the following methods:

(2) The fair value of financial assets and liabilities is determined based on the following methods:

The fair value of financial assets and liabilities is determined based on the following methods:

Notes to the Financial Statements

For the Year Ended December 31, 2025

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

3. Significant accounting policies and accounting estimates

3.10 Financial instruments

3.10.4 Derivatives

The Company does not use derivatives for trading purposes. The Company uses derivatives to hedge its foreign currency exposure. The Company's derivatives are classified as financial assets or liabilities at fair value through profit or loss.

The Company's derivatives are classified as financial assets or liabilities at fair value through profit or loss. The Company's derivatives are classified as financial assets or liabilities at fair value through profit or loss.

The Company's derivatives are classified as financial assets or liabilities at fair value through profit or loss. The Company's derivatives are classified as financial assets or liabilities at fair value through profit or loss.

The Company's derivatives are classified as financial assets or liabilities at fair value through profit or loss. The Company's derivatives are classified as financial assets or liabilities at fair value through profit or loss.

3.10.5 Measurement of financial instruments

The Company measures its financial instruments at fair value. The Company measures its financial instruments at fair value. The Company measures its financial instruments at fair value. The Company measures its financial instruments at fair value.

Notes to the Financial Statements

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

3. Significant accounting policies and accounting estimates

3.10 Financial instruments

3.10.6 Maturity and interest rate risk management

The Company's financial instruments are primarily cash, accounts receivable, accounts payable, and bank deposits. The Company manages its maturity and interest rate risk by maintaining a diversified portfolio of financial instruments and by using derivative financial instruments where appropriate.

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

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

The Company's financial instruments are subject to credit risk. The Company manages its credit risk by performing credit assessments on its counterparties and by maintaining a diversified portfolio of financial instruments.

The Company's financial instruments are subject to interest rate risk. The Company manages its interest rate risk by using derivative financial instruments where appropriate.

The Company's financial instruments are subject to liquidity risk. The Company manages its liquidity risk by maintaining a diversified portfolio of financial instruments and by ensuring that it has sufficient cash and liquid assets to meet its obligations.

The Company's financial instruments are subject to other risks, including foreign exchange risk and operational risk. The Company manages these risks by using derivative financial instruments where appropriate and by implementing robust internal controls.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025
(All amounts in RMB, except where indicated otherwise)

3. Significant accounting policies and accounting estimates

Notes to the Financial Statements

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

3. Significant accounting policies and accounting estimates

3.10 Financial instruments

3.10.6 Measurement of financial instruments

Initial recognition and measurement of financial instruments

3.11 Inventory

3.11.1 Classification of inventory

Inventory is classified into raw materials, work in progress, and finished goods.

Inventory is measured at the lower of cost and net realizable value.

3.11.2 Valuation of inventory

Inventory is valued at the lower of cost and net realizable value. The cost of inventory is determined on a first-in, first-out (FIFO) basis.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.13 Long-term equity investments (in RMB)

3.13.2 Dividends received from investees

(1) Long-term equity investments

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

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3. Long-term equity investments (in RMB)

3.13 Long-term equity investments (in RMB)

3.13.3 Subsidiaries (in RMB)

(2) Long-term equity investments in subsidiaries

Long-term equity investments in subsidiaries are accounted for using the cost method. The initial investment cost is determined based on the actual cost of the investment. Subsequent increases or decreases in the investment cost are recorded when the investee distributes dividends or other long-term benefits to the investor. Long-term equity investments in subsidiaries are measured at cost less impairment losses. Impairment losses are recognized when the carrying amount of the investment exceeds its recoverable amount.

The carrying amount of long-term equity investments in subsidiaries is determined based on the initial investment cost less impairment losses. The carrying amount of long-term equity investments in subsidiaries is determined based on the initial investment cost less impairment losses. The carrying amount of long-term equity investments in subsidiaries is determined based on the initial investment cost less impairment losses. The carrying amount of long-term equity investments in subsidiaries is determined based on the initial investment cost less impairment losses.

When the carrying amount of long-term equity investments in subsidiaries is determined based on the initial investment cost less impairment losses, the carrying amount of long-term equity investments in subsidiaries is determined based on the initial investment cost less impairment losses. The carrying amount of long-term equity investments in subsidiaries is determined based on the initial investment cost less impairment losses.

When the carrying amount of long-term equity investments in subsidiaries is determined based on the initial investment cost less impairment losses, the carrying amount of long-term equity investments in subsidiaries is determined based on the initial investment cost less impairment losses. The carrying amount of long-term equity investments in subsidiaries is determined based on the initial investment cost less impairment losses.

The carrying amount of long-term equity investments in subsidiaries is determined based on the initial investment cost less impairment losses. The carrying amount of long-term equity investments in subsidiaries is determined based on the initial investment cost less impairment losses. The carrying amount of long-term equity investments in subsidiaries is determined based on the initial investment cost less impairment losses.

Notes to the Financial Statements

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

3.13 Long-term equity investments (in RMB)

3.13 Long-term equity investments (in RMB)

3.13.1 Long-term equity investments (in RMB)

(3) Details of long-term equity investments:

The Company holds shares in Wenzhou Kangning Hospital Co., Ltd. (Wenzhou Kangning Hospital Co., Ltd.) as follows:

For the year ended December 31, 2025, the Company's long-term equity investments in Wenzhou Kangning Hospital Co., Ltd. are as follows:

Wenzhou Kangning Hospital Co., Ltd. is a company established in Wenzhou, Zhejiang Province, China, and is a subsidiary of the Company. The Company holds shares in Wenzhou Kangning Hospital Co., Ltd. as follows:

Wenzhou Kangning Hospital Co., Ltd. is a company established in Wenzhou, Zhejiang Province, China, and is a subsidiary of the Company. The Company holds shares in Wenzhou Kangning Hospital Co., Ltd. as follows:

Wenzhou Kangning Hospital Co., Ltd. is a company established in Wenzhou, Zhejiang Province, China, and is a subsidiary of the Company. The Company holds shares in Wenzhou Kangning Hospital Co., Ltd. as follows:



FY 2025
(A) RMB

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

3.14 Fixed assets (,)

3.14.3

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.16 Borrowing costs

3.16.2 Capitalization of borrowing costs

The Company capitalizes borrowing costs incurred during the construction period of qualified assets. The capitalization rate is determined based on the weighted average of the borrowing costs incurred during the period.

The Company capitalizes borrowing costs incurred during the construction period of qualified assets.

(1) Assets that are under construction and will take a long time to complete are eligible for capitalization of borrowing costs.

(2) Borrowing costs are capitalized during the construction period.

(3) The Company capitalizes borrowing costs incurred during the construction period of qualified assets.

The Company capitalizes borrowing costs incurred during the construction period of qualified assets.

3.16.3 Stop capitalization of borrowing costs

The Company stops capitalizing borrowing costs when the construction of qualified assets is substantially complete. The stop capitalization date is determined based on the completion of the construction of the asset. The Company stops capitalizing borrowing costs when the construction of qualified assets is substantially complete. The stop capitalization date is determined based on the completion of the construction of the asset.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB unless otherwise specified)

3.16 Borrowing costs ()

3.16 Borrowing costs ()

3.16.1 Capitalized borrowing costs

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

For the year ended December 31, 2024, the Company capitalized borrowing costs of RMB 1,123,456.78, which were included in the cost of the related assets. The capitalized borrowing costs were calculated based on the weighted average of the borrowing costs incurred during the period.

For the year ended December 31, 2023, the Company capitalized borrowing costs of RMB 1,012,345.67, which were included in the cost of the related assets. The capitalized borrowing costs were calculated based on the weighted average of the borrowing costs incurred during the period.

3.17 Intangible assets

3.17.1 Intangible assets

(1) Trademarks

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

(2) Software

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

3.17 Intangible assets (in thousands of RMB)

3.17.2 E

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

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.18 Impairment of long-term assets

Long-term assets are tested for impairment at the end of each reporting period. If the carrying amount of a long-term asset exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use. The impairment loss is recognized in the profit or loss. If the impairment loss is reversed, the carrying amount of the long-term asset is increased to its recoverable amount, but it shall not exceed the carrying amount that would have been determined had no impairment been recognized. The reversal is recognized in the profit or loss.

For long-term assets that are not cash-generating units, the impairment loss is recognized in the profit or loss. For cash-generating units, the impairment loss is recognized in the profit or loss, and the carrying amount of the long-term assets within the cash-generating unit is reduced proportionally.

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

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

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

Notes to the Financial Statements

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

3. Significant accounting estimates and assumptions

3.19 Long-term deferred expenses

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

3.20 Contract liabilities

Contract liabilities are recognized when the company has received the consideration from the customer and the related performance obligation is not yet satisfied. The recognition and measurement of contract liabilities are based on the expected future economic benefits and the related costs.

3.21 Employee benefits

3.21.1 Short-term employee benefits

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

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

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



Notes to the Financial Statements

F Y E 31 D 2025
(A RMB)

3 S ()

3.21 Employee benefits ()

3.21.2 A ()

(2) D ()
T
C
W
W

3.21.3 A
T C
C
C

3.22 Provisions

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

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB, unless otherwise specified)

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

3.22 Provisions

The Company's provisions are determined based on the expected credit loss model, which requires the Company to estimate the expected credit loss of financial assets at the reporting date.

The Company's provisions are determined based on the expected credit loss model, which requires the Company to estimate the expected credit loss of financial assets at the reporting date. The Company's provisions are determined based on the expected credit loss model, which requires the Company to estimate the expected credit loss of financial assets at the reporting date.

The Company's provisions are determined based on the expected credit loss model, which requires the Company to estimate the expected credit loss of financial assets at the reporting date. The Company's provisions are determined based on the expected credit loss model, which requires the Company to estimate the expected credit loss of financial assets at the reporting date.

The Company's provisions are determined based on the expected credit loss model, which requires the Company to estimate the expected credit loss of financial assets at the reporting date. The Company's provisions are determined based on the expected credit loss model, which requires the Company to estimate the expected credit loss of financial assets at the reporting date.

3.23 Share-based payments

The Company's share-based payments are determined based on the expected credit loss model, which requires the Company to estimate the expected credit loss of financial assets at the reporting date. The Company's share-based payments are determined based on the expected credit loss model, which requires the Company to estimate the expected credit loss of financial assets at the reporting date.

Notes to the Financial Statements

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

3. Significant accounting policies and accounting estimates

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

3 Share-based payments ()

3.23 Share-based payments ()

3.23.2 Cost of share-based payments ()

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

Cost of share-based payments = (Fair value of shares issued - Intrinsic value of shares issued) × Number of shares issued

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

Cost of share-based payments = (Fair value of shares issued - Intrinsic value of shares issued) × Number of shares issued

3.24 Revenue

3.24.1 Amount of revenue

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

Amount of revenue = Fair value of services provided × Number of services provided

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

Amount of revenue = Fair value of services provided × Number of services provided

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.24 Revenue

3.24.1 Accounting policy

The Company's revenue is derived from the provision of medical services, including hospitalization fees, consultation fees, and medical examination fees. Revenue is recognized when the service is provided and the amount is measurable. Revenue is recognized on an accrual basis, and the amount of revenue is determined based on the actual cost of the service provided. Revenue is recognized when the service is provided and the amount is measurable. Revenue is recognized on an accrual basis, and the amount of revenue is determined based on the actual cost of the service provided.

The Company's revenue is derived from the provision of medical services, including hospitalization fees, consultation fees, and medical examination fees. Revenue is recognized when the service is provided and the amount is measurable. Revenue is recognized on an accrual basis, and the amount of revenue is determined based on the actual cost of the service provided.

The Company's revenue is derived from the provision of medical services, including hospitalization fees, consultation fees, and medical examination fees. Revenue is recognized when the service is provided and the amount is measurable. Revenue is recognized on an accrual basis, and the amount of revenue is determined based on the actual cost of the service provided.

The Company's revenue is derived from the provision of medical services, including hospitalization fees, consultation fees, and medical examination fees. Revenue is recognized when the service is provided and the amount is measurable. Revenue is recognized on an accrual basis, and the amount of revenue is determined based on the actual cost of the service provided.

The Company's revenue is derived from the provision of medical services, including hospitalization fees, consultation fees, and medical examination fees. Revenue is recognized when the service is provided and the amount is measurable. Revenue is recognized on an accrual basis, and the amount of revenue is determined based on the actual cost of the service provided.

The Company's revenue is derived from the provision of medical services, including hospitalization fees, consultation fees, and medical examination fees. Revenue is recognized when the service is provided and the amount is measurable. Revenue is recognized on an accrual basis, and the amount of revenue is determined based on the actual cost of the service provided.

The Company's revenue is derived from the provision of medical services, including hospitalization fees, consultation fees, and medical examination fees. Revenue is recognized when the service is provided and the amount is measurable. Revenue is recognized on an accrual basis, and the amount of revenue is determined based on the actual cost of the service provided.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB, unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.24 Revenue

3.24.1 Accounting policy

The Company recognizes revenue when the following conditions are met:

(1) The Company has transferred control of the goods or services to the customer;

(2) The Company has no further obligation to provide additional services to the customer;

(3) The amount of revenue can be reliably measured;

(4) The economic benefits of the transaction will flow into the Company.

The Company recognizes revenue from the sale of goods and services on the basis of the contract price. For the sale of goods, revenue is recognized when the goods are delivered to the customer and the customer has accepted them. For the sale of services, revenue is recognized as the services are provided. For the sale of real estate, revenue is recognized when the real estate is transferred to the customer and the customer has accepted it. For the sale of financial assets, revenue is recognized when the financial assets are transferred to the customer and the customer has accepted them. For the sale of intangible assets, revenue is recognized when the intangible assets are transferred to the customer and the customer has accepted them. For the sale of other assets, revenue is recognized when the assets are transferred to the customer and the customer has accepted them.



Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.25 Government grants

3.25.1 Tax

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

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

3.25.2 Research

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

3.25.3 Assets

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

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

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3. Significant accounting estimates and assumptions

3.25 Government grants

3.25.3 Accounting policy

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

(1) Intangible assets: Government grants related to intangible assets are recognized as income over the period in which the grant is used to purchase, develop or maintain intangible assets. The Company recognizes government grants as income over the period in which the grant is used to purchase, develop or maintain intangible assets.

(2) Tangible assets: Government grants related to tangible assets are recognized as income over the period in which the grant is used to purchase, develop or maintain tangible assets. The Company recognizes government grants as income over the period in which the grant is used to purchase, develop or maintain tangible assets.

3.26 Deferred tax assets and deferred tax liabilities

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

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

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts in RMB, unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.26 Deferred tax assets and deferred tax liabilities

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

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

For deferred tax liabilities, the Company recognizes the liability for all taxable temporary differences, except for those related to the initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit at the time of the transaction.

For deferred tax assets, the Company assesses the likelihood of realizing the benefits of the deferred tax assets. The Company recognizes deferred tax assets to the extent that it is probable that future taxable profit will be available to utilize the deductible temporary differences and tax loss carryforwards.

For deferred tax liabilities, the Company recognizes the liability for all taxable temporary differences, except for those related to the initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit at the time of the transaction.

For deferred tax assets, the Company assesses the likelihood of realizing the benefits of the deferred tax assets. The Company recognizes deferred tax assets to the extent that it is probable that future taxable profit will be available to utilize the deductible temporary differences and tax loss carryforwards.

For deferred tax liabilities, the Company recognizes the liability for all taxable temporary differences, except for those related to the initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit at the time of the transaction.

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts in RMB unless otherwise specified)

3.25 **Share-based payments** (in RMB)

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

On 31 December 2025, the Company has deferred tax assets of RMB 1,234,567 and deferred tax liabilities of RMB 567,890. The net deferred tax asset is RMB 666,677. The deferred tax assets are primarily due to the Company's tax loss carryforwards and the deferred tax liabilities are primarily due to the Company's temporary differences.

The Company's deferred tax assets and liabilities are measured at the best estimate of the tax payable or receivable in the future, based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled.

The Company's deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively, in the balance sheet.

3.27 Leases

The Company has entered into lease agreements for the use of property, plant and equipment. The leases are classified as finance leases or operating leases, depending on the substance of the transaction.

For operating leases, the Company recognizes a liability for the lease payments, which is measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate. The lease payments are recognized as an expense on a straight-line basis over the lease term.

For finance leases, the Company recognizes a liability for the lease payments, which is measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate. The lease payments are recognized as an expense on a straight-line basis over the lease term.

The Company's lease agreements typically include an option to purchase the leased asset at the end of the lease term. The Company's lease agreements are typically for a period of 3 to 5 years.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3.27 Leases (in RMB million)

3.27 Leases (in RMB million)

3.27.1 Total

(1) Right-of-use assets

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

The details are as follows:

Total right-of-use assets: RMB 1,234,567 million;

Land use rights: RMB 876,543 million; Buildings: RMB 358,024 million;

Intangible assets: RMB 100,000 million;

Other right-of-use assets: RMB 50,000 million.

Total right-of-use assets are classified as non-current assets. The Company's right-of-use assets are primarily used for hospital operations. The carrying amount of right-of-use assets is RMB 1,234,567 million.

Total right-of-use assets are classified as non-current assets. The Company's right-of-use assets are primarily used for hospital operations. The carrying amount of right-of-use assets is RMB 1,234,567 million.

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

3. Significant accounting policies and accounting estimates

3.27 Leases

3.27.1 The Company

(2) Leases

On 1 January 2025, the Company adopted the new lease accounting standard, which requires the Company to recognize right-of-use assets and lease liabilities for all leases with a term greater than 12 months, except for leases of low-value assets. For short-term leases, the Company recognizes the lease payments as an expense on a straight-line basis over the lease term.

For the year ended 31 December 2025, the Company has not recognized any lease liabilities, as all leases are classified as short-term leases.

Value added tax (VAT) is accounted for as follows:

All sales and purchases are recorded net of VAT, except for VAT on sales of goods, which is recorded as a liability.

For the year ended 31 December 2025, the Company has not recognized any VAT on sales of goods, as all sales are recorded net of VAT.

For the year ended 31 December 2025, the Company has not recognized any VAT on purchases of goods, as all purchases are recorded net of VAT.

The Company has not recognized any VAT on sales of services, as all sales are recorded net of VAT.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

3. Significant accounting estimates and assumptions

3.27 Leases

3.27.1

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3. Significant accounting estimates and assumptions

3.27 Leases

3.27.1 *Right-of-use assets*

(4) *Leases*

When the Company enters into a lease agreement, it shall determine whether the lease is a finance lease or an operating lease. If it is a finance lease, the Company shall recognize the right-of-use asset and the lease liability. If it is an operating lease, the Company shall recognize the right-of-use asset and the lease liability.

The Company shall measure the right-of-use asset at the lease commencement date as the present value of the lease payments, less any lease incentives. The lease liability shall be measured at the present value of the lease payments.

The Company shall use the incremental borrowing rate as the discount rate to measure the present value of the lease payments. The incremental borrowing rate is the rate that the Company would have to pay to borrow funds on a similar basis.

The Company shall recognize the right-of-use asset and the lease liability in the balance sheet. The right-of-use asset shall be depreciated over the lease term. The lease liability shall be measured at the present value of the lease payments, less any lease incentives.

The Company shall recognize the right-of-use asset and the lease liability in the balance sheet. The right-of-use asset shall be depreciated over the lease term. The lease liability shall be measured at the present value of the lease payments, less any lease incentives. The Company shall also recognize the interest expense on the lease liability in the profit and loss statement.

3.27.2 *Lease liabilities*

The Company shall recognize the lease liability at the lease commencement date as the present value of the lease payments. The lease liability shall be measured at the present value of the lease payments, less any lease incentives. The Company shall also recognize the interest expense on the lease liability in the profit and loss statement.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

3.27 Leases (in million RMB)

3.27 Leases (in million RMB)

3.27.2 Total (in million RMB)

(1) Assets (in million RMB)

Leases are classified as short-term leases and long-term leases. Short-term leases are those with a maximum lease term of 12 months and do not contain an option to purchase the underlying asset. Long-term leases are those with a maximum lease term exceeding 12 months and contain an option to purchase the underlying asset. The Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is measured at cost, which includes the lease liability, initial direct costs, and any prepaid lease payments. The lease liability is measured at the present value of the lease payments, discounted using the incremental borrowing rate. The Company recognizes depreciation expense for the right-of-use asset and interest expense for the lease liability over the lease term.

(2) Liabilities (in million RMB)

On December 31, 2025, the Company's lease liabilities are classified as current liabilities and non-current liabilities. Current lease liabilities are those that are due within 12 months, while non-current lease liabilities are those that are due after 12 months. The Company's lease liabilities are primarily related to the lease of office premises and medical equipment.

The Company's lease liabilities are measured at the present value of the lease payments, discounted using the incremental borrowing rate. The incremental borrowing rate is determined based on the Company's credit rating and the market interest rate for similar loans.

The Company's lease liabilities are classified as current liabilities and non-current liabilities. Current lease liabilities are those that are due within 12 months, while non-current lease liabilities are those that are due after 12 months.

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

3.27 Leases (in million RMB)

3.27 Leases (in million RMB)

3.27.2 Total (in million RMB)

(2) Assets (in million RMB)

Leases are classified as short-term leases and long-term leases. Short-term leases are those with a lease term of 12 months or less, and long-term leases are those with a lease term exceeding 12 months.

For short-term leases, the Company recognizes the lease liability at the present value of the lease payments. For long-term leases, the Company recognizes the lease liability at the present value of the lease payments, discounted using the incremental borrowing rate.

The Company also recognizes the right-of-use asset at the present value of the lease payments, discounted using the incremental borrowing rate. The right-of-use asset is amortized over the lease term.

Leases are classified as short-term leases and long-term leases. Short-term leases are those with a lease term of 12 months or less, and long-term leases are those with a lease term exceeding 12 months.

For short-term leases, the Company recognizes the lease liability at the present value of the lease payments. For long-term leases, the Company recognizes the lease liability at the present value of the lease payments, discounted using the incremental borrowing rate.

The Company also recognizes the right-of-use asset at the present value of the lease payments, discounted using the incremental borrowing rate. The right-of-use asset is amortized over the lease term.

3.27.3 Short-term leases (in million RMB)

Total (in million RMB) N/A 3.24 R

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

3.27 Leases (in million RMB)

3.27 Leases (in million RMB)

3.27.3 Short-term leases (in million RMB)

(1) Assets
Leases are classified as short-term leases if the lease term is 12 months or less, and the underlying asset is expected to be used for less than 12 months. Short-term leases are recognized as a single lease liability at the end of the reporting period, and the lease payments are recognized as an expense on a straight-line basis over the lease term.

Assets are recognized as a single lease liability at the end of the reporting period, and the lease payments are recognized as an expense on a straight-line basis over the lease term. The lease payments are recognized as an expense on a straight-line basis over the lease term. The lease payments are recognized as an expense on a straight-line basis over the lease term.

Leases are classified as short-term leases if the lease term is 12 months or less, and the underlying asset is expected to be used for less than 12 months. Short-term leases are recognized as a single lease liability at the end of the reporting period, and the lease payments are recognized as an expense on a straight-line basis over the lease term.

(2) Assets

Leases are classified as short-term leases if the lease term is 12 months or less, and the underlying asset is expected to be used for less than 12 months. Short-term leases are recognized as a single lease liability at the end of the reporting period, and the lease payments are recognized as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

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

3 Significant

3.28 Repurchase of the Company's shares.

The Company has repurchased 5,370,000 shares of its ordinary shares at a price of RMB1.37 per share.

3.29 Method and basis for determining materiality standards

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

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

3. Significant accounting estimates and judgments

3.30 Key accounting estimates and judgments

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

1. *Estimate of the useful life of intangible assets*

According to the Company's intangible asset management system, the useful life of intangible assets is estimated based on the expected economic benefits. For example, the useful life of patents is estimated based on the remaining legal protection period and the expected economic benefits. The Company's management has made reasonable estimates based on historical experience and market conditions.

2. *Estimate of the impairment of intangible assets*

According to the Company's intangible asset management system, the impairment of intangible assets is estimated based on the expected economic benefits. For example, the impairment of patents is estimated based on the remaining legal protection period and the expected economic benefits. The Company's management has made reasonable estimates based on historical experience and market conditions.

The Company's management has made reasonable estimates based on historical experience and market conditions. For example, the impairment of patents is estimated based on the remaining legal protection period and the expected economic benefits. The Company's management has made reasonable estimates based on historical experience and market conditions.

3. *Estimate of the impairment of long-term equity investments*

The Company's management has made reasonable estimates based on historical experience and market conditions. For example, the impairment of long-term equity investments is estimated based on the expected economic benefits. The Company's management has made reasonable estimates based on historical experience and market conditions.

1. *Journal of the American Medical Association*, 2000; 283: 2689-2693.

Notes to the Financial Statements

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

4 Taxes

4.1 Main tax types and rates

Tax types	Tax basis	Tax rate
Value-added tax	On the net amount of sales of goods and services, and on the net amount of other taxable services	3%, 6%, 13%
Urban maintenance and construction tax	On the actual amount of value-added tax	7%
Education surcharge	On the actual amount of value-added tax	5%
Enterprise Income Tax	On the taxable income	15%, 20%, 25%
Dividend Distribution Tax	On the dividend distribution	
Name of taxpayer		Income tax rate
Wenzhou Kangning Hospital Co., Ltd.		15%
Wenzhou Kangning Hospital Co., Ltd. (subsidiary)		15%
Wenzhou Kangning Hospital Co., Ltd. (subsidiary)		20%
Hangzhou Kangning Hospital Co., Ltd.		20%
Wenzhou Kangning Hospital Co., Ltd. (subsidiary)		20%
Wenzhou Kangning Hospital Co., Ltd. (subsidiary)		20%

Notes to the Financial Statements

For the Year Ended December 31, 2025

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

4. Tax

4.2 Tax incentives

1. The Company has been recognized as a "High-tech Enterprise" by the State Science and Technology Administration, Ministry of Finance, and State Taxation Administration. According to the relevant provisions of the "Regulations on the Income Tax of Enterprises" (CS 2007 No. 19) and the "Regulations on the Corporate Income Tax" (CS 2008 No. 16), the Company is entitled to a 15% corporate income tax rate. In addition, the Company has also been recognized as a "Software Enterprise" by the State Science and Technology Administration, Ministry of Finance, and State Taxation Administration. According to the relevant provisions of the "Regulations on the Income Tax of Enterprises" (CS 2007 No. 19) and the "Regulations on the Corporate Income Tax" (CS 2008 No. 16), the Company is entitled to a 15% corporate income tax rate. The Company has also been recognized as a "Software Enterprise" by the State Science and Technology Administration, Ministry of Finance, and State Taxation Administration. According to the relevant provisions of the "Regulations on the Income Tax of Enterprises" (CS 2007 No. 19) and the "Regulations on the Corporate Income Tax" (CS 2008 No. 16), the Company is entitled to a 15% corporate income tax rate.
2. The Company has been recognized as a "High-tech Enterprise" by the State Science and Technology Administration, Ministry of Finance, and State Taxation Administration. According to the relevant provisions of the "Regulations on the Income Tax of Enterprises" (CS 2007 No. 19) and the "Regulations on the Corporate Income Tax" (CS 2008 No. 16), the Company is entitled to a 15% corporate income tax rate.

Notes to the Financial Statements

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

5 Notes to the Financial Statements

5.1 Cash at bank and on hand

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

Notes to the Financial Statements

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

5 Notes to the Financial Statements (continued)

5.3 Notes receivable

5.3.1 Balance as at 31 December 2025

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

5.3.2 Details of notes receivable as at 31 December 2025

Category	Balance as at 31 December 2025		Balance as at 31 December 2024	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Amount	Proportion of provision (%)	Amount	Proportion of provision (%)
Notes receivable				
Notes receivable from customers	1,486,564.55	100.00	1,486,564.55	663,798.83
Notes receivable from other parties				
Notes receivable from other parties	1,486,564.55	100.00	1,486,564.55	663,798.83
Total	1,486,564.55	100.00	1,486,564.55	663,798.83

5.3.3 Amount derecognised as at 31 December 2025

Item	Amount derecognised as at 31 December 2025	Amount derecognised as at 31 December 2024
Notes receivable		429,217.10
Total		429,217.10

Notes to the Financial Statements

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

5 Notes to the Financial Statements (continued)

5.4 Accounts receivable

5.4.1 Aging

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

Notes to the Financial Statements

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

5 Notes to the Financial Statements (continued)

5.4 Accounts receivable (continued)

5.4.2 Details of accounts receivable (continued)

As at 31 December 2025, the carrying amount of accounts receivable is as follows:

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

Notes: The provision for bad debts is calculated based on the expected credit loss model. The provision ratio is 3.10%.

Reconciliation of the provision for bad debts:

Provision for bad debts:

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

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

5 Non-current assets

5.4 Accounts receivable

5.4.3 Breakdown of accounts receivable as at 31 December 2025

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

5.4.4 Aging analysis of accounts receivable as at 31 December 2025

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

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

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

Notes to the Financial Statements

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

5. Notes to the Financial Statements (continued)

5.5 Advances to suppliers

As at 31 December 2025

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

Notes to the Financial Statements

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

5 Notes to the Financial Statements (continued)

5.6 Other receivables (continued)

5.6.2 Other receivables

(1) Details of other receivables

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

The Company has assessed the credit risk of other receivables and determined that there is no significant credit risk.

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB, unless otherwise specified)

5 Non-current assets

5.6 Other receivables

5.6.2 Other receivables

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

Other receivables are classified as follows:

Name	Balance as at 31 December 2025				Balance as at 31 December 2024	
	Book balance	Provision for bad debts	Proportion of provision (%)	Provision basis	Book balance	Balance
HUYI HOLDING CO., LTD.					8,000,000.00	8,000,000.00
SHANGHAI P... 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
W... CO.	3,490,447.08	3,490,447.08	100.00	Expected to be difficult to recover	3,490,447.08	3,490,447.08
Total	13,694,758.77	13,694,758.77	/	/	21,694,758.77	21,694,758.77

Non-current assets are classified as follows:

Receivables are classified as follows:

Provision for bad debts:

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

Notes to the Financial Statements

F Y E 31 D 2025
(A RMB)

5 N ()

5.6 Other receivables ()

5.6.2 O ()

(3) R

	Stage I Expected credit losses for the next 12 months	Stage II Lifetime expected credit losses (No credit impairment)	Stage III Lifetime expected credit loss (Credit impairment)	Total
Provision for bad debts				
B 31 D 2024	2,457,854.75		21,694,758.77	24,152,613.52
I 2025, B 31 D 2024				
- T S II				
- T S III				
- R S II				
- R S I				
R 2025			579,202.91	579,202.91
R 2025	479,979.23		8,000,000.00	8,479,979.23
W 2025				
C 2025	2,000.00			2,000.00
O	-16,912.81			-16,912.81
B 31 D 2025	1,992,788.33		14,273,961.68	16,266,750.01

Notes to the Financial Statements

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

5. Notes to the Financial Statements (continued)

5.6 Other receivables (continued)

5.6.2 Other receivables (continued)

(3) Other receivables (continued)

As at 31 December 2025:

In March 2025, the Group entered into a 65% interest in the Wenzhou Kangning Hospital Co., Ltd. (Wenzhou Kangning Hospital Co., Ltd.) and the Group's share of the net assets of Wenzhou Kangning Hospital Co., Ltd. is RMB8,000,000.

(4) Other receivables (continued)

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

Notes to the Financial Statements

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

5. Notes to the Financial Statements (continued)

5.6 Other receivables (continued)

5.6.2 Other receivables (continued)

(6) Classification of other receivables

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

5.7 Inventories

Category	Balance as at 31 December 2025			Balance as at 31 December 2024	
	Book balance	Provision for inventory write-downs/Provision for impairment of contract performance costs	Book value	Book balance	Book value
Materials	567,310.08		567,310.08	657,701.74	657,701.74
Supplies	45,089,109.86		45,089,109.86	48,151,521.38	48,151,521.38
Goods	376,123.14		376,123.14	1,819,908.26	1,819,908.26
Total	46,032,543.08		46,032,543.08	50,629,131.38	50,629,131.38

Notes to the Financial Statements

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

5 Notes to the Financial Statements (continued)

5.8 Other current assets

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Interest receivable	23,120,442.10	3,761,468.41
Prepaid expenses	12,210.28	
Other receivables	2,248,043.70	2,097,885.50
Total	25,380,696.08	5,859,353.91

5.9 Long-term receivables

Item	Balance as at 31 December 2025			Balance as at 31 December 2024	
	Book balance	Provision for bad debts	Book value	Book balance	Book value
Receivable from related parties				14,000,000.00	14,000,000.00
Receivable from other parties				14,000,000.00	14,000,000.00
Less: Provision for bad debts					
Total				14,000,000.00	14,000,000.00

Other information:

In 2025, the Company received 14,000,000.00 RMB from the related parties and other parties, which has been recorded in the financial statements.

Notes to the Financial Statements

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

5 Notes to the Financial Statements (Continued)

5.10 Long-term equity investments

5.10.1 Details of long-term equity investments

Investee	Balance at the beginning of the year		Changes during the year		Balance at the end of the year		Balance of impairment provision	
	31 December 2024	31 December 2024	31 December 2024	31 December 2024	31 December 2024	31 December 2024	31 December 2024	31 December 2024
	(RMB)	(RMB)	(RMB)	(RMB)	(RMB)	(RMB)	(RMB)	(RMB)
H A M, T C., Ltd.	6,869,165.91		2,447,498.74		9,316,664.65			
W L Y H C., Ltd.	56,424,778.61		-421,913.82		56,002,864.79			
S S H M C C., Ltd.	21,989,636.75		-1,097,977.41		20,891,659.34			
C H K H C., Ltd.	6,247,309.77	10,745,274.26	3,238,079.21	-2,177,854.80	831,375.76	5,983,353.47		
F N T C., Ltd.	4,911,260.44		-358,741.63		4,552,518.81			
W O H M C., Ltd.	2,971,833.72	1,200,000.00	145,474.85		4,317,308.57			
H Y M H M C., Ltd.								
T	99,413,985.20	10,745,274.26	1,200,000.00	3,238,079.21	-1,463,514.07	95,912,391.92	5,983,353.47	

Other information:

1. In March 2025, the Company's subsidiary, H A M, T C., Ltd. (H A M, T C., Ltd.) has completed the acquisition of 100% equity interest in W L Y H C., Ltd. (W L Y H C., Ltd.) for a total amount of RMB20,000,000.00.

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Fund balance	1,159,366,939.63	889,544,442.13
Debt		
Total	1,159,366,939.63	889,544,442.13

F Y E 31 D 2025
(A RMB)

5 N	Fixed assets (non-current assets)	(€)
5.12	Fixed assets (€)	
5.12.2	Fixed assets (€)	
5.12.2 F	Fixed assets (€)	
I	Intangible assets	
1.0	Goodwill	
(1) B	Goodwill (€)	31 Dec 2024
		97, 2024

Notes to the Financial Statements

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

5. Notes to the Financial Statements (continued)

5.13 Construction in progress (in RMB)

5.13.2 Investment in construction in progress

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

Notes to the Financial Statements

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

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

Notes to the Financial Statements

F.Y.E. 31 D. 2025

(A RMB)

5 N ()

5.14 Right-of-use assets

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

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are expressed in RMB unless otherwise specified)

5 Notes to the Financial Statements (Continued)

5.15 Intangible assets

5.15.1 Intangible assets

Project	Land use rights	Trademark right	Software	Contractual rights to provide management services		Total
				Medical practice qualification		
1. Goodwill						
(1) Balance at 31 December 2024	158,746,648.48	3,061,637.13	16,037,718.87	216,837,000.00	32,400,000.00	427,083,004.48
(2) Increase during 2025	4,713,332.53		5,918,563.99	24,000,000.00		34,631,896.52
Purchase of intangible assets	4,713,332.53		4,784,593.99			9,497,926.52
Increase in value of intangible assets			1,133,970.00	24,000,000.00		25,133,970.00
(3) Decrease during 2025			52,802.64			52,802.64
Disposal of intangible assets			52,802.64			52,802.64
(4) Balance at 31 December 2025	163,459,981.01	3,061,637.13	21,903,480.22	240,837,000.00	32,400,000.00	461,662,098.36
2. Other intangible assets						
(1) Balance at 31 December 2024	23,725,212.01	1,404,895.19	10,123,731.63	87,868,373.39	12,425,000.00	135,547,212.22
(2) Increase during 2025	2,861,820.77	330,015.42	2,591,353.29	18,780,633.64	1,842,857.20	26,406,680.32
Purchase of intangible assets	2,861,820.77	330,015.42	1,499,883.33	18,780,633.64	1,842,857.20	25,315,210.36
Increase in value of intangible assets			1,091,469.96			1,091,469.96
Disposal of intangible assets						
(3) Decrease during 2025			49,052.64			49,052.64
Disposal of intangible assets			49,052.64			49,052.64
(4) Balance at 31 December 2025	26,587,032.78	1,734,910.61	12,666,032.28	106,649,007.03	14,267,857.20	161,904,839.90
3. Intangible assets						
(1) Balance at 31 December 2024						
(2) Increase during 2025				14,000,000.04		14,000,000.04
Purchase of intangible assets				14,000,000.04		14,000,000.04
(3) Decrease during 2025						
(4) Balance at 31 December 2025				14,000,000.04		14,000,000.04
4. Other intangible assets						
(1) Balance at 31 December 2025	136,872,948.23	1,326,726.52	9,237,447.94	120,187,992.93	18,132,142.80	285,757,258.42
(2) Balance at 31 December 2024	135,021,436.47	1,656,741.94	5,913,987.24	128,968,626.61	19,975,000.00	291,535,792.26

Other intangible assets:

At 31 December 2025, the carrying amount of other intangible assets was RMB81,298,845.57, which is fully covered by the net assets of the company.

Notes to the Financial Statements

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

5 Notes to the Financial Statements (continued)

5.15 Intangible assets (continued)

5.15.2 Intangible assets

In 2025, the Company acquired several intangible assets, including software licenses, patents, and trademarks. The initial recognition of these assets was based on the fair value of the consideration paid. The carrying amount of intangible assets at the end of 2025 was RMB19,088,193.09, compared with RMB2,502,854.13 at the end of 2024. The carrying amount of intangible assets at the beginning of 2025 was RMB14,000,000.04. See Note 5.16 for details.

5.16 Goodwill

5.16.1 Goodwill

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

Notes to the Financial Statements

For the Year ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

5 Notes to the Financial Statements (continued)

5.16 Goodwill (in RMB)

5.16.1 Cost of Goodwill (in RMB)

Name of the investee or matters forming goodwill	Balance at 31 December 2024		Increase/(Decrease) during the year		Balance at 31 December 2025	
	Original cost	Accumulated impairment losses	Original cost	Accumulated impairment losses	Original cost	Accumulated impairment losses
H Y H C., Ltd.			12,898,816.77		12,898,816.77	
W D, C S, C., Ltd.			11,081,970.63		11,081,970.63	
S -	144,445,442.66	23,980,787.40			228,538.31	
Total						
I -						
B Y H C., Ltd.	22,987,331.04				22,987,331.04	
G Y H C., Ltd.	1,549,022.38				1,549,022.38	
J S H C., Ltd.	5,060,323.85				5,060,323.85	
H Y P, H C., Ltd.	690,331.47				690,331.47	
D L H C., Ltd.			2,502,854.13		2,502,854.13	
W N P, S,						
H C., Ltd.			7,705,714.73		7,705,714.73	
H Y C S, C., Ltd.			1,247,176.52		1,247,176.52	
Total	30,287,008.74		11,455,745.38		41,742,754.12	
Total	114,158,433.92	23,980,787.40	-11,455,745.38	228,538.31	126,454,937.63	

Notes to the Financial Statements

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

5. Notes to the Financial Statements (continued)

5.16 Goodwill (in RMB)

Notes to the Financial Statements

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

Name

(A) $\text{RMB} = 6.9166$

[illegible]

Notes to the Financial Statements

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

5 N ()

5.16 Goodwill ()

5.16.4 K

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

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

5 Notes to the Financial Statements

5.18 Deferred tax assets and deferred tax liabilities

5.18.2 Deferred tax liabilities

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

5.18.3 Deferred tax assets

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

Notes to the Financial Statements

F. Y. E. 31 D. 2025

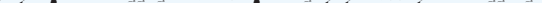
(A) $\text{RMB} = 6.9171$

5 N — — — — — ()

5.18 Deferred tax assets and deferred tax liabilities (, 1)

5.18.4 D

Project	Balance as at 31 December 2025	Balance as at 31 December 2024
Development of new products	10,523,912.94	8,368,159.52
Development of new markets	59,473,871.02	58,354,984.35
Total	69,997,783.96	66,723,143.87

5.18.5 T  B3, 1 

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

5.19 Other non-current assets

	Balance as at 31 December 2025			B	31 D	2024
	Provision B3r			B	B3	
Item	Book balance	impairment	Book value	B		B
B	6,061,296.16		6,061,296.16	7,764,995.66		7,764,995.66
B3	9,453,564.81		9,453,564.81	3,468,668.68		3,468,668.68
T	15,514,860.97		15,514,860.97	11,233,664.34		11,233,664.34

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB, unless otherwise specified)

5 Notes to the Financial Statements (continued)

5.20 Assets with restricted ownership or use

Item	As at 31 December 2025				Balance as at 31 December 2024			
	Book balance	Book value	Restricted type	Restriction status	Balance	Balance	Restricted type	Restriction status
Cash					150,009.00	150,009.00	None	None
Prepaid expenses	5,000,000.00	5,000,000.00	Frozen	Performance bond	5,000,000.00	5,000,000.00	None	Performance bond
Other receivables	1,365,109.43	1,365,109.43	Frozen	Foreign exchange regulatory account	1,364,131.55	1,364,131.55	None	Foreign exchange regulatory account
					2,125.91	2,125.91	None	Loan
Long-term prepayments	254,502,240.91	254,502,240.91	Pledge	Pledge borrowings	208,244,700.00	208,244,700.00	Pledge	Pledge borrowings
Fixed assets	90,666,399.96	27,683,567.89	Mortgage	Sale and leaseback	92,932,472.62	31,960,875.46	Mortgage	Sale and leaseback
	260,090,969.45	248,248,404.63	Mortgage	Mortgaged borrowings	308,835,922.00	277,405,475.89	Mortgage	Mortgaged borrowings
Intangible assets	91,916,306.11	81,298,845.57	Mortgage	Mortgaged borrowings	69,872,967.58	60,484,716.91	Mortgage	Mortgaged borrowings
Total	703,541,025.86	618,098,168.43	/	/	686,402,328.66	584,612,034.72	/	/

5.21 Short-term borrowings

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

5.23 Accounts payable

5.23 Accounts payable

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

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Within 1 year	156,277,714.53	127,861,415.20

Notes to the Financial Statements

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

5 Notes to the Financial Statements (continued)

5.25 Contract liabilities

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Revenue contract liabilities	161,104.98	49,771.35
Total	161,104.98	49,771.35
Other information: The Company's contract liabilities are primarily related to the revenue contracts entered into with patients and other service providers. The balance as at 31 December 2025 represents the amount of revenue recognized but not yet received from these contracts.		

5.26 Employee benefits payable

5.26.1 Short-term employee benefits

Item	Balance as at 31 December 2024	Increase in 2025	Decrease in 2025	Balance as at 31 December 2025
Salaries and wages payable	82,608,332.00	613,701,105.60	615,376,119.42	80,933,318.18
Payable for employee housing fund and employee pension	3,138,964.61	45,758,780.58	45,399,570.47	3,498,174.72
Deferred bonus payable	-	313,991.65	9,264,000.00	(3,498,174.72) / (3,498,174.72) / (3,498,174.72)

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

5 Notes to the Financial Statements

5.26 Employee benefits payable (in RMB)

5.26.2 Short-term employee benefits

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

5.26.3 Long-term employee benefits

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

Other long-term employee benefits:

At the end of the reporting period, the Company has no long-term employee benefits payable. The Company has no long-term employee benefits payable at the end of the reporting period.

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB, unless otherwise specified)

5 Notes to the Financial Statements (continued)

5.27 Taxes payable

Tax items	Balance as at 31 December 2025	Balance as at 31 December 2024
VAT	3,200,635.94	1,253,541.90
Enterprise Income Tax	23,316,162.83	28,623,585.71
Property Tax	1,539,654.76	1,280,818.51
Urban Maintenance and Construction Tax	193,472.11	128,273.19
Research and Development Tax Incentive	6,403,954.93	6,799,424.03
Education Tax	139,810.92	65,721.04
Land Use Tax	940,760.98	778,342.55
Sales Tax	69,573.69	195,717.23
Enterprise Income Tax	3,906.48	2,121.00
Withholding Tax	1,071.79	538.69
T	35,809,004.43	39,128,083.85

5.28 Other payables

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

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB, unless otherwise specified)

5 Notes to the Financial Statements (continued)

5.28 Other payables (continued)

5.28.1 Interest payable

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

5.28.2 Dividends payable

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

5.28.3 Other payables

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Payable for employee compensation	30,510,944.19	25,610,062.45
Payable for employee benefits	1,313,457.77	1,313,457.77
Accounts payable	2,228,893.61	6,681,680.88
Dividends payable	1,571,150.50	1,136,955.18
Interest payable	19,906,013.30	24,729,158.13
Bank deposits	9,229,765.68	8,748,024.96
Prepaid expenses	23,467,735.12	9,416,830.18
Other	31,159.13	641,534.15
Total	88,259,119.30	78,277,703.70

Notes to the Financial Statements

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

5. Non-current liabilities due within one year

5.29 Non-current liabilities due within one year

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

Notes to the Financial Statements

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

5. Notes to the Financial Statements (continued)

5.31 Long-term borrowings (continued)

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

Item	Balance as at	
	31 December 2025	31 December 2024

Notes to the Financial Statements

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

5 Notes to the Financial Statements (continued)

5.33 Long-term payables

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

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

5 Notes to the Financial Statements (continued)

5.33 Long-term payables (continued)

5.33.2 Specific payables

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

5.34 Deferred income

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

Notes to the Financial Statements

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

5 Notes to the Financial Statements

5.36 Capital surplus

Item	Balance as at 31 December 2024	Increase in 2025	Decrease in 2025	Balance as at 31 December 2025
Capital surplus	726,023,779.76		33,882,596.62	692,141,183.14
Other capital surplus				
Surplus reserve	48,854,883.98	4,503,685.30		53,358,569.28
Other reserves	15,145,574.29			15,145,574.29
Total	790,024,238.03	4,503,685.30	33,882,596.62	760,645,326.71

Other capital surplus, which is the difference between the actual amount of capital and the amount of capital calculated according to the accounting policy, is as follows:

- (1) In 2025, the company's capital surplus increased by 26.67% compared with the end of 2024, mainly due to the company's capital surplus reserve, which is the difference between the actual amount of capital and the amount of capital calculated according to the accounting policy, is as follows:
- (2) The company's capital surplus reserve, which is the difference between the actual amount of capital and the amount of capital calculated according to the accounting policy, is as follows:
- (3) The company's capital surplus reserve, which is the difference between the actual amount of capital and the amount of capital calculated according to the accounting policy, is as follows:

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

5 Notes to the Financial Statements

5.37 Treasury share

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

On 31 December 2025, the company's treasury share balance was RMB47,815,625.17.

(1) At 31 December 2025, the company's treasury share balance was RMB28,666,701.91, which was calculated based on the share repurchase price of RMB3,419,975 per share.

(2) In 2025, the company's treasury share balance was RMB22,399,322.22, which was calculated based on the share repurchase price of RMB2,270,900 per share, and the share repurchase price of RMB311,100 per share, and the share repurchase price of RMB1,959,800 per share.

5.38 Surplus reserve

Item	Balance at 31 December 2024	Issued during 2025	During 2025	Balance as at 31 December 2025
Surplus reserve	38,399,577.13			38,399,577.13
T	38,399,577.13			38,399,577.13

On 31 December 2025, the company's surplus reserve balance was RMB38,399,577.13.

In 2025, the company's surplus reserve balance was RMB38,399,577.13, which was calculated based on the share repurchase price of RMB10% per share, and the share repurchase price of RMB50% per share, and the share repurchase price of RMB50% per share.

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB, unless otherwise specified)

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

5 Notes to the Financial Statements

5.40 Operating revenue and cost of sales

5.40.1 Operating revenue and cost of sales

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

5.40.2 Breakdown of operating revenue and cost of sales

Item	Amount in 2025	A 2024
R	1,448,705,601.11	1,517,773,042.05
D	1,448,705,601.11	1,517,773,042.05
O	171,078,809.67	136,516,371.18
R	107,370,316.53	90,137,875.17
M	2,368,850.84	2,970,297.04
R	2,577,689.05	595,122.46
O	58,761,953.25	42,813,076.51
T	1,619,784,410.78	1,654,289,413.23

5.40.2 Breakdown of operating revenue and cost of sales

Category	Operating revenue	Cost of sales
B		
R	1,619,784,410.78	1,654,289,413.23
R		
T	1,619,784,410.78	1,654,289,413.23

Notes to the Financial Statements

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

Notes to the Financial Statements

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

5 Notes to the Financial Statements (continued)

5.42 Selling expenses

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

Notes to the Financial Statements

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

5 Notes to the Financial Statements (Continued)

5.43 Administrative expenses

Item	Amount in 2025	Amount in 2024
Salaries and wages	136,228,747.19	129,004,061.40
Debt amortization	19,677,491.13	17,850,551.80
Advertising expenses	2,887,520.62	4,190,150.74
Business entertainment expenses	8,814,153.72	8,751,064.86
Depreciation	1,449,479.17	3,012,235.08
Health insurance	4,020,340.37	3,732,284.42
Employee housing fund	4,511,272.34	3,997,509.78
Office rent	4,767,633.22	5,031,789.54
Transportation	4,660,700.77	4,977,716.48
Utilities	740,276.80	977,577.12
Research and development	7,049,469.60	6,849,479.49
Construction	2,497.76	349,803.81
Office equipment	3,087,061.59	3,490,839.71
Communication	6,327,522.95	6,011,242.51
Travel	3,095,200.00	3,025,987.32
Research (including R&D)	11,440,216.13	10,919,254.63
Business travel	4,126,304.84	5,713,396.43
Depreciation	4,063,064.84	3,316,647.39
Construction	3,957,287.08	3,084,988.50
Office	2,199,615.02	3,059,624.40
Total	233,105,855.14	227,346,205.41

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

5 Notes to the Financial Statements

5.46 Other income

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

5.47 Investment income

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

5.48 Gains from changes in fair value

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

Notes to the Financial Statements

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

5. Notes to the Financial Statements (continued)

5.49 Credit impairment losses

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

Notes to the Financial Statements

For the Year Ended December 31, 2025

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

5 Notes to the Financial Statements (Continued)

5.52 Non-operating revenue

				A
				2024
Item	Amount in 2025	A	2024	
G	35,042.85	157,773.18	35,042.85	
I	35,042.85	157,773.18	35,042.85	
A	267,263.75	46,960.37	267,263.75	
G		86,363.28		
R	233,000.00		233,000.00	
V		89,700.00		
P	722,808.91	86,864.89	722,808.91	
O	63,472.78	1,061,239.31	63,472.78	
T	1,321,588.29	1,528,901.03	1,321,588.29	

5.53 Non-operating expenses

				A
				2024
Item	Amount in 2025	A	2024	
L	1,372,524.38	1,117,414.85	1,372,524.38	
I	1,368,774.38	1,117,414.85	1,368,774.38	
	3,750.00		3,750.00	
E	3,069,645.91	2,697,864.84	3,069,645.91	
E	5,483.03	20,094.09	5,483.03	
I	59,434.72	49,092.37	59,434.72	
F	8,852,014.48	1,606,766.04	8,852,014.48	
C	1,190,606.08	2,668,838.80	1,190,606.08	
O	2,347,434.42	622,957.51	2,347,434.42	
T	16,935,849.67	8,783,028.50	16,935,849.67	

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB unless otherwise specified)

5 Notes to the Financial Statements

5.54 Income tax expense

5.54.1 Income tax expense

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

5.54.2 Analysis of income tax expense

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

Notes to the Financial Statements

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

5. Net assets attributable to equity holders of the parent company: ()

5.55 Earnings per share

5.55.1 Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the parent company by the weighted average number of shares outstanding during the period. The formula is as follows:

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

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

5. Notes to the Financial Statements (continued)

5.56 Items of statement of cash flows

5.56.1



Notes to the Financial Statements

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

5 Notes to the Financial Statements (Continued)

5.56 Items of statement of cash flows (Continued)

5.56.3 Cash flows from operating activities

(1) Cash flows from operating activities

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

(2) Cash flows from investing activities

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

Notes to the Financial Statements

For the Year Ended December 31, 2025

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

5 Notes to the Financial Statements

5.57 Supplementary information to the statement of cash flows

5.57.1 Supplementary information to the statement of cash flows

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

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

5 Notes to the Financial Statements

5.57 Supplementary information to the statement of cash flows

5.57.1 Supplementary information to the statement of cash flows

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

5.57.2 Supplementary information to the statement of cash flows

Item	Amount
C	44,000,000.00
I	28,000,000.00
W	16,000,000.00
L	16,098,096.99
I	10,683,725.70
W	5,414,371.29
P	
N	27,901,903.01

Notes to the Financial Statements

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

5 Notes to the Financial Statements (continued)

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

5.57.3 Non-current assets and liabilities

Item	Amount
Current assets	
Investment properties	
Land use rights	29,192.78
Investment in subsidiaries	29,192.78
Prepaid expenses	
Non-current assets	-29,192.78

5.57.4 Balance sheet

Item	Balance as at 31 December 2025	Balance as at 31 December 2024
Investment properties	287,674,751.45	255,232,744.16
Investment in subsidiaries	231,487.96	192,804.35

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

5. Notes to the Financial Statements (in RMB)

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

5.57.5 Supplementary information to the statement of cash flows

(1) Total cash and cash equivalents at the end of the reporting period

Balances at the beginning of the reporting period: C
Balances at the end of the reporting period: C

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Amounts in thousands of RMB)

5. Notes to the Financial Statements (continued)

5.60 Lease

5.60.1 Assets

Item	Amount in 2025	Amount in 2024
Intangible assets	11,522,064.22	8,458,214.13
Total	121,043,656.66	92,883,796.45
Goodwill	94,791,041.13	

Notes to the Financial Statements

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

6 Company Information

6.1 Business combination not under common control

6.1.1 Business combination not under common control in 2025

								RMB		Thousands	
Name of the Company	Type of Business Combination	Shareholding Ratio (%)	Initial Investment Date	Initial Investment Amount	Initial Investment Type	Initial Investment Period	Initial Investment Method	Initial Investment Amount	Initial Investment Type	Initial Investment Period	Initial Investment Method
Huyi Hospital	31 M 2025	35,600,000.00	65.00	Cash	31 M 2025	Cash	19,744,154.59	-4,258,984.02	-4,140,576.81		
Wendoumen Hospital	31 A 2025	16,000,000.00	100.00	Cash	31 A 2025	Cash	11,889,168.62	526,879.67	-658,162.01		

6.1.2 Business combination not under common control in 2025

		Huyi Hospital		Wendoumen Hospital	
		RMB		Thousands	
Cash					
☑ Cash		28,000,000.00		16,000,000.00	
☑ Financial assets					
☑ Financial assets		7,600,000.00			
☑ Financial assets					
☑ Financial assets					
☑ Financial assets					
☑ Other					
Total		35,600,000.00		16,000,000.00	
Less: Non-controlling interest		22,701,183.23		4,918,029.37	
Total		2,898,816.70		1,081,917.63	

Notes to the Financial Statements

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

6 Business combination not under common control

6.1 Business combination not under common control

6.1.3 Initial recognition and measurement

	Henan Yuhong Pharmaceutical Co., Ltd.	Henan Caili Pharmaceutical Co., Ltd.	Wendoumen Pharmaceutical Co., Ltd.	Sichuan Bingxin Pharmaceutical Co., Ltd.
Assets:	88,586,325.58	70,800,279.48	10,080,947.55	10,080,947.55
Current assets:	10,683,725.70	10,683,725.70	5,414,371.29	5,414,371.29
Receivables:	5,611,315.68	5,611,315.68	4,640,769.51	4,640,769.51
Accounts receivable:	11,966.69	11,966.69	24,750.00	24,750.00
Inventory:	872,927.05	872,927.05		
Prepaid expenses:	1,598,098.97	484,744.28		
Intangible assets:	24,042,500.04	1,091,469.96		
Right-of-use assets:	41,886,805.14	41,886,805.14		
Long-term equity investments:	1,828,479.92	1,828,479.92		
Deferred tax assets:	2,050,506.39	8,328,845.06	1,056.75	1,056.75
Liabilities:	57,753,735.99	57,753,735.99	5,162,918.18	5,162,918.18
Payables:	2,819,655.50	2,819,655.50	750,490.02	750,490.02
Receivables from related parties:	923,339.06	923,339.06	725,473.00	725,473.00
Equity:	1,472,442.86	1,472,442.86	3,509,669.27	3,509,669.27
Tax payable:	31,295.32	31,295.32	177,285.89	177,285.89
Reserves:	52,507,003.25	52,507,003.25		
Non-current liabilities:	30,832,589.59	13,046,543.49	4,918,029.37	4,918,029.37
Long-term debt:	8,131,406.36	4,566,290.22		
Accounts payable:	22,701,183.23	8,480,253.27	4,918,029.37	4,918,029.37

F Y E 31 D 2025
(A RMB)

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

Notes to the Financial Statements

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

7 Interests in subsidiaries

7.1 Interests in subsidiaries

7.1.1 Consolidated subsidiaries

Name of subsidiary		Registered capital (RMB)	Company type	Shareholding ratio (%)	Control
English	Chinese				
Wenzhou Kangning Hospital	温州市康宁医院	33,000.00	Wholly-owned	100.00	Control
Shaoxing Kangning Hospital	绍兴康宁医院	1,000.00	Wholly-owned	100.00	Control
Wenzhou Kangning Hospital	温州市康宁医院	1,000.00	Wholly-owned	65.00	Control
Wenzhou Kangning Hospital	温州市康宁医院	2,585.98	Wholly-owned	100.00	Control
Pingyang Kangning Hospital	平阳康宁医院	3,057.47	Wholly-owned	100.00	Control
Yongjia Kangning Hospital	永嘉康宁医院	9,800.00	Wholly-owned	100.00	Control
Wenzhou Kangning Hospital	温州市康宁医院	500.00	Wholly-owned	100.00	Control
Huyi Kangning Hospital	汇医康宁医院	5,000.00	Wholly-owned	65.00	Control
Wenzhou Kangning Hospital	温州市康宁医院	200.00	Wholly-owned	100.00	Control
Wenzhou Kangning Hospital	温州市康宁医院	100.00	Wholly-owned	100.00	Control
Wenzhou Kangning Hospital	温州市康宁医院	1,000.00	Wholly-owned	100.00	Control
Wenzhou Kangning Hospital	温州市康宁医院	20,000.00	Wholly-owned	100.00	Control
Wenzhou Kangning Hospital	温州市康宁医院	600.00	Wholly-owned	100.00	Control

Notes to the Financial Statements

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

Notes to the Financial Statements		RMB '000,000		Shareholders' Equity (%)	
Notes to the Financial Statements	Change	Notes to the Financial Statements	Notes to the Financial Statements	Notes to the Financial Statements	Notes to the Financial Statements
Wen Zhou Kang Ning Hospital Co., Ltd.	6,000.00	W	W		
Chongqing Kang Ning Hospital Co., Ltd.					

Notes to the Financial Statements

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

Notes to the Financial Statements		RMB '000		RMB '000		Shareholding (%)	
Notes to the Financial Statements	Company	Notes to the Financial Statements	Company	Notes to the Financial Statements	Company	Notes to the Financial Statements	Company
Wen Zhou Kang Ning Hospital Co., Ltd.		2,040.82	H	H		98.00	E
Wen Zhou Kang Ning Hospital Co., Ltd.		50.00	W	W		100.00	E
Wen Zhou Kang Ning Hospital Co., Ltd.		500.00	W	W		100.00	E
Wen Zhou Kang Ning Hospital Co., Ltd.		1,000.00	W	W		80.00	E
Wen Zhou Kang Ning Hospital Co., Ltd.		1,000.00	C	C		64.55	B
Wen Zhou Kang Ning Hospital Co., Ltd.		100.00	H	H		100.00	E
Wen Zhou Kang Ning Hospital Co., Ltd.		5,000.00	T	T		100.00	E
Wen Zhou Kang Ning Hospital Co., Ltd.		6,000.00	S	S		55.00	E
Wen Zhou Kang Ning Hospital Co., Ltd.		1,400.00	J	J		95.00	E
Wen Zhou Kang Ning Hospital Co., Ltd.		5,000.00	T	T		100.00	E
Wen Zhou Kang Ning Hospital Co., Ltd.		1,000.00	S	S		55.00	E
Wen Zhou Kang Ning Hospital Co., Ltd.		1,400.00	J	J		95.00	E

Notes to the Financial Statements

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

7 Interests in subsidiaries

7.1 Interests in subsidiaries

7.1.1 Consolidated subsidiaries

Name of subsidiary		Registered capital (RMB)	Company type	Shareholding ratio (%)	Business scope
Wenzhou Kangning Hospital	Wenzhou Kangning Hospital Co., Ltd.	50.00	Wholly-owned	100.00	Medical services
Wenzhou Kangning Hospital	Wenzhou Kangning Hospital Co., Ltd.	10,000.00	Wholly-owned	60.00	Medical services
Yongkang Hospital	Yongkang Hospital Co., Ltd.	2,700.00	Wholly-owned	100.00	Medical services
Jishan Hospital	Jishan Hospital Co., Ltd.	2,398.26	Jointly-owned	55.00	Medical services
Lishan Hospital	Lishan Hospital Co., Ltd.	2,040.00	Jointly-owned	51.00	Medical services
Dongshan Hospital	Dongshan Hospital Co., Ltd.	1,800.00	Jointly-owned	51.00	Medical services
Wenzhou Kangning Hospital	Wenzhou Kangning Hospital Co., Ltd.	50.00	Wholly-owned	100.00	Medical services
Jishan Hospital	Jishan Hospital Co., Ltd.	6,001.00	Jointly-owned	61.27	Medical services
Qianjiang Hospital	Qianjiang Hospital Co., Ltd.	2,764.00	Jointly-owned	100.00	Medical services

As of December 31, 2025, the Company's consolidated subsidiaries are as follows:

Wenzhou Kangning Hospital Co., Ltd. (Wenzhou Kangning Hospital Co., Ltd.) is a wholly-owned subsidiary of the Company, established on December 31, 2025, with a registered capital of RMB 50.00 million. The Company holds 100% of the shares.

Yongkang Hospital Co., Ltd. (Yongkang Hospital Co., Ltd.) is a wholly-owned subsidiary of the Company, established on December 31, 2025, with a registered capital of RMB 2,700.00 million. The Company holds 100% of the shares.

Jishan Hospital Co., Ltd. (Jishan Hospital Co., Ltd.) is a jointly-owned subsidiary of the Company, established on December 31, 2025, with a registered capital of RMB 2,398.26 million. The Company holds 55% of the shares, and Jishan Hospital Co., Ltd. holds 45%.

Lishan Hospital Co., Ltd. (Lishan Hospital Co., Ltd.) is a jointly-owned subsidiary of the Company, established on December 31, 2025, with a registered capital of RMB 2,040.00 million. The Company holds 51% of the shares, and Lishan Hospital Co., Ltd. holds 49%.

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are expressed in RMB unless otherwise specified)

7 Interests in subsidiaries

7.1 Interests in subsidiaries

7.1.2 Subsidiaries

	Shareholding ratio of minority shareholders (%)	Profit or loss attributable to minority shareholders in 2025	Dividends declared for distribution to minority shareholders in 2025	Balance of minority equity as at 31 December 2025
Wenzhou Kangning Hospital Co., Ltd.	40.00	-556,708.88		37,565,639.83
Jiangsu Heli Co., Ltd.	45.00	-2,030,443.47		13,278,391.92
Xi'an Dapin Co., Ltd.	20.00	47,364.17	401,123.89	21,104,045.97
Hubei Yuheli Co., Ltd.	35.00	-1,508,199.09		6,623,207.27

7.1.3 Key figures

Subsidiary name	Balance as at 31 December 2025					Total liabilities
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	
Wenzhou Kangning Hospital Co., Ltd.	17,496,897.22	252,013,016.41	269,509,913.63	63,628,434.03	111,967,380.00	175,595,814.03
Jiangsu Heli Co., Ltd.	11,524,763.22	66,782,837.21	78,307,600.43	10,076,431.15	37,468,468.46	47,544,899.61
Xi'an Dapin Co., Ltd.	172,867,810.34	853,963.27	173,721,773.61	112,153,608.69		112,153,608.69
Hubei Yuheli Co., Ltd.	13,183,362.26	72,877,579.64	86,060,941.90	16,371,612.88	50,765,879.69	67,137,492.57

Subsidiary name	Balance as at 31 December 2025					Total liabilities
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	
Wenzhou Kangning Hospital Co., Ltd.	11,954,272.04	184,644,954.86	196,599,226.90	699,355.11	115,594,000.00	116,293,355.11
Jiangsu Heli Co., Ltd.	12,386,739.26	70,370,750.35	82,757,489.61	19,680,759.72	27,801,932.47	47,482,692.19
Xi'an Dapin Co., Ltd.	182,793,237.29	1,120,808.89	183,914,046.18	63,460,532.96	571,689.49	64,032,222.45
Hubei Yuheli Co., Ltd.	16,256,911.21	54,152,590.34	70,409,501.55	21,396,266.69	45,532,814.70	66,929,081.39

Notes to the Financial Statements

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

7 Interests in subsidiaries

7.1 Interests in subsidiaries

7.1.3 Key subsidiaries

Subsidiary	Amount in 2025					Amount in 2024		
	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities	Other	Operating revenue	Net profit	Total comprehensive income
Wenzhou Kangning Hospital Co., Ltd.	13,761.47	-1,391,772.19	-1,391,772.19	44,202,706.15		-611,479.16	-611,479.16	7,245,184.48
Jiangsu Heli Hospital Co., Ltd.	23,791,240.26	-4,512,096.60	-4,512,096.60	-914,868.71	21,628,716.48	-5,283,243.08	-5,283,243.08	-2,089,467.09
Beijing Dapeng Hospital Co., Ltd.	254,846,253.81	50,397,069.25	50,397,069.25	60,475,851.58	259,009,014.12	61,228,047.65	61,228,047.65	13,240,617.58
Henan Yuhua Hospital Co., Ltd.	19,744,154.59	-4,309,140.26	-4,309,140.26	1,902,046.12	37,733,719.76	448,425.16	448,425.16	5,714,546.37

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

7.2.1 New subsidiaries

In January 2025, the Company acquired 11.73% equity interest in Jiangsu Heli Hospital Co., Ltd. (hereinafter referred to as "Heli Hospital") from Jiangsu Heli Hospital Co., Ltd. (hereinafter referred to as "Heli Hospital"). The acquisition price was RMB27,000,000.00.

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

7 I (A Y E 31 D 2025 RMB)

7.3.2 K

	Balance as at 31 December		B	31 D
	2025/Amount in 2025		2024/	2024
	Shanxi Shanda	Longwan Yining	S	L
C	52,325,788.02	1,862,472.90	48,352,443.86	196,852.44
N	121,989,736.52	255,093,748.77	120,536,919.01	219,142,045.33
T	174,315,524.54	256,956,221.67	168,889,362.87	219,338,897.77
C	98,820,684.44	41,510,269.10	90,135,768.43	38,926,869.26
N	15,000,000.00	90,995,141.93	15,000,000.00	55,023,631.60
T	113,820,684.44	132,505,411.03	105,135,768.43	93,950,500.86
M	19,373,422.12		19,872,251.77	
E	41,121,417.98	124,450,810.64	43,881,342.67	125,388,396.91
N	12,336,425.39	56,002,864.79	13,164,402.80	56,424,778.61
A	8,555,233.95		8,825,233.95	
U	8,825,233.95		8,825,233.95	
O	-270,000.00	56,002,864.79	56,320,268.60	219.1429 45577

Notes to the Financial Statements

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

8 Government Grants

8.1 Government grants included in the current profit or loss

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

Total 9,449,017 (12,841,137 - 108,127,911) 119.83 / Total 17,944,017 3,144,661 137.16

Notes to the Financial Statements

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

9 Risks

9.1 Various risks arising from financial instruments

9.1.1 Credit risk

Our credit risk is primarily associated with our accounts receivable and other receivables. We have established credit policies and procedures to manage credit risk, including credit assessments, credit limits, and regular monitoring of the creditworthiness of our customers.

Our credit risk is also associated with our investments in debt securities. We have established credit policies and procedures to manage credit risk, including credit assessments, credit limits, and regular monitoring of the creditworthiness of our investment counterparties.

Our credit risk is also associated with our investments in equity securities. We have established credit policies and procedures to manage credit risk, including credit assessments, credit limits, and regular monitoring of the creditworthiness of our investment counterparties. Additionally, we have established credit policies and procedures to manage credit risk associated with our investments in derivatives.

$$T_j = (9(T)0.6 - 0.5) \times T_j - 2)T 70.278 - 0.053 T_j - 0.5$$

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

9 Risks

9.1 Various risks arising from financial instruments

9.1.2 Liquidity risk

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

Balance as at 31 December 2025

		Total					
	Immediate				More than	undiscounted	
Item	repayment	Within 1 year	1-2 years	2-5 years	5 years	contract amount	Book value
B		242,233,676.71	206,799,626.30	261,353,295.70	389,749,543.45	1,100,136,142.16	989,186,634.18
R		36,422,400.23	26,754,091.69	87,529,357.31	48,765,941.63	199,471,790.86	184,898,051.41
L		31,995,109.32	29,568,765.29	25,332,759.87		86,896,634.48	79,414,942.08
A		156,277,714.53	2,848,066.71	1,229,010.41		160,354,791.65	160,354,791.65
O		327,949.30	49,230,863.16	38,700,306.84		88,259,119.30	88,259,119.30
T		467,256,850.09	315,201,413.15	414,144,730.13	438,515,485.08	1,635,118,478.45	1,502,113,538.62

Balance as at 31 December 2024

I	T						
	I	W 1	1-2	2-5	O 5	B	
B		295,897,567.90	231,446,702.05	332,391,684.58	258,553,226.86	1,118,289,181.39	946,187,337.44
R		26,733,022.63	45,988,901.90	58,725,671.39	86,707,676.25	218,155,272.17	178,033,085.43
L		38,367,421.50	30,877,984.00	57,282,769.00		126,528,174.50	110,284,300.10
A		127,861,415.20	3,124,361.77	950,603.01		131,936,379.98	131,936,379.98
O		33,007,700.14	29,568,765.29	18,710,967.72		81,287,433.15	81,287,433.15
T		521,867,127.37	341,006,715.01	468,061,695.70	345,260,903.11	1,676,196,441.19	1,447,728,536.10

F. Y. E. 31 D. 2025

(A $\frac{1}{2}$ RMB $\frac{1}{2}$)

9.1 Various risks arising from financial instruments (continued)

9.1.3 Model

M.

(1) I $\vdash \vdash \vdash$

I

Figure 1 is a schematic representation of the experimental design. It shows a sequence of events for a subject (S) interacting with a target (T) and a control (C). The sequence is divided into two main phases: 'F' (Familiarization) and 'W' (Work). In the 'F' phase, S is shown interacting with T and C. In the 'W' phase, S is shown interacting with T and C, with a 'C' label indicating a control condition. The sequence is labeled 'S' for subject and 'T' for target.

A 31 D 2025, C 2025, RMB-

(2) E

E

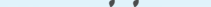
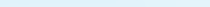
T C I
C D C

Notes to the Financial Statements

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

Notes to the Financial Statements

F. Y. E. 31 D. 2025

(A)  RMB 

10 D. $\rightarrow$ $\rightarrow$ $\rightarrow$ $\rightarrow$ $\rightarrow$

T

L 1

L 3

T

10.1 Fair value of assets and liabilities as at 31 December 2025

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

Notes to the Financial Statements

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

10 Disclosure of Fair Value

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

Item	Fair value as at 31 December 2025			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
Other financial assets			28,123,065.82	28,123,065.82
1. Financial assets measured at fair value			28,123,065.82	28,123,065.82
(1) Derivatives				
(2) Equity instruments			28,123,065.82	28,123,065.82
(3) Debt instruments				
(4) Other financial assets				
2. Debt instruments measured at fair value				
(1) Derivatives				
(2) Other financial assets				
Trade receivables			36,696,454.02	36,696,454.02
Financial assets measured at cost			1,805,503.25	1,805,503.25
1. Financial assets measured at cost			1,805,503.25	1,805,503.25
(1) Loans receivable				
(2) Debt instruments				
(3) Other financial assets			1,805,503.25	1,805,503.25
2. Debt instruments measured at cost				
(1) Loans receivable				
(2) Other financial assets				
Trade payables			1,805,503.25	1,805,503.25
II. Non-current assets and liabilities				
A. Non-current assets				
Long-term equity investments				
Long-term debt investments				
Long-term receivables				

Notes to the Financial Statements

Fiscal Year Ended 31 December 2025
(Amount in RMB)

10 December 2025

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

Item	Fair value as at 31 December 2025	Value	Unit	Weight
Financial assets	8,573,388.20	Debt	W	8%
Other				

Notes to the Financial Statements

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

11 R (C)

11.4 Other related parties

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

Notes to the Financial Statements

F.Y.E. 31 D. 2025
(A RMB)
11 R (C)

11.5 Related-party transaction

11.5.1 R
P

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

T - /

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

Notes to the Financial Statements

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

11 Related parties (Continued)

11.5 Related-party transaction (Continued)

11.5.2 Assets and liabilities of related parties

Table 11.5.2: Assets and liabilities of related parties

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

Notes to the Financial Statements

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

11 Related-party transactions (Continued)

11.5 Related-party transaction (Continued)

11.5.2 Assurance (Continued)

Table 11.5.2: Assurance

Guarantor	Guarantee amount	Starting date of guarantee	Maturity date of guarantee	Whether the guarantee has been fulfilled
Yongkang Hospital Co., Ltd.	200,000,000.00	2021/12/24	2026/12/24	N
Yongkang Hospital Co., Ltd.	200,000,000.00	2021/12/24	2026/12/24	N
Chengkang Hospital Co., Ltd.	200,000,000.00	2021/12/24	2026/12/24	N
Wenye Group Hospital Co., Ltd.	200,000,000.00	2021/12/24	2026/12/24	N
Pingke Hospital Co., Ltd.	200,000,000.00	2021/12/24	2026/12/24	N
Wenliang Hospital Co., Ltd.	200,000,000.00	2021/12/24	2026/12/24	N
Wenke Hospital Co., Ltd.	200,000,000.00	2021/12/24	2026/12/24	N
Chengkang Hospital Co., Ltd.	66,474,000.00	2021/12/24	2026/12/10	N
Gaowangli	24,000,000.00	2020/6/30	2027/6/30	N
Gaowangli, Wenhongli	79,642,127.25	2021/11/29	2028/11/29	N
Gaowangli, Wenhongli, Xinyi	180,950,000.00	2020/10/26	2026/10/25	N
Gaowangli	70,000,000.00	2023/11/8	2026/11/15	N
Gaowangli, Wenhongli	14,660,000.00	2019/9/10	2029/8/20	N
Gaowangli, Wenhongli	10,280,000.00	2020/1/1	2029/8/20	N
Gaowangli, Wenhongli	3,320,000.00	2020/12/22	2029/8/20	N
Gaowangli, Wenhongli	2,200,000.00	2020/9/27	2029/8/20	N
Gaowangli, Wenhongli	2,200,000.00	2020/9/27	2029/8/20	N
Gaowangli, Wenhongli	3,050,000.00	2021/3/1	2029/8/20	N
Gaowangli, Wenhongli	3,050,000.00	2021/3/1	2029/8/20	N
Gaowangli, Wenhongli	45,000,000.00	2023/7/3	2037/12/31	N
Gaowangli, Wenhongli	15,000,000.00	2023/7/31	2037/12/31	N
Gaowangli, Wenhongli	10,116,550.00	2023/10/25	2037/12/31	N
Gaowangli, Wenhongli	5,007,200.00	2023/11/24	2037/12/31	N
Gaowangli, Wenye Group Hospital Co., Ltd.				
Chengkang Hospital Co., Ltd., Wenye Group Hospital Co., Ltd.	60,000,000.00	2023/10/9	2031/10/9	N
Wenliang	18,312,000.00	2023/12/20	2028/12/25	N
Gaowangli, Wenhongli	25,000,000.00	2024/12/10	2027/12/10	N
Gaowangli, Wenhongli	120,000,000.00	2024/3/27	2027/3/26	N

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

11 Related Party Transactions (Continued)

11.5 Related-party transaction (Continued)

11.5.3 Lending and borrowing

Related party	Lending/borrowing amount	Start date	Maturity date	Description
Bank of China, Ltd.				
Loan from Shanghai Branch, RMB 1,095,000.00	1,095,000.00	2023/9/29		Non-repayable
Loan from Yuhang Branch, RMB 2,508,250.00	2,508,250.00	2022/6/13		Non-repayable
Loan from Wenzhou Branch, RMB 13,500,000.00	13,500,000.00	2023/1/10	2026/1/9	
Loan from Shanghai Branch, RMB 10,204,311.69	10,204,311.69	2015/6/1		Non-repayable
Loan from Wenzhou Branch, RMB 3,490,447.08	3,490,447.08	2015/9/1		Non-repayable

11.5.4 Repayment

Item	Amount in 2025	Amount in 2024
Repaid to banks	10,661,260.51	8,625,385.30
Repaid to related parties	1,851,645.21	1,863,108.72

Notes to the Financial Statements

Fiscal Year Ended December 31, 2025

(All amounts in RMB, unless otherwise specified)

Notes to the Financial Statements

For the Year Ended December 31, 2025

(All amounts are in RMB, unless otherwise specified)

11 Related Party Transactions (Continued)

11.7 Director interests and rights

The following table shows the remuneration and benefits of the directors for the year ended December 31, 2025:

Name	Remuneration	Salary and subsidies	Social insurance plan contributions	Performance bonus	Other allowances and benefits	Equity incentives	Total
Executive directors							
G W	200,000.00	404,160.00	84,787.98	89,108.80	1,700.00		779,756.78
W L	150,000.00	492,132.00		158,099.94	26,200.00	542,692.81	1,369,124.75
W J	150,000.00	600,000.00	80,200.80		27,050.00		857,250.80
Independent director							
J L	70,000.00						70,000.00
W	70,000.00						70,000.00
C S	70,000.00						70,000.00
Supervisor							
X N	196,628.42	269,954.00	70,680.00	23,240.00		134,425.34	694,927.76
X T	79,867.00	95,400.00	48,927.98	4,480.00		56,484.31	285,159.29
T	986,495.42	1,861,646.00	284,596.76	274,928.74	54,950.00	733,602.46	4,196,219.38

Notes to the Financial Statements

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

11.7 Director interests and rights (CNY thousands)

11.7 Director interests and rights (CNY thousands)

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

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

Notes to the Financial Statements

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

11 Revenue (Continued)

11.8 Top five highest remunerated individuals

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

Item	Amount in 2025	Amount in 2024
Salaries	1,203,855.32	1,557,020.71
Supplies	332,164.74	253,590.18
Professional fees	1,722,787.77	509,164.51
Others	148,401.60	102,767.30
Subtotal	553,284.45	1,557,020.71
Total	3,960,493.88	2,888,637.96

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

Notes to the Financial Statements

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

12 Share-based payments

At the end of 2023, the Company's share-based payment plan was approved by the Board of Directors. The plan aims to attract and retain key management personnel and business and technical talents, and to establish a long-term incentive mechanism for them. The plan is to grant restricted shares to eligible personnel. The restricted shares are subject to a lock-up period of 12 months from the date of grant. During the lock-up period, the restricted shares cannot be transferred, pledged, or otherwise disposed of. After the lock-up period, the restricted shares can be transferred, pledged, or otherwise disposed of at the discretion of the grantee. The Company will repurchase the restricted shares at the original grant price if the grantee leaves the Company for any reason during the lock-up period. The Company will also repurchase the restricted shares at the original grant price if the grantee is terminated by the Company for any reason during the lock-up period. The Company will also repurchase the restricted shares at the original grant price if the grantee is terminated by the Company for any reason during the lock-up period. The Company will also repurchase the restricted shares at the original grant price if the grantee is terminated by the Company for any reason during the lock-up period.

On 12 April 2024, the Board of Directors approved the grant of 363,100 restricted shares to eligible personnel. The restricted shares are subject to a lock-up period of 12 months from the date of grant. During the lock-up period, the restricted shares cannot be transferred, pledged, or otherwise disposed of. After the lock-up period, the restricted shares can be transferred, pledged, or otherwise disposed of at the discretion of the grantee. The Company will repurchase the restricted shares at the original grant price if the grantee leaves the Company for any reason during the lock-up period. The Company will also repurchase the restricted shares at the original grant price if the grantee is terminated by the Company for any reason during the lock-up period. The Company will also repurchase the restricted shares at the original grant price if the grantee is terminated by the Company for any reason during the lock-up period. The Company will also repurchase the restricted shares at the original grant price if the grantee is terminated by the Company for any reason during the lock-up period.

On 23 April 2024, the Board of Directors approved the grant of 555,000 restricted shares to eligible personnel. The restricted shares are subject to a lock-up period of 12 months from the date of grant. During the lock-up period, the restricted shares cannot be transferred, pledged, or otherwise disposed of. After the lock-up period, the restricted shares can be transferred, pledged, or otherwise disposed of at the discretion of the grantee. The Company will repurchase the restricted shares at the original grant price if the grantee leaves the Company for any reason during the lock-up period. The Company will also repurchase the restricted shares at the original grant price if the grantee is terminated by the Company for any reason during the lock-up period. The Company will also repurchase the restricted shares at the original grant price if the grantee is terminated by the Company for any reason during the lock-up period. The Company will also repurchase the restricted shares at the original grant price if the grantee is terminated by the Company for any reason during the lock-up period.

On 18 July 2024, the Board of Directors approved the grant of 322,000 restricted shares to eligible personnel. The restricted shares are subject to a lock-up period of 12 months from the date of grant. During the lock-up period, the restricted shares cannot be transferred, pledged, or otherwise disposed of. After the lock-up period, the restricted shares can be transferred, pledged, or otherwise disposed of at the discretion of the grantee. The Company will repurchase the restricted shares at the original grant price if the grantee leaves the Company for any reason during the lock-up period. The Company will also repurchase the restricted shares at the original grant price if the grantee is terminated by the Company for any reason during the lock-up period. The Company will also repurchase the restricted shares at the original grant price if the grantee is terminated by the Company for any reason during the lock-up period. The Company will also repurchase the restricted shares at the original grant price if the grantee is terminated by the Company for any reason during the lock-up period.

At the end of 2023, the Company's share-based payment plan was approved by the Board of Directors. The plan aims to attract and retain key management personnel and business and technical talents, and to establish a long-term incentive mechanism for them. The plan is to grant restricted shares to eligible personnel. The restricted shares are subject to a lock-up period of 12 months from the date of grant. During the lock-up period, the restricted shares cannot be transferred, pledged, or otherwise disposed of. After the lock-up period, the restricted shares can be transferred, pledged, or otherwise disposed of at the discretion of the grantee. The Company will repurchase the restricted shares at the original grant price if the grantee leaves the Company for any reason during the lock-up period. The Company will also repurchase the restricted shares at the original grant price if the grantee is terminated by the Company for any reason during the lock-up period. The Company will also repurchase the restricted shares at the original grant price if the grantee is terminated by the Company for any reason during the lock-up period. The Company will also repurchase the restricted shares at the original grant price if the grantee is terminated by the Company for any reason during the lock-up period.

Vesting period	Vesting schedule	Vesting ratio
For the year ended 31 December 2023	12 months	25%
For the year ended 31 December 2024	12 months	25%
For the year ended 31 December 2025	24 months	25%
For the year ended 31 December 2026	36 months	25%
For the year ended 31 December 2027	48 months	25%

Notes to the Financial Statements

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

12 Share-based payments (Continued)

12.1 Equity-settled share-based payments

Determination method of the fair value of equity instruments on the date of grant	Market method
Initial fair value	C
Revised fair value	
Revised fair value	
Adjusted fair value	53,358,569.28

12.2 Share-based payment expenses

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

13 Contingencies

13.1 Significant commitments

13.1.1 Contingent liabilities			
Total			
Item	31 December 2025	31 December 2024	
Healthcare	25,533,926.00	122,040,000.00	
Total	25,533,926.00	122,040,000.00	

13.2 Contingencies

Total



Notes to the Financial Statements

Fiscal Year Ended December 31, 2025
(Amounts in RMB '000,000)

Notes to the Financial Statements

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

16 Notes to Accounts Receivable

16.1 Accounts receivable

16.1.1 Aging

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

The Company's accounts receivable are primarily from the sale of medical services and medical equipment. The Company has established a strict credit management system to ensure the quality of its accounts receivable.

16.1.2 Details of Accounts Receivable

Category	Balance as at 31 December 2025				Balance as at 31 December 2024				
	Book balance		Provision for bad debts		Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Book value
Medical services	11,916,666.11	24.21	11,916,666.11	100.00	10,763,194.65	13.25	10,725,880.17	99.65	37,314.48
Medical equipment	11,916,666.11	24.21	11,916,666.11	100.00	10,763,194.65		10,725,880.17		37,314.48
Medical supplies	37,312,133.47	75.79	627,868.63	1.68	36,684,264.84	70.459,871.30	86.75	800,433.69	1.14
Medical services	37,312,133.47	75.79	627,868.63	1.68	36,684,264.84	70,459,871.30	86.75	800,433.69	1.14
TOTAL	49,228,799.58	100.00	12,544,534.74		36,684,264.84	81,223,065.95	100.00	11,526,313.86	69,696,752.09

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB, unless otherwise specified)

16 Notes to the Financial Statements (Continued)

16.1 Accounts receivable (Continued)

16.1.3 Breakdown of accounts receivable by category, 2025

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

16.1.4 Accounts receivable by type, 2025

Accounts receivable	3,215,038.89
Total	3,215,038.89

16.2 Other receivables

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

Notes to the Financial Statements

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

16 Notes to Financial Statements (Continued) (CNY thousands)

16.2 Other receivables (CNY thousands)

16.2.1 Interest receivables

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

16.2.2 Due from related parties

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

Notes to the Financial Statements

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

16 Notes to the Financial Statements (Continued)

16.2 Other receivables (Continued)

16.2.3 Other receivables

(1) Details

Aging	Balance as at 31 December 2025	Balance as at 31 December 2024
Within 1 year (1 year)	129,893,005.85	532,356,857.00
1 to 2 years	189,701,628.70	32,666,417.15
2 to 3 years	109,787,806.90	8,304,612.39
3 to 4 years	52,311,522.50	496,167.22
4 to 5 years	496,167.22	706,350.52
More than 5 years	702,979.96	
Sum	482,893,111.13	574,530,404.28
Less: Provision for bad debts	1,217,310.23	1,842,181.81
Total	481,675,800.90	572,688,222.47

(2) Details of the provision for bad debts

Category	Balance as at 31 December 2025				Balance as at 31 December 2024			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	Amount	Proportion (%)	Amount	Provision ratio (%)	Book value	Amount	Proportion (%)	Book value
Receivables from related parties								
Receivables from non-related parties								
Receivables from government	482,893,111.13	100.00	1,217,310.23	0.25	481,675,800.90	574,530,404.28	100.00	572,688,222.47
Receivables from other parties	54,961,446.39	11.38	1,217,310.23	2.21	53,744,136.16	65,297,554.50	11.37	63,455,372.69
Receivables from other parties	427,931,664.74	88.62			427,931,664.74	509,232,849.78	88.63	509,232,849.78
Total	482,893,111.13	100.00	1,217,310.23		481,675,800.90	574,530,404.28	100.00	572,688,222.47

Notes to the Financial Statements

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

16 Notes to Financial Statements (Continued)

16.2 Other receivables (Continued)

16.2.3 Other receivables (Continued)

(2) Details of other receivables (Continued)

Receivables from related parties:

Particulars:

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

(3) Details of provision for bad debts:

Provision for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit losses for the next 12 months	Expected credit loss throughout the duration (no credit impairment has occurred)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance at 31 December 2024	1,842,181.81			1,842,181.81
For 2025, Balance at 31 December 2024				
- Transferred to Stage II				
- Transferred to Stage III				
- Reversed to Stage II				
- Reversed to Stage I				
Balance at 31 December 2025				
Receivables from related parties	624,871.58			624,871.58
Receivables from other parties				
Receivables from other parties				
Other receivables				
Balance at 31 December 2025	1,217,310.23			1,217,310.23

Notes to the Financial Statements

For the Year Ended 31 December 2025

(All amounts are in RMB unless otherwise specified)

16 Notes to the Financial Statements (Continued)

16.2 Other receivables (Continued)

16.2.3 Other receivables (Continued)

(4) Reconciliation of other receivables as at 31 December 2025

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

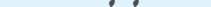
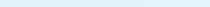
(5) Classification of other receivables

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

16.3 Long-term equity investments

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

F. Y. E. 31 D. 2025

(A)  RMB 

$$^{16}\text{N} \rightarrow \text{O} + \text{e}^- + \bar{\nu}_e \quad (\text{C})$$

16.3 Long-term equity investments (C)

16.3.1 I

	B	I	C	Balance	Balance of
()	()	()	2025	(book value)	provision for
			R	as at	impairment as at
31 D	31 D	A	R	31 December	31 December
Investee	2024	2024	2025	O	2025

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

Notes to the Financial Statements

For the Year Ended December 31, 2025
(Amounts in thousands of RMB)

16 Notes to the Financial Statements (Continued)

16.4 Operating revenue and cost of sales (Continued)

16.4.3 Details of operating revenue and cost of sales

Item	Time to fulfill the performance obligation	Important payment terms	Nature of goods promised to be transferred by the Company	Whether to be the principal responsible person	Amounts expected to be returned to customers that the Company has assumed	Type of quality assurance provided by the Company and related obligations
Domestic sales of medical equipment	12 months	30% down payment, 70% upon delivery	Medical equipment	Yes	None	None
Domestic sales of medical consumables	12 months	30% down payment, 70% upon delivery	Medical consumables	Yes	None	None
Domestic sales of medical services	12 months	30% down payment, 70% upon delivery	Medical services	Yes	None	None
Domestic sales of medical consumables	12 months	30% down payment, 70% upon delivery	Medical consumables	Yes	None	None
Domestic sales of medical consumables	12 months	30% down payment, 70% upon delivery	Medical consumables	Yes	None	None
Domestic sales of medical consumables	12 months	30% down payment, 70% upon delivery	Medical consumables	Yes	None	None
Domestic sales of medical consumables	12 months	30% down payment, 70% upon delivery	Medical consumables	Yes	None	None
Domestic sales of medical consumables	12 months	30% down payment, 70% upon delivery	Medical consumables	Yes	None	None
Domestic sales of medical consumables	12 months	30% down payment, 70% upon delivery	Medical consumables	Yes	None	None
Domestic sales of medical consumables	12 months	30% down payment, 70% upon delivery	Medical consumables	Yes	None	None

16.5 Investment income

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

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

Definitions

AGM	Annual General Meeting of the Company
A	Asset
A, C	Asset, Capital
B Y H	Beijing Yanning Hospital Co., Ltd. (北京怡寧醫院有限公司), PRC, A 17, 2015, C
B, D, B	Beijing, D, B
C K H	Changnan Kangning Hospital Co., Ltd. (蒼南康寧醫院有限公司), PRC, J 15, 2012, C
CGC	China General Chemical Corporation, A, C1 H K L R
C, K P, H	Changchun Kanglin Psychological Hospital Co., Ltd. (長春康林心理醫院有限公司), PRC, F 16, 2016, C
C, Y H	Changyuan Hospital Co., Ltd. (淳安康寧黃鋒醫院有限公司), PRC, A 16, 2020, C
C, W K H	Changyuan Hospital Co., Ltd. (淳安康寧黃鋒醫院有限公司), PRC, H S M B H K S E (S C, : 2120)
C S	Changyuan Hospital Co., Ltd. (淳安康寧黃鋒醫院有限公司), PRC, H K L R M. GUAN W, M. WANG L

Definitions

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

Definitions

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

Definitions

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

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

Definitions

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

温州康 院