The following is the text of a report received from the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document.

"[To insert the firm's letterhead]"

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF MEDCAPTAIN MEDICAL TECHNOLOGY CO., LTD., MORGAN STANLEY ASIA LIMITED AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Medcaptain Medical Technology Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages [I-5] to [I-105], which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended December 31, 2023, 2024, 2025 and three months ended March 31, 2026 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2023, 2024, 2025 and March 31, 2026 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages [I-5] to [I-105] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated July 20, 2026 (the "Document") in connection with the initial [**REDACTED**] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at December 31, 2023, 2024, 2025 and March 31, 2026 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group for the three months ended March 31, 2025 and other explanatory information (the "Interim Comparative Financial Information").

The directors of the Company are responsible for the preparation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [I-4] have been made.

Dividends

We refer to Note 12 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods and three months ended March 31, 2025.

[●]
Certified Public Accountants
Hong Kong

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below are the Historical Financial Information which form an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended December 31,			Three months ended March 31,	
	Notes	**2023**	**2024**	**2025**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
REVENUE	5	1,313,297	1,399,361	1,619,152	354,743	422,322
Cost of sales		(661,861)	(704,289)	(749,492)	(172,948)	(193,118)
Gross profit		651,436	695,072	869,660	181,795	229,204
Other income and gains	5	82,417	56,331	46,546	8,449	7,160
Selling and marketing expenses		(328,322)	(332,538)	(353,667)	(78,118)	(95,425)
Administrative expenses		(145,950)	(177,003)	(187,665)	(35,692)	(59,471)
Research and development expenses		(281,099)	(290,508)	(274,194)	(61,726)	(68,211)
Impairment on financial assets, net	7	(96)	(1,761)	(1,542)	(218)	(244)
Other expenses	6	(5,517)	(3,201)	(2,092)	(756)	(6,143)
Finance costs	8	(21,419)	(15,998)	(18,331)	(3,455)	(3,539)
Share of loss of an associate	18	(1,274)	(896)	–	–	–
(LOSS)/PROFIT BEFORE TAX	7	(49,824)	(70,502)	78,715	10,279	3,331
Income tax expense	11	(14,684)	(26,115)	(27,977)	(5,056)	(5,858)
(LOSS)/PROFIT FOR THE YEAR/PERIOD		(64,508)	(96,617)	50,738	5,223	(2,527)
Attributable to:						
Owners of the parent		(63,709)	(96,400)	48,886	5,023	(3,100)
Non-controlling interests		(799)	(217)	1,852	200	573
		(64,508)	(96,617)	50,738	5,223	(2,527)
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic and diluted (RMB)	13	(0.14)	(0.20)	0.10	0.01	(0.01)

		Year ended December 31,			Three months ended March 31,	
	Notes	**2023**	**2024**	**2025**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:						
Exchange differences on translation of foreign operations		12,836	1,852	6,957	6,680	(6,542)
Financial assets at fair value through other comprehensive income ("FVOCI")						
Changes in fair value		145	674	(819)	(819)	–
		12,981	2,526	6,138	5,861	(6,542)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD, NET OF TAX		12,981	2,526	6,138	5,861	(6,542)
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR/PERIOD		(51,527)	(94,091)	56,876	11,084	(9,069)
Attributable to:						
Owners of the parent		(50,590)	(94,040)	55,024	10,884	(9,642)
Non-controlling interests		(937)	(51)	1,852	200	573
		(51,527)	(94,091)	56,876	11,084	(9,069)

For the details of [**REDACTED**], please refer to Note 34 to the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31,			March 31,
	Notes	**2023**	**2024**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*14*	231,255	342,733	371,360	376,680
Intangible assets	*15*	597,431	550,169	515,144	499,283
Right-of-use assets	*16*	166,925	138,802	166,305	157,487
Goodwill	*17*	905,474	905,517	928,225	927,755
Investment in an associate	*18*	7,300	–	–	–
Equity investments designated at FVOCI	*19*	645	645	645	645
Other non-current assets	*20*	24,444	18,263	13,164	14,529
Total non-current assets		1,933,474	1,956,129	1,994,843	1,976,379
CURRENT ASSETS					
Inventories	*21*	236,957	230,212	263,438	253,818
Trade and bills receivables	*22*	104,775	133,073	168,234	170,517
Prepayments, other receivables and other assets	*23*	36,858	43,073	57,437	59,534
Financial assets at fair value through profit or loss ("FVTPL")	*24*	156,106	132,488	145,219	157,381
Financial assets at FVOCI	*25*	21,189	21,863	–	–
Pledged deposits	*26*	3,937	4,135	654	2,535
Cash and bank balances	*26*	262,267	283,988	301,259	321,227
Total current assets		822,089	848,832	936,241	965,012
CURRENT LIABILITIES					
Trade payables	*27*	88,914	154,189	175,180	197,667
Other payables and accruals	*28*	189,215	223,110	213,381	161,353
Contract liabilities	*29*	50,726	61,654	77,947	79,624
Interest-bearing bank borrowings	*30*	114,409	74,261	84,125	124,601
Lease liabilities	*16*	26,946	19,974	22,897	18,616
Deferred income	*31*	331	261	223	223
Tax payables		8,657	8,422	5,505	5,169
Financial liabilities at FVTPL	*32*	17,588	797	160	–
Total current liabilities		496,786	542,668	579,418	587,253
NET CURRENT ASSETS		325,303	306,164	356,823	377,759
TOTAL ASSETS LESS CURRENT LIABILITIES		2,258,777	2,262,293	2,351,666	2,354,138

		December 31,			March 31,
	Notes	**2023**	**2024**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES					
Contract liabilities	*29*	59,976	97,612	106,631	103,712
Interest-bearing bank borrowings	*30*	321,654	270,309	207,925	205,516
Deferred income	*31*	7,300	799	647	599
Lease liabilities	*16*	85,743	67,279	93,241	87,086
Financial liabilities at FVTPL	*32*	805	201	–	–
Deferred tax liabilities	*33*	83,013	74,879	67,250	65,257
Total non-current liabilities		558,491	511,079	475,694	462,170
Net assets		1,700,286	1,751,214	1,875,972	1,891,968
EQUITY					
Equity attributable to owners of the parent					
Share capital	*34*	476,624	499,716	499,716	499,716
Other reserves	*35*	1,229,183	1,253,816	1,376,722	1,392,145
		1,705,807	1,753,532	1,876,438	1,891,861
Non-controlling interests		(5,521)	(2,318)	(466)	107
Total equity		1,700,286	1,751,214	1,875,972	1,891,968

For the details of [**REDACTED**] investments, please refer to Note 34 to the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended December 31, 2023

	Attributable to owners of the parent								
	Share capital	Share premium*	Share-based payment reserve*	Accumulated losses*	Exchange fluctuation reserve*	Fair value reserve of financial assets at FVOCI*	Subtotal	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 34)	*(Note 35)*	*(Note 37)*	*(Note 35)*	*(Note 35)*	*(Note 35)*			
At January 1, 2023	454,662	1,463,615	502,841	(875,368)	(8,552)	–	1,537,198	(4,584)	1,532,614
Loss for the year	–	–	–	(63,709)	–	–	(63,709)	(799)	(64,508)
Other comprehensive income for the year:									
Changes in fair value of financial assets at FVOCI	–	–	–	–	–	145	145	–	145
Exchange differences on translation of foreign operations	–	–	–	–	12,974	–	12,974	(138)	12,836
Total comprehensive loss for the year	–	–	–	(63,709)	12,974	145	(50,590)	(937)	(51,527)
Issue of shares	21,962	133,118	–	–	–	–	155,080	–	155,080
Equity-settled share-based payments *(Note 37)*	–	–	64,119	–	–	–	64,119	–	64,119
At December 31, 2023	476,624	1,596,733	566,960	(939,077)	4,422	145	1,705,807	(5,521)	1,700,286

Year ended December 31, 2024

	Attributable to owners of the parent								
	Share capital	**Share premium***	**Share-based payment reserve***	**Accumulated losses***	**Exchange fluctuation reserve***	**Fair value reserve of financial assets at FVOCI***	**Subtotal**	**Non-controlling interests**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 34)	*(Note 35)*	*(Note 37)*	*(Note 35)*	*(Note 35)*	*(Note 35)*			
At January 1, 2024	476,624	1,596,733	566,960	(939,077)	4,422	145	1,705,807	(5,521)	1,700,286
Loss for the year	–	–	–	(96,400)	–	–	(96,400)	(217)	(96,617)
Other comprehensive income for the year:									
Changes in fair value of financial assets at FVOCI	–	–	–	–	–	674	674	–	674
Exchange differences on translation of foreign operations	–	–	–	–	1,686	–	1,686	166	1,852
Total comprehensive loss for the year	–	–	–	(96,400)	1,686	674	(94,040)	(51)	(94,091)
Issue of shares	23,092	69,277	–	–	–	–	92,369	–	92,369
Acquisition of non-controlling interests of a subsidiary	–	–	–	(4,426)	–	–	(4,426)	3,254	(1,172)
Equity-settled share-based payments *(Note 37)*	–	–	53,822	–	–	–	53,822	–	53,822
At December 31, 2024	499,716	1,666,010	620,782	(1,039,903)	6,108	819	1,753,532	(2,318)	1,751,214

Year ended December 31, 2025

	Attributable to owners of the parent								
	Share capital	**Share premium***	**Share-based payment reserve***	**Accumulated losses***	**Exchange fluctuation reserve***	**Fair value reserve of financial assets at FVOCI***	**Subtotal**	**Non-controlling interests**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 34)	*(Note 35)*	*(Note 37)*	*(Note 35)*	*(Note 35)*	*(Note 35)*			
At January 1, 2025	499,716	1,666,010	620,782	(1,039,903)	6,108	819	1,753,532	(2,318)	1,751,214
Profit for the year	–	–	–	48,886	–	–	48,886	1,852	50,738
Other comprehensive income for the year:									
Changes in fair value of financial assets at FVOCI	–	–	–	–	–	(819)	(819)	–	(819)
Exchange differences on translation of foreign operations	–	–	–	–	6,957	–	6,957	–	6,957
Total comprehensive profit for the year	–	–	–	48,886	6,957	(819)	55,024	1,852	56,876
Equity-settled share-based payments *(Note 37)*	–	–	67,882	–	–	–	67,882	–	67,882
At December 31, 2025	499,716	1,666,010	688,664	(991,017)	13,065	–	1,876,438	(466)	1,875,972

Three months ended March 31, 2026

	Attributable to owners of the parent							
	Share capital	**Share premium***	**Share-based payment reserve***	**Accumulated losses***	**Exchange fluctuation reserve***	**Subtotal**	**Non-controlling interests**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 34)	*(Note 35)*	*(Note 37)*	*(Note 35)*	*(Note 35)*			
At January 1, 2026	499,716	1,666,010	688,664	(991,017)	13,065	1,876,438	(466)	1,875,972
Profit for the period	–	–	–	(3,100)	–	(3,100)	573	(2,527)
Other comprehensive income for the period:								
Exchange differences on translation of foreign operations	–	–	–	–	(6,542)	(6,542)	–	(6,542)
Total comprehensive profit for the period	–	–	–	(3,100)	(6,542)	(9,642)	573	(9,069)
Equity-settled share-based payments *(Note 37)*	–	–	25,065	–	–	25,065	–	25,065
At March 31, 2026	499,716	1,666,010	713,729	(994,117)	6,523	1,891,861	107	1,891,968

* These reserve accounts comprised the consolidated other reserves of, RMB1,229,183,000, RMB1,253,816,000, RMB1,376,722,000 and RMB1,392,145,000 in the consolidated statements of financial position as at December 31, 2023, 2024, 2025 and March 31, 2026, respectively.

Three months ended March 31, 2025

	Attributable to owners of the parent								
	Share capital	Share premium*	Share-based payment reserve*	Accumulated losses*	Exchange fluctuation reserve*	Fair value reserve of financial assets at FVOCI*	Subtotal	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 34)	*(Note 35)*	*(Note 37)*	*(Note 35)*	*(Note 35)*	*(Note 35)*			
At January 1, 2025	499,716	1,666,010	620,782	(1,039,903)	6,108	819	1,753,532	(2,318)	1,751,214
Profit for the year	–	–	–	5,023	–	–	5,023	200	5,223
Other comprehensive income for the period:									
Changes in fair value of financial assets at FVOCI	–	–	–	–	–	(819)	(819)	–	(819)
Exchange differences on translation of foreign operations	–	–	–	–	6,680	–	6,680	–	6,680
Total comprehensive profit for the period	–	–	–	5,023	6,680	(819)	10,884	200	11,084
Equity-settled share-based payments *(Note 37)*	–	–	9,013	–	–	–	9,013	–	9,013
At March 31, 2025	499,716	1,666,010	629,795	(1,034,880)	12,788	–	1,773,429	(2,118)	1,771,311

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended December 31,			Three months ended March 31,	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES						
(Loss)/profit before tax		(49,824)	(70,502)	78,715	10,279	3,331
Adjustments for:						
Finance costs	8	21,419	15,998	18,331	3,455	3,539
Interest income	5	(2,974)	(6,122)	(4,675)	(795)	(1,472)
(Gain)/Loss on disposal of items of property, plant and equipment	5/6	(265)	(202)	970	495	216
Loss/(gain) on termination of leases	6/5	63	(353)	(948)	–	–
Depreciation of property, plant and equipment	14	37,628	38,786	38,229	9,073	11,178
Amortisation of intangible assets	15	48,900	52,522	52,816	13,660	13,479
Depreciation of right-of-use assets	16	29,300	30,971	28,652	6,561	7,670
Investment income on other investments classified as financial assets at FVTPL	5	(1,940)	(1,163)	(4,568)	(599)	(439)
Fair value gains on other investments classified as financial assets at FVTPL	5	(1,106)	(1,382)	(219)	(758)	(162)
Fair value losses on financial liabilities at FVTPL	6	2,956	1,623	472	182	187
Share of losses of an associate	18	1,274	896	–	–	–
Impairment on inventories, net	7	(2,083)	10,415	7,725	744	1,404
Impairment on financial assets, net		96	1,761	1,542	218	244
Government grants recognised from deferred income		(671)	(331)	(190)	(48)	(48)
Foreign exchange (gains)/losses, net	5/6	(10,918)	(1,733)	(2,097)	28	5,740
Equity-settled share-based payments	37	64,119	53,822	67,882	9,013	25,065
		185,798	195,508	203,922	41,229	66,601

	Notes	Year ended December 31,			Three months ended March 31,	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
(Increase)/decrease in inventories		(8,505)	(3,670)	(26,701)	(123)	8,216
(Increase)/decrease in pledged deposits		(2,146)	(198)	3,481	3,598	(1,881)
Increase in trade and bills receivables		(4,412)	(30,059)	(33,950)	(18,244)	(2,527)
Decrease/(increase) in other non-current assets		804	1,111	3,702	(908)	(706)
Decrease in amounts due from a related party		1,086	–	–	–	–
Increase in prepayments, other receivables and other assets		(2,416)	(6,215)	(10,857)	(1,044)	(1,107)
(Decrease)/increase in trade payables		(1,764)	65,275	14,945	(9,561)	22,487
(Decrease)/increase in other payables and accruals		(24,422)	12,420	(11,555)	(43,311)	(48,760)
(Decrease)/increase in contract liabilities		(18,854)	48,564	17,314	11,660	(1,242)
Increase in deferred income		6,240	–	–	–	–
Cash generated from/(used in) operating activities		81,585	212,234	239,016	(6,425)	44,412
Interest received		2,974	6,122	4,675	795	1,472
Income tax paid		(19,714)	(35,006)	(39,897)	(9,580)	(7,837)
Net cash flows from/(used in) operating activities		64,845	183,350	203,794	(15,210)	38,047
CASH FLOWS USED IN INVESTING ACTIVITIES						
Purchases of items of property, plant and equipment		(79,648)	(120,140)	(90,735)	(34,638)	(21,264)
Purchase of intangible assets		(10,586)	(14,749)	(7,718)	(2,913)	(1,424)
Receipt of government grants for property, plant and equipment		760	–	–	–	–
Payment for acquisition of subsidiaries		–	(18,096)	(5,760)	–	–
Proceeds from disposal of items of property, plant and equipment		3,144	2,073	372	540	169
Purchase of financial assets at FVTPL		(1,037,500)	(1,005,000)	(945,500)	(382,523)	(100,000)
Purchase of financial assets at FVOCI		(21,044)	–	–	–	–
Proceeds from disposal of financial assets at FVTPL		884,450	1,031,163	937,556	302,599	88,439
Proceeds from disposal of financial assets at FVOCI		–	–	22,010	22,010	–
Proceeds from disposal of an associate		–	6,404	–	–	–
Net cash flows used in investing activities		(260,424)	(118,345)	(89,775)	(94,925)	(34,080)

		Year ended December 31,			Three months ended March 31,	
	Notes	**2023**	**2024**	**2025**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES						
Proceeds from issue of shares		155,080	92,369	–	–	–
[**REDACTED**] expenses paid		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
New bank loans		188,654	87,555	177,484	91,366	100,000
Interest paid for bank loans		(17,476)	(10,638)	(13,288)	(2,338)	(2,177)
Interest paid for lease		(4,800)	(5,508)	(5,154)	(1,130)	(1,366)
Principal portion of lease payments		(27,174)	(27,865)	(26,563)	(6,562)	(8,987)
Repayment of bank loans		(166,806)	(178,900)	(229,893)	(49,000)	(61,929)
Acquisition of non-controlling interests of a subsidiary		–	(1,172)	–	–	–
Net cash flows from/(used in) financing activities		127,272	(46,922)	(99,065)	31,999	24,743
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(68,307)	18,083	14,954	(78,136)	28,710
Cash and cash equivalents at beginning of year/period		317,350	262,267	283,988	283,988	301,259
Effect of foreign exchange rate changes, net		13,224	3,638	2,317	2,233	(8,742)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		262,267	283,988	301,259	208,085	321,227
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances as stated in the consolidated statements of financial position	26	262,267	283,988	301,259	208,085	321,227
TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		262,267	283,988	301,259	208,085	321,227

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	December 31, 2023	December 31, 2024	December 31, 2025	March 31, 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*14*	44,966	47,143	42,185	40,029
Intangible assets	*15*	21,569	18,296	19,018	18,049
Investments in subsidiaries	*1*	1,985,605	2,001,989	2,126,550	2,140,398
Right-of-use assets	*16*	26,597	14,509	26,496	23,694
Other non-current assets	*20*	12,839	14,237	8,104	10,183
Total non-current assets		2,091,576	2,096,174	2,222,353	2,232,353
CURRENT ASSETS					
Inventories	*21*	62,616	97,337	92,872	92,299
Trade receivables	*22*	11,414	5,095	40,104	13,397
Prepayments, other receivables and other assets	*23*	14,394	13,082	18,500	18,875
Amounts due from subsidiaries	*41*	131,579	117,520	138,068	142,107
Amounts due from a related party	*41*	–	658	1,831	1,632
Financial assets at FVTPL	*24*	–	–	30,134	30,251
Financial assets at FVOCI	*25*	21,189	21,863	–	–
Cash and bank balances	*26*	43,933	71,014	34,560	50,853
Total current assets		285,125	326,569	356,069	349,414
CURRENT LIABILITIES					
Trade payables	*27*	30,222	53,612	65,452	74,048
Other payables and accruals	*28*	84,441	88,068	85,447	64,165
Contract liabilities	*29*	15,840	18,388	37,626	36,051
Interest-bearing bank borrowings	*30*	109,509	49,258	21,582	34,785
Deferred income	*31*	140	–	–	–
Amounts due to subsidiaries	*41*	–	270,510	216,338	213,260
Lease liabilities	*16*	13,863	9,580	11,429	9,008
Total current liabilities		254,015	489,416	437,874	431,317
NET CURRENT ASSETS/ (LIABILITIES)		31,110	(162,847)	(81,805)	(81,903)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,122,686	1,933,327	2,140,548	2,150,450

		December 31,			March 31,
	Notes	**2023**	**2024**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES					
Contract liabilities	*29*	59,976	97,612	106,631	103,712
Interest-bearing bank borrowings	*30*	300,900	186,900	145,470	180,017
Deferred income	*31*	6,240	–	–	–
Lease liabilities	*16*	16,170	7,366	16,486	15,422
Deferred tax liabilities		2,664	1,915	1,251	1,133
Total non-current liabilities		385,950	293,793	269,838	300,284
Net assets		1,736,736	1,639,534	1,870,710	1,850,166
EQUITY					
Share capital	*34*	476,624	499,716	499,716	499,716
Other reserves	*35*	1,260,112	1,139,818	1,370,994	1,350,450
Total equity		1,736,736	1,639,534	1,870,710	1,850,166

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Medcaptain Medical Technology Co., Ltd. (the "Company") is a joint stock company with limited liability established in Shenzhen, People's Republic of China ("Chinese mainland") on April 26, 2011. The registered office address of the Company is Room 701, Block A, Building 7, Shenzhen International Innovation Hub, Xili, Nanshan District, Shenzhen, People's Republic of China ("PRC").

During the Relevant Periods, the Group was involved in the research and development, manufacturing and sales of life support products, minimally invasive intervention products and in vitro diagnostic medical devices.

As at March 31, 2026, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name	Place and date of incorporation/registration and place of operations	Issued ordinary/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Medcaptain Life Science Co., Ltd.* ("深圳麥科田生命科學有限公司") ("Medcaptain Life Science") *(note (b)(g))*	Chinese mainland May 2, 2018	RMB60,000,000	100%	–	Research and development and manufacturing and sales of life support products
Medcaptain Software Technology Co., Ltd.* ("深圳麥科田軟件技術有限公司") ("Medcaptain Software") *(note (a))*	Chinese mainland May 13, 2015	RMB4,500,000	100%	–	Research and development activities
Shanghai Runpu Biotechnology Co., Ltd.* ("上海潤普生物技術有限公司") ("Runpu Biotech") *(note (b)(g))*	Chinese mainland November 16, 2010	RMB28,080,000	100%	–	Research and development and manufacturing and sales of in vitro diagnostic medical devices
Shanghai Runpu Biomedical Technology Co., Ltd.* ("上海潤普生科醫學科技有限公司") ("Runpu Biomedical") *(note (a))*	Chinese mainland June 24, 2015	RMB200,000	–	100%	Manufacturing and sales of in vitro diagnostic medical devices
Changzhou Runpu Electronics Co., Ltd.* ("常州潤樸電子有限公司") ("Changzhou Runpu") *(note (a))*	Chinese mainland September 26, 2022	RMB350,000	–	100%	Manufacturing and sales of medical devices
Mabsky Bio-Tech Co., Ltd.* ("深圳生科原生物有限公司") ("Mabsky") *(note (b)(g))*	Chinese mainland September 13, 2004	RMB26,691,558	100%	–	Research and development and manufacturing and sales of in vitro diagnostic medical devices

Name	Place and date of incorporation/registration and place of operations	Issued ordinary/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shenzhen Mabsky Technology Co., Ltd.* ("深圳生科原技術有限公司") ("Mabsky Technology") *(note (b)(g))*	Chinese mainland August 1, 2024	RMB20,000,000	–	100%	Research and development and manufacturing and sales of in vitro diagnostic medical devices
Shenzhen Baiyou Biotechnology Co., Ltd.* ("深圳市百優生物有限公司") ("Shenzhen Baiyou") *(note (a))*	Chinese mainland December 8, 2020	RMB1,000,000	–	100%	Manufacturing and sales of in vitro diagnostic medical devices
Hangzhou Xinghaohui Biotechnology Co., Ltd.* ("杭州興浩暉生物科技有限公司") ("Xinghaohui") *(note (a)(i))*	Chinese mainland February 2, 2018	RMB1,360,000	–	100%	Manufacturing and sales of in vitro diagnostic medical devices
Sichuan Medcaptain Medical Technology Co., Ltd.* ("四川麥科田醫療技術有限公司") ("Sichuan Medcaptain") *(note (a))*	Chinese mainland June 17, 2025	RMB50,000,000	100%	–	Sales of medical devices
Jiangsu Vedkang Medical Science and Technology Co., Ltd.* ("江蘇唯德康醫療科技有限公司") ("Vedkang Medical") *(note (b)(e)(f))*	Chinese mainland October 15, 2012	RMB81,880,092	100%	–	Research and development and manufacturing and sales of minimally invasive intervention products
Changzhou Jiuhong Medical Instrument Co., Ltd.* ("常州市久虹醫療器械有限公司") ("Changzhou Jiuhong") *(note (b)(e))*	Chinese mainland July 28, 2003	RMB16,000,000	–	100%	Research and development and manufacturing and sales of minimally invasive intervention products
Changzhou Fortunmed Co., Ltd.* ("常州錦福瑞醫療器械有限公司") ("Changzhou Fortunmed") *(note (b)(e))*	Chinese mainland July 11, 2017	RMB5,000,000	–	100%	Sales of minimally invasive intervention products
Changzhou Hengke Molding Technology Co., Ltd.* ("常州市恒可模塑科技有限公司") ("Changzhou Hengke") *(note (b)(e))*	Chinese mainland June 22, 2021	RMB5,000,000	–	100%	Manufacturing and sales of minimally invasive intervention products

Name	Place and date of incorporation/registration and place of operations	Issued ordinary/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Hunan Vedkang Medical Science and Technology Co., Ltd.* ("湖南唯德康醫療科技有限公司") ("Hunan Vedkang") *(note (b)(e))*	Chinese mainland January 18, 2022	RMB3,000,000	–	100%	Research and development and manufacturing and sales of minimally invasive intervention products
Jiangsu Tuyun Medical Technology Co., Ltd.* ("江蘇圖雲醫療科技有限公司") ("Jiangsu Tuyun") *(note (b)(e))*	Chinese mainland February 8, 2021	RMB10,000,000	–	80%	Research and development and manufacturing and sales of medical devices
Suzhou Caring Medical Co., Ltd.* ("蘇州國科美潤達醫療技術有限公司") ("Caring Medical") *(note (j)(k))*	Chinese mainland October 23, 2014	RMB52,500,000	–	100%	Research and development and manufacturing and sales of minimally invasive intervention products
Jiangsu Maiketian Medical Technology Co., Ltd.* ("江蘇麥科田醫療技術有限公司") ("Jiangsu Medcaptain") *(note (a)(k))*	Chinese mainland July 15, 2025	RMB30,000,000	100%	–	Research and development and manufacturing and sales of medical devices
VD-JH GmbH ("Vedkang German") *(note (a))*	Germany October 5, 2021	EUR50,000	–	100%	Sales of minimally invasive intervention products
Medcaptain Medical Technology (Hong Kong) Limited ("Medcaptain Hong Kong") *(note (c))*	Hong Kong June 4, 2015	HKD308,410,000	100%	–	Sales of medical devices
Medcaptain Europe B.V. ("Medcaptain Europe") *(note (a))*	Netherlands February 11, 2016	EUR100	–	100%	Sales of medical devices
Medcaptain UK Limited ("Medcaptain UK") *(note (a))*	United Kingdom ("UK") October 22, 2021	GBP26,095,504	–	100%	Investment holding
Intermed Limited ("Intermed") *(note (d))*	United Kingdom May 16, 2007	GBP8,907,415	–	100%	Investment holding
Penlon Limited ("Penlon") *(note (d))*	United Kingdom July 23, 1996	GBP12,265,340	–	100%	Research and development and manufacturing and sales of life support products

Name	Place and date of incorporation/registration and place of operations	Issued ordinary/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Penlon Inc. ("Penlon Inc") *(note (a)(h))*	United States of America ("USA") October 29, 2007	USD$1	–	100%	Investment holding
PT Medcaptain Medical Indonesia ("Medcaptain Indonesia") *(note (a))*	Indonesia June 9, 2022	RP10,100,000,000	–	99%	Sales of medical devices
Medcaptain Medical Colombia S.A.S ("Medcaptain Colombia") *(note (a))*	Colombia March 17, 2023	COB1,000,000,000	–	100%	Sales of medical devices
Medcaptain Medical (Thailand) Co., Ltd. ("Medcaptain Thailand") *(note (a))*	Thailand October 4, 2022	THB3,500,000	–	99.99%	Sales of medical devices
Vedefar NV ("Vedefar") *(note (a))*	Belgium December 27, 1989	EUR74,368.06	–	100%	Distribution of medical devices
MEDCAPTAIN MEDICAL BRAZIL LTDA ("Medcaptain Brazil") *(note (a))*	Brazil January 23, 2026	BRL750,000.00	–	100%	Distribution of medical devices

Notes:

(a) As at the date of this report, no audited financial statements have been prepared for these entities, as they had limited level of business operations and no compulsory local regulatory requirement.

(b) The statutory financial statements of these entities for the year ended December 31, 2023, prepared in accordance with accepted accounting principles and financial regulations in Chinese mainland were audited by Shenzhen Chenghua CPA Ltd. (深圳誠華會計師事務所有限公司), certified public accountants registered in Chinese mainland.

(c) The statutory financial statements of this entity for the year ended December 31, 2023 and 2024 prepared in accordance with accepted accounting principles and financial regulations in Hong Kong were audited by Ernst & Young, certified public accountants registered in Hong Kong.

(d) The statutory financial statements of this entity for the years ended March 31, 2023 and December 31, 2023 prepared in accordance with accepted accounting principles and financial regulations in the United Kingdom were audited by Crowe U.K. LLP, certified public accountants registered in the UK.

(e) The statutory financial statements of these entities for the year ended December 31, 2024 and 2025 prepared in accordance with accepted accounting principles and financial regulations in Chinese mainland were audited by Jiangsu Huayun CPA Ltd. (華雲(江蘇)會計師事務所有限公司), certified public accountants registered in Chinese mainland.

(f) 100% of Vedkang Medical's share capital was pledged to secure certain bank borrowings.

(g) The statutory financial statements of these entities for the year ended December 31, 2024 and 2025 prepared in accordance with accepted accounting principles and financial regulations in Chinese mainland were audited by Shenzhen Huaqin CPA Ltd. (深圳華勤會計師事務所有限公司), certified public accountants registered in Chinese mainland.

(h) The entity was dissolved on March 31, 2023.

(i) The entity was dissolved on September 5, 2023.

(j) The statutory financial statements of these entities for the year ended December 31, 2024 prepared in accordance with accepted accounting principles and financial regulations in Chinese mainland were audited by Suzhou Justice United CPA Ltd. (蘇州市嘉泰聯合會計師事務所), certified public accountants registered in Chinese mainland.

(k) The statutory financial statements of these entities for the year ended December 31, 2025 prepared in accordance with accepted accounting principles and financial regulations in Chinese mainland were audited by Jiangsu Huayun CPA Ltd. (華雲(江蘇)會計師事務所有限公司), certified public accountants registered in Chinese mainland.

* The English names of these companies registered in Chinese mainland represent the best effort made by the directors of the Company (the "Directors") to translate the Chinese names as these companies have not been registered with any official English names.

The carrying amounts of the Company's investments in subsidiaries are as follows:

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investment in subsidiaries, at cost	2,230,573	2,251,897	2,380,279	2,395,170
Impairment*	(244,968)	(249,908)	(253,729)	(254,772)
Net carrying amount	1,985,605	2,001,989	2,126,550	2,140,398

* The Company has performed impairment testing for investment in subsidiaries which has impairment indicators as at each reporting periods. The Company has recognised impairment losses on investment in subsidiaries amounted to RMB4,858,000, RMB4,940,000, RMB3,821,000 and RMB 1,043,000 as at each reporting periods.

** The Company concluded that there is no indication of impairment for the subsidiaries other than those had been impaired in the above note, and hence no impairment was required due to: (i) the accumulated losses of such subsidiaries are principally driven by the planned and budgeted research and development activities, that are essential for achieving long-term strategic business developments to further contribute to the steadily growth of sales and business scale. (ii) no significant adverse changes in the operating environment, management stability and governance structure of such subsidiaries; and (iii) no plan for the discontinuation, restructuring or disposal of any of such subsidiaries.

2.1 BASIS OF PREPARATION

For ordinary shares issued to [**REDACTED**], pursuant to the supplemental agreements entered into between the Company and the [**REDACTED**] in relation to the termination of certain of special rights granted by the Company, including redemption rights, liquidation preferences, and anti-dilution rights, which are void ab initio as described in Note 34 to the Historical Financial Information, having taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplementary agreements, the directors considered that it is appropriate to present the [**REDACTED**] as equity throughout the Relevant Periods. For the details of its financial impacts, see Note 34 to the Historical Financial Information.

The Historical Financial Information have been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("IASB"). All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2026, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information have been prepared under the historical cost convention except for certain financial instruments which have been measured at fair value at the end of each reporting periods.

Basis of consolidation

The Historical Financial Information include the financial information of the Group for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial information of the subsidiaries is prepared for the same reporting periods as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and revised IFRSs, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[1]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[1]
Amendments to IFRS 10 and IFRS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[1]

1 Effective for annual/reporting periods beginning on or after January 1, 2027

2 No mandatory effective date yet determined but available for adoption

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRS Accounting Standards. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements. The application of IFRS 18 will have no impact on the consolidated statement of financial position of the Group, but is expected to have impact on the presentation of the consolidated statement of profit or loss and other comprehensive income. Except for IFRS 18, the directors of the Company anticipate that the application of these new and revised IFRS Accounting Standards will have no material impact on the Group's financial performance and financial position in the foreseeable future.

2.3 MATERIAL ACCOUNTING POLICIES

Investment in an associate

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investment in an associate is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of an associate is included in the consolidated profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of an associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's investment in the associate, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investment in an associate.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations under common control are accounted for using the pooling of interest method. On the acquisition date, the carrying amounts of the assets and liabilities of the acquiree recognised in the consolidated financial statements of its former parent are reflected in the Group's consolidated financial statements, and no new goodwill is recognised as a result of the combination.

All other business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at December 31. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures certain financial instruments at fair value at the end of each reporting periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for a non-financial asset is required (other than goodwill and indefinite intangible assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Shorter of remaining lease terms and estimated useful lives
Buildings	4.75%
Office equipment	19% to 32%
Plant and machinery	9.5% to 19%
Transportation equipment	19% to 32%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each reporting periods.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Intangible assets with definite useful lives are amortised on the straight-line basis over the following useful economic lives:

Software	2 to 10 years
Patents	10 years
Customer relationship	10 years

Intangible assets with indefinite useful lives are summarised as follows:

Brands

Brands were acquired from business combinations. Acquired brands are stated initially at acquisition date fair value, and are subsequently measured at cost less any impairment losses.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Plant, offices and laboratories	2 to 15 years
Leasehold land	50 years

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office and employee dormitory (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, FVOCI, and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVOCI (debt instruments)

For debt investments at FVOCI, interest income is recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets designated at FVOCI (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at FVOCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting periods, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting periods with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

For debt investments at FVOCI, the Group applies the low credit risk simplification. At each reporting periods, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments. Debt investments graded in the top investment categories are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk of debt investments since origination, the allowance will be based on the lifetime ECL.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at FVOCI and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 Financial assets that are credit-impaired at the reporting periods (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting periods. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Classification as equity and financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

A financial liability is any liability that is (a) a contractual obligation (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled in the entity's own equity instruments and is: (i) a non derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, financial liabilities included in other payables and accruals, interest-bearing bank borrowings, and financial liabilities at FVTPL.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (trade and other payables, loans and borrowings)

After initial recognition, trade payables, other payables and accruals and interest-bearing bank borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on weighted average method and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand and at banks.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and an associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries and an associate, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each or the reporting periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

Sales of life support products, minimally invasive intervention products and in vitro diagnostic medical devices

Revenue from the sale of life support products, minimally invasive intervention products and in vitro diagnostic medical devices is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products for export sales and acceptance of the products for domestic sales.

Some contracts for the sale of products provide customers with rights of volume rebates, giving rise to variable consideration.

Volume rebates

Retrospective volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against future amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

Revenue from other sources

Rental income

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Share-based payments

The Group operates share award schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value of share awards meaning the fair value of the underlying ordinary shares of the Company on the respective dates of grant. Further details are included in Note 37 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting periods until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Other employee benefits

Pension schemes

The employees of the Group's subsidiaries which operate in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. The Group's subsidiaries in the United Kingdom operate a defined contribution pension plan, in which fixed costs are required to be contributed to a separate entity. The contributions are charged to profit or loss as they become payable in accordance with the rules of the defined pension scheme.

Events after the reporting periods

If the Group receives information after the reporting periods, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting periods, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting periods and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting periods, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Foreign currencies

The Historical Financial Information are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each reporting periods. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of the reporting periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting periods and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the average exchange rates of the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Research and development expenses

All research costs are charged to profit or loss as incurred. Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred. Determining the amounts of development costs to be capitalised requires the use of judgements and estimation.

Recognition of income taxes and deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group has tax losses of RMB835,953,000, RMB1,261,408,000, RMB1,528,187,000 and RMB1,781,956,000 during the reporting periods carried forward, respectively. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Revenue from contracts with customers

The Group applied the following judgement that significantly affects the determination of the amount and timing of revenue from contracts with customers:

(a) Determining the method to estimate variable consideration and assessing the constraint for the sale of life support products, minimally invasive intervention products and in vitro diagnostic medical devices.

Certain contracts for the sale of life support products, minimally invasive intervention products and in vitro diagnostic medical devices include volume rebates that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

In estimating the variable consideration for the sale of products with volume rebates, the Group determined that using the most likely amount method is appropriate. The most likely amount method that better predicts the amount of variable consideration related to volume rebates is primarily driven by a single volume threshold contained in the contract.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill at December 31, 2023, 2024, 2025 and March 31, 2026 were RMB905,474,000, RMB905,517,000, RMB928,225,000 and RMB927,755,000 respectively. Further details are disclosed in Note 17.

Variable consideration for volume rebates

The Group estimates variable consideration to be included in the transaction price for the sale of products with rights of volume rebates.

The Group's most likely volume rebates are analysed on a per customer basis for contracts that are subject to the volume threshold. Determining whether a customer is likely to be entitled to a rebate depends on the customer's historical rebate entitlement and accumulated purchases to date.

The Group updates its assessment of the most likely volume rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of expected volume rebates are sensitive to changes in circumstances and the Group's past experience regarding rebate entitlements may not be representative of customers' actual rebate entitlements in the future.

Leases — Estimating the incremental borrowing rate ("IBR")

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group would have to pay, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Fair value of share options

Estimating the fair value of share options requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the risk-free rate, volatility, and dividend yield.

For the measurement of the fair value of share options with employees at the grant date, the Group uses a binomial model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 37 to the Historical Financial Information.

Provision for expected credit losses on trade and bills receivables

The Group uses a provision matrix to calculate ECLs for trade and bills receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At the end of each reporting period, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade and bills receivables is disclosed in Note 22 to the Historical Financial Information.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

As of December 31, 2023, 2024, 2025 and March 31, 2026, no indications of impairment of non-financial assets (other than goodwill) of the Group were identified, given that (i) such assets of the Group were neither obsolete nor physically damaged, (ii) such assets of the Group were properly used by commercialised products to generate economic benefits, and (iii) such assets of the Group were properly used by R&D projects, which were progressed as planned and the losses incurred did not exceed the respective budgets.

Estimated useful lives and residual values of property, plant and equipment, and patents and customer relationship

The Group's management determines the estimated useful lives, residual values and related depreciation and amortisation charges for the Group's property, plant and equipment, patents and customer relationship with reference to the estimated periods that the Group intends to derive future economic benefits from the use of these assets. Management will revise the depreciation and amortisation charges where useful lives are different to that of previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation and amortisation charges in future periods.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and has three reportable operating segments as follows:

(a) Life support product segment provides complete integration of advanced infusion equipment, anesthesia equipment, and associated consumables;

(b) Minimally invasive intervention product segment provides high-tech medical devices designed for endoscopic procedures, boasting superior performance and advanced functionality; and

(c) In vitro diagnostic ("IVD") medical device segment provides seamlessly integrated cutting-edge medical testing equipment with tailored reagents.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment gross profit.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

There were no separate segment assets and segment liabilities information provided to management, as management does not use this information to allocate resources or to evaluate the performance of the operating segments.

Year ended December 31, 2023

	Life support	Minimally invasive intervention	IVD	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue				
Revenue	564,146	586,545	162,606	1,313,297
Segment results	232,838	324,125	94,473	651,436
Reconciliation:				
Other income and gains				82,417
Selling and marketing expenses				(328,322)
Administrative expenses				(145,950)
Research and development expenses				(281,099)
Impairment on financial assets, net				(96)
Other expenses				(5,517)
Finance costs				(21,419)
Share of losses of an associate				(1,274)
Loss before tax				(49,824)

Year ended December 31, 2024

	Life support	Minimally invasive intervention	IVD	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue				
Revenue	494,057	721,327	183,977	1,399,361
Segment results	172,500	416,078	106,494	695,072
Reconciliation:				
Other income and gains				56,331
Selling and marketing expenses				(332,538)
Administrative expenses				(177,003)
Research and development expenses				(290,508)
Impairment on financial assets, net				(1,761)
Other expenses				(3,201)
Finance costs				(15,998)
Share of losses of an associate				(896)
Loss before tax				(70,502)

Year ended December 31, 2025

	Life support	Minimally invasive intervention	IVD	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue				
Revenue	613,406	812,207	193,539	1,619,152
Segment results	284,428	482,694	102,538	869,660
Reconciliation:				
Other income and gains				46,546
Selling and marketing expenses				(353,667)
Administrative expenses				(187,665)
Research and development expenses				(274,194)
Impairment on financial assets, net				(1,542)
Other expenses				(2,092)
Finance costs				(18,331)
Profit before tax				78,715

Three months ended March 31, 2026

	Life support	Minimally invasive intervention	IVD	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue				
Revenue	161,550	208,619	52,153	422,322
Segment results	72,569	128,858	27,777	229,204
Reconciliation:				
Other income and gains				7,160
Selling and marketing expenses				(95,425)
Administrative expenses				(59,471)
Research and development expenses				(68,211)
Impairment on financial assets, net				(244)
Other expenses				(6,143)
Finance costs				(3,539)
Profit before tax				3,331

Three months ended March 31, 2025 (unaudited)

	Life support	Minimally invasive intervention	IVD	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue				
Revenue	125,950	187,570	41,223	354,743
Segment results	52,544	110,174	19,077	181,795
Reconciliation:				
Other income and gains				8,449
Selling and marketing expenses				(78,118)
Administrative expenses				(35,692)
Research and development expenses				(61,726)
Impairment on financial assets, net				(218)
Other expenses				(756)
Finance costs				(3,455)
Profit before tax				10,279

Geographical information

(a) Revenue from external customers

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Chinese mainland	809,572	769,527	837,783	199,275	226,343
Europe, Middle East and Africa ("EMEA)	247,404	313,911	431,325	67,237	96,527
Asia Pacific Area ("APAC") (excluding Chinese mainland)	154,657	144,653	153,126	39,089	27,520
North America and South America ("AMER")	101,664	171,270	196,918	49,142	71,932
Total	1,313,297	1,399,361	1,619,152	354,743	422,322

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Chinese mainland	1,523,948	1,508,415	1,530,243	1,523,232
EMEA	149,731	184,125	187,674	179,352
APAC	250,092	254,997	268,032	264,195
Total	1,923,771	1,947,537	1,985,949	1,966,779

The non-current asset information above is based on the locations of the assets and excludes financial instruments.

Information about major customers

Since none of the Group's sales to a single customer amounted to 10% or more of the Group's revenue during the Relevant Periods, no major customer information in accordance with IFRS 8 *Operating Segments* is presented.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Revenue from contracts with customers	1,313,297	1,399,361	1,619,152	354,743	422,322

Revenue from contracts with customers

(a) Disaggregated revenue information

Year ended December 31, 2023

	Life support	Minimally invasive intervention	IVD	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Types of goods				
Sale of products	564,146	586,545	162,606	1,313,297
Geographical markets				
Chinese mainland	265,904	400,388	143,280	809,572
EMEA	125,579	115,350	6,475	247,404
APAC	102,316	47,945	4,396	154,657
AMER	70,347	22,862	8,455	101,664
Total revenue from contracts with customers	564,146	586,545	162,606	1,313,297
Timing of revenue recognition				
Goods transferred at a point in time	564,146	586,545	162,606	1,313,297

Year ended December 31, 2024

	Life support	Minimally invasive intervention	IVD	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Types of goods				
Sale of products	494,057	721,327	183,977	1,399,361
Geographical markets				
Chinese mainland	122,488	493,697	153,342	769,527
EMEA	147,058	152,480	14,373	313,911
APAC	94,810	43,773	6,070	144,653
AMER	129,701	31,377	10,192	171,270
Total revenue from contracts with customers	494,057	721,327	183,977	1,399,361
Timing of revenue recognition				
Goods transferred at a point in time	494,057	721,327	183,977	1,399,361

Year ended December 31, 2025

	Life support	Minimally invasive intervention	IVD	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Types of goods				
Sale of products	613,406	812,207	193,539	1,619,152
Geographical markets				
Chinese mainland	120,205	571,533	146,045	837,783
EMEA	253,390	150,279	27,656	431,325
APAC	100,505	44,464	8,157	153,126
AMER	139,306	45,931	11,681	196,918
Total revenue from contracts with customers	613,406	812,207	193,539	1,619,152
Timing of revenue recognition				
Goods transferred at a point in time	613,406	812,207	193,539	1,619,152

Three months ended March 31, 2026

	Life support	Minimally invasive intervention	IVD	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Types of goods				
Sale of products	161,550	208,619	52,153	422,322
Geographical markets				
Chinese mainland	36,196	151,564	38,583	226,343
EMEA	49,806	40,309	6,412	96,527
APAC	18,050	6,420	3,050	27,520
AMER	57,498	10,326	4,108	71,932
Total revenue from contracts with customers	161,550	208,619	52,153	422,322
Timing of revenue recognition				
Goods transferred at a point in time	161,550	208,619	52,153	422,322

Three months ended March 31, 2025 (unaudited)

	Life support	Minimally invasive intervention	IVD	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Types of goods				
Sale of products	125,950	187,570	41,223	354,743
Geographical markets				
Chinese mainland	30,585	135,305	33,385	199,275
EMEA	27,398	35,572	4,267	67,237
APAC	27,443	9,634	2,012	39,089
AMER	40,524	7,059	1,559	49,142
Total revenue from contracts with customers	125,950	187,570	41,223	354,743
Timing of revenue recognition				
Goods transferred at a point in time	125,950	187,570	41,223	354,743

The following table shows the amounts of revenue recognised in the Relevant Periods that were included in the contract liabilities at the beginning of those periods and recognised from performance obligations satisfied in previous periods:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the year/period:					
Sale of products	114,842	50,726	61,654	43,139	53,320
Total	114,842	50,726	61,654	43,139	53,320

(b) Performance obligations

Information about the Group's performance obligations is summarized below:

Sales of products

The performance obligation is satisfied upon delivery of the products for export sales and acceptance of the products for domestic sales. Payment is generally due within 1 to 3 months from delivery of the products or acceptance of the products based on the type of sales, where payment in advance is required for certain sales. Some contracts provide customers with a right of volume rebates which give rise to variable consideration subject to constraint.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) at December 31, 2023, 2024 and 2025 and March 31, 2025 and 2026 are as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Amounts expected to be recognised as revenue:					
Within one year	50,726	61,654	77,947	65,815	79,624
After one year	59,976	97,612	106,631	105,111	103,712
Total	110,702	159,266	184,578	170,926	183,336

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year mainly relate to advance payments received from a third party for the purchases of goods from the Group. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Other income					
Government grants income*	64,174	44,600	24,313	5,405	4,801
Bank interest income	2,974	6,122	4,675	795	1,472
Investment income on investments classified as financial assets at FVTPL	1,940	1,163	4,568	599	439
Others	1,040	776	9,726	892	286
Total other income	70,128	52,661	43,282	7,691	6,998
Gains					
Foreign exchange gains, net	10,918	1,733	2,097	–	–
Gain on disposal of property, plant and equipment	265	202	–	–	–
Gain on termination of lease	–	353	948	–	–
Fair value gains on financial assets at FVTPL	1,106	1,382	219	758	162
Total gains	12,289	3,670	3,264	758	162
Total other income and gains	82,417	56,331	46,546	8,449	7,160

* The government grants mainly represent subsidies received from the government that are related to both expenses and assets. Government grants were released to profit or loss either over the periods that the expenses for which it is intended to compensate are expensed, or over the expected useful life of the relevant asset, when all attaching conditions and requirements are complied with.

6. OTHER EXPENSES

An analysis of other expenses is as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Fair value losses on financial liabilities at FVTPL	2,956	1,623	472	182	187
Donations	1,792	650	360	51	–
Loss on disposal of property, plant and equipment	–	–	970	495	216
Loss on termination of lease	63	–	–	–	–
Foreign exchange losses, net	–	–	–	28	5,740
Others	706	928	290	–	–
Total	5,517	3,201	2,092	756	6,143

7. (LOSS)/PROFIT BEFORE TAX

The Group's loss/(profit) before tax is arrived at after charging/(crediting):

	Notes	Year ended December 31,			Three months ended March 31,	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Cost of inventory sold*		661,861	704,289	749,492	172,948	193,118
Depreciation of property, plant and equipment		37,628	38,786	38,229	9,073	11,178
Depreciation of right of use assets		29,300	30,971	28,652	6,561	7,670
Amortisation of intangible assets		48,900	52,522	52,816	13,660	13,479
[**REDACTED**] expenses		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(Gain)/loss on disposal of property, plant and equipment	*5/6*	(265)	(202)	970	495	216
Loss/(gain) on termination of lease	*6/5*	63	(353)	(948)	–	–
Lease payments not included in the measurement of lease liabilities	*16(c)*	4,536	5,362	8,586	2,838	1,004
Fair value gains on financial assets at FVTPL	*5*	(1,106)	(1,382)	(219)	(758)	(162)
Fair value losses on financial liabilities at FVTPL	*6*	2,956	1,623	472	182	187
Government grants income	*5*	(64,174)	(44,600)	(24,313)	(5,405)	(4,801)
Foreign exchange (gains)/losses, net	*5*	(10,918)	(1,733)	(2,097)	28	5,740
Investment income on investments classified as financial assets at FVTPL	*5*	(1,940)	(1,163)	(4,568)	(599)	(439)
Bank interest income	*5*	(2,974)	(6,122)	(4,675)	(795)	(1,472)
Auditor's remuneration		1,266	1,558	1,190	550	550
Impairment on financial assets, net		96	1,761	1,542	218	244
Impairment on inventories, net		(2,083)	10,415	7,725	744	1,404
Employee benefit expenses (excluding directors' and chief executive's remuneration *(Note 9)*)						
– Salaries, bonuses, allowances and benefits in kind		520,371	550,396	591,751	169,237	176,350
– Pension scheme contributions**		16,975	17,661	22,877	5,962	6,482
– Share-based payment expenses		56,936	35,214	39,231	4,221	19,527
Total employee benefit expenses		594,282	603,271	653,859	179,420	202,359

* Cost of inventories sold include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets, amortization of intangible assets, impairment on inventories and employee benefit expense, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Interest on:					
Bank borrowings	16,619	10,490	13,177	2,325	2,173
Lease liabilities	4,800	5,508	5,154	1,130	1,366
Total	21,419	15,998	18,331	3,455	3,539

For the details of [**REDACTED**], please refer to Note 34 to the Historical Financial Information.

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration as recorded during the Relevant Periods and three months ended March 31, 2025 disclosed pursuant to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is set out below:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Fees	288	288	288	72	72
Other emoluments:					
Salaries, bonuses, allowances and benefits in kind	2,709	2,915	3,683	766	785
Pension scheme contributions	83	96	90	21	23
Share-based payment expenses	7,183	18,608	28,651	4,792	5,538
Total other emoluments	9,975	21,619	32,424	5,579	6,346
Total fees and other emoluments	10,263	21,907	32,712	5,651	6,418

During the Relevant Periods and three months ended March 31, 2025, restricted share units were granted to directors, further details of which are included in the disclosures in Note 37 to the Historical Financial Information. The fair value of such awarded shares, which has been recognised in profit or loss, was determined as at the date of grant and the amount included in the Historical Financial Information.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods and three months ended March 31, 2025 are as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Mrs. Feng Ruiqing	96	48	–	–	–
Mr. Shao Liyang	96	96	96	24	24
Mr. Zhang Hanbin	96	96	96	24	24
Mr. Law Kwok Tai	–	48	96	24	24
Total	288	288	288	72	72

Mrs. Feng Ruiqing, Mr. Shao Liyang and Mr. Zhang Hanbin were appointed as independent non-executive directors of the Company from November 17, 2020. Mrs. Feng Ruiqing resigned as an independent non-executive director of the Company with effective from June 27, 2024 and Mr. Law Kwok Tai was appointed as an independent non-executive director of the Company from June 28, 2024.

(b) Executive directors, non-executive directors and the chief executive

	Fees	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2023					
Executive director and chief executive:					
Mr. Liu Jie *(note (i))*	–	809	42	4,063	4,914
Executive directors:					
Mr. Zhong Yaoqi *(note (iii))*	–	972	18	276	1,266
Mr. Yan Renzhong *(note (v))*	–	922	18	1,691	2,631
Non-executive directors:					
Ms. Li Hui *(note (ii))*	–	6	5	1,153	1,164
Mr. Zhou Yi *(note (iv))*	–	–	–	–	–
Mr. Zhang Jiecheng *(note (vi))*	–	–	–	–	–
Total	–	2,709	83	7,183	9,975

	Fees	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2024					
Executive director and chief executive:					
Mr. Liu Jie *(note (i))*	–	877	47	3,000	3,924

	Fees	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Zhong Yaoqi *(note (iii))*	–	1,214	20	229	1,463
Mr. Yan Renzhong *(note (v))*	–	824	19	770	1,613
Non-executive directors:					
Ms. Li Hui *(note (ii))*	–	–	10	14,609	14,619
Mr. Zhou Yi *(note (iv))*	–	–	–	–	–
Mr. Zhang Jiecheng *(note (vi))*	–	–	–	–	–
Total	–	2,915	96	18,608	21,619

	Fees	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2025					
Executive director and chief executive:					
Mr. Liu Jie *(note (i))*	–	1,034	48	13,037	14,119
Executive directors:					
Mr. Zhong Yaoqi *(note (iii))*	–	1,649	22	2,556	4,227
Mr. Yan Renzhong *(note (v))*	–	1,000	20	1,209	2,229
Non-executive directors:					
Ms. Li Hui *(note (ii))*	–	–	–	11,849	11,849
Mr. Zhou Yi *(note (iv))*	–	–	–	–	–
Mr. Zhang Jiecheng *(note (vi))*	–	–	–	–	–
Total	–	3,683	90	28,651	32,424

	Fees	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Three months ended March 31, 2026					
Executive director and chief executive:					
Mr. Liu Jie *(note (i))*	–	214	12	2,769	2,995
Executive directors:					
Mr. Zhong Yaoqi *(note (iii))*	–	336	6	2,135	2,477
Mr. Yan Renzhong *(note (v))*	–	235	5	634	874

	Fees	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-executive directors:					
Ms. Li Hui *(note (ii))*	–	–	–	–	–
Mr. Zhou Yi *(note (iv))*	–	–	–	–	–
Mr. Zhang Jiecheng *(note (vi))*	–	–	–	–	–
Total	–	785	23	5,538	6,346

	Fees	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Three months ended March 31, 2025 (unaudited)					
Executive director and chief executive:					
Mr. Liu Jie *(note (i))*	–	209	12	1,534	1,755
Executive directors:					
Mr. Zhong Yaoqi *(note (iii))*	–	329	4	63	396
Mr. Yan Renzhong *(note (v))*	–	228	5	211	444
Non-executive directors:					
Ms. Li Hui *(note (ii))*	–	–	–	2,984	2,984
Mr. Zhou Yi *(note (iv))*	–	–	–	–	–
Mr. Zhang Jiecheng *(note (vi))*	–	–	–	–	–
Total	–	766	21	4,792	5,579

There was no arrangement under which the directors or the chief executive waived or agreed to waive any remuneration during the Relevant Periods and three months ended March 31, 2025.

Notes:

(i) Mr. Liu Jie was appointed as an executive director, the chief executive of the Company and the chairman of the Board with effect from October 2016.

(ii) Ms. Li Hui was appointed as a non-executive director of the Company with effect from December 2015.

(iii) Mr. Zhong Yaoqi was appointed as an executive director of the Company with effect from October 2014.

(iv) Mr. Zhou Yi was appointed as a non-executive director of the Company with effect from August 2016.

(v) Mr. Yan Renzhong was appointed as an executive director of the Company with effect from November 2020.

(vi) Mr. Zhang Jiecheng was appointed as a non-executive director of the Company with effect from November 2020.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods and three months ended March 31, 2025 included one, four, three, three and three directors, respectively, details of whose remuneration are set out in Note 9 above. Details of the remuneration for the remaining four, one, two , two and two highest paid employees who are neither a director nor chief executive of the Company during the Relevant Periods and three months ended March 31, 2025 are as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Salaries, bonuses, allowances and benefits in kind	5,225	1,781	3,938	777	730
Pension scheme contributions	104	35	69	17	24
Share-based payment expenses	6,999	165	3,977	861	1,293
Total	12,328	1,981	7,984	1,655	2,047

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
				(unaudited)	
HK$500,001 to HK$1,000,000	–	–	–	2	1
HK$1,000,001 to HK$1,500,000	–	–	–	–	1
HK$1,500,001 to HK$2,000,000	–	–	–	–	–
HK$2,000,001 to HK$2,500,000	–	1	–	–	–
HK$3,000,001 to HK$3,500,000	3	–	1	–	–
HK$3,500,001 to HK$4,000,000	1	–	–	–	–
HK$4,500,001 to HK$5,000,000	–	–	1	–	–
Total	4	1	2	2	2

During the Relevant Periods and three months ended March 31, 2025, restricted share units were granted to four, one and two non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in Note 37 to the Historical Financial Information. The fair value of such restricted share units, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods and three months ended March 31, 2025 is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

United Kingdom

The subsidiary incorporated in the United Kingdom is subject to income tax at a rate of 19% on the estimated assessable profits.

Netherlands

A subsidiary incorporated in the Netherlands is subject to income tax at a rate of 15% on the estimated assessable profits.

Hong Kong

The subsidiary incorporated in Hong Kong is subject to income tax at a rate of 16.5% on the estimated profits.

Chinese mainland

The provision for corporate income tax in Chinese mainland is based on the statutory rate of 25% of the taxable profits determined in accordance with the Corporate Income Tax Law which was approved and became effective on January 1, 2008, except for the company and certain subsidiaries of the Group in Chinese mainland which are granted tax concession and are taxed at preferential tax rates.

The company, Jiangsu Vedkang Medical Science and Technology Co., Ltd. (江蘇唯德康醫療科技有限公司), Changzhou Jiuhong Medical Instrument Co., Ltd. (常州市久虹醫療器械有限公司), Medcaptain Life Science Co., Ltd. (深圳麥科田生命科學有限公司), Shanghai Runpu Biotechnology Co., Ltd. (上海潤普生物技術有限公司), and Mabsky Biotech Co., Ltd. (深圳生科原生物有限公司) were qualified as High and New Technology Enterprises and entitled to a preferential income tax rate of 15% from 2021 to 2023. The renewal of the above qualifications for 2024 to 2026 was obtained in December 2024. These qualifications are subject to review by the relevant tax authority in Chinese mainland for every three years.

In addition, from 2023 to 2026, certain small and low-profit subsidiaries of the Group in Chinese mainland were entitled to a 75% discount on taxable income between RMB1,000,000 and RMB3,000,000, and total taxable income was taxed at a preferential tax rate of 20%.

The income tax expense of the Group for the Relevant Periods and three months ended March 31, 2025 is analysed as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Current income tax	22,098	34,771	36,980	8,448	7,501
Deferred income tax	(7,414)	(8,656)	(9,003)	(3,392)	(1,643)
Total	14,684	26,115	27,977	5,056	5,858

A reconciliation of the tax expense applicable to (loss)/profit before tax at the preferential tax rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the preferential tax rates) to the effective tax rates, are as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
(Loss)/profit before tax	(49,824)	(70,502)	78,715	10,279	3,331
Tax at the preferential tax rate of 15%	(7,474)	(10,575)	11,807	1,542	500
Effect of different tax rates enacted by local authorities	1,959	982	2,539	500	597
Additional deductible allowance for qualified research and development expenses	(34,532)	(40,763)	(38,813)	(8,822)	(9,544)
Deductible temporary difference and tax losses not recognised	52,275	73,905	51,672	12,649	14,871
Tax losses utilised from previous periods	(3,323)	(1,103)	(2,738)	(1,568)	(906)
Loss attributable to an associate	191	134	–	–	–
Expenses not deductible for tax	5,588	3,535	3,510	755	340
Tax charge at the Group's effective tax rate	14,684	26,115	27,977	5,056	5,858

12. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods.

13. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic and diluted (loss)/earnings per share

The calculation of the basic (loss)/earnings per share amounts is based on the (loss)/profit attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares is issue during the Relevant Periods and three months ended March 31, 2025.

During the Relevant Periods and three months ended March 31, 2025, no adjustment has been made to basic (loss)/earnings per share amounts in respect of a dilution as there were no potential dilutive shares.

The calculations of basic and diluted (loss)/earnings per share are based on:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
(Loss)/profit					
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic and diluted (loss)/earnings per share calculation	(63,709)	(96,400)	48,886	5,023	(3,100)

Number of shares

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	'000	*'000*	*'000*	*'000* *(unaudited)*	*'000*
Shares					
Weighted average number of ordinary shares in issue during the year/period, used in the basic and diluted (loss)/earnings per share calculation	464,500	488,170	499,716	499,716	499,716

RMB per share

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
				(unaudited)	
(Loss)/earnings per share (basic and diluted)	(0.14)	(0.20)	0.10	0.01	(0.01)

For the details of [**REDACTED**], please refer to Note 34 to the Historical Financial Information.

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Office equipment	Plant and machinery	Transportation equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
December 31, 2023							
At January 1, 2023:							
Cost	71,916	31,535	116,898	2,868	50,458	3,809	277,484
Accumulated depreciation and impairment	(6,309)	(16,467)	(43,028)	(2,156)	(30,909)	–	(98,869)
Net carrying amount	65,607	15,068	73,870	712	19,549	3,809	178,615
At January 1, 2023, net of accumulated depreciation	65,607	15,068	73,870	712	19,549	3,809	178,615
Additions	–	9,172	12,921	1,137	4,138	65,164	92,532
Transfers	124	–	3,190	–	–	(3,314)	–
Depreciation provided during the year	(5,009)	(8,309)	(16,500)	(400)	(7,410)	–	(37,628)
Disposals	–	(1,856)	(919)	(87)	(17)	–	(2,879)
Exchange realignment	–	185	354	7	69	–	615
At December 31, 2023, net of accumulated depreciation and impairment	60,722	14,260	72,916	1,369	16,329	65,659	231,255
At December 31, 2023:							
Cost	72,040	36,774	130,637	3,874	54,628	65,659	363,612
Accumulated depreciation and impairment	(11,318)	(22,514)	(57,721)	(2,505)	(38,299)	–	(132,357)
Net carrying amount	60,722	14,260	72,916	1,369	16,329	65,659	231,255

	Buildings	Office equipment	Plant and machinery	Transportation equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
December 31, 2024							
At January 1, 2024:							
Cost	72,040	36,774	130,637	3,874	54,628	65,659	363,612
Accumulated depreciation and impairment	(11,318)	(22,514)	(57,721)	(2,505)	(38,299)	–	(132,357)
Net carrying amount	60,722	14,260	72,916	1,369	16,329	65,659	231,255
At January 1, 2024, net of accumulated depreciation and impairment	60,722	14,260	72,916	1,369	16,329	65,659	231,255
Additions	–	7,443	23,028	–	208	121,482	152,161

	Buildings	Office equipment	Plant and machinery	Transportation equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Transfers	–	–	1,001	–	–	(1,001)	–
Depreciation provided during the year	(3,325)	(5,426)	(21,307)	(338)	(8,390)	–	(38,786)
Disposals	–	(389)	(1,480)	–	(2)	–	(1,871)
Exchange realignment	–	22	(13)	(1)	(34)	–	(26)
At December 31, 2024, net of accumulated depreciation and impairment	57,397	15,910	74,145	1,030	8,111	186,140	342,733
At December 31, 2024:							
Cost	72,040	41,547	148,641	3,871	54,688	186,140	506,927
Accumulated depreciation and impairment	(14,643)	(25,637)	(74,496)	(2,841)	(46,577)	–	(164,194)
Net carrying amount	57,397	15,910	74,145	1,030	8,111	186,140	342,733

	Buildings	Office equipment	Plant and machinery	Transportation equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2025							
At January 1, 2025:							
Cost	72,040	41,547	148,641	3,871	54,688	186,140	506,927
Accumulated depreciation and impairment	(14,643)	(25,637)	(74,496)	(2,841)	(46,577)	–	(164,194)
Net carrying amount	57,397	15,910	74,145	1,030	8,111	186,140	342,733
At January 1, 2025, net of accumulated depreciation and impairment	57,397	15,910	74,145	1,030	8,111	186,140	342,733
Additions	–	3,912	21,808	1,164	790	35,319	62,993
Acquisition of subsidiaries	–	1,645	3,269	–	19	–	4,933
Transfers	213,005	–	3,230	–	–	(216,235)	–
Depreciation provided during the year	(6,696)	(5,065)	(20,871)	(380)	(5,217)	–	(38,229)
Disposals	–	(170)	(1,144)	(28)	–	–	(1,342)
Exchange realignment	–	81	159	–	32	–	272
At December 31, 2025, net of accumulated depreciation and impairment	263,706	16,313	80,596	1,786	3,735	5,224	371,360

	Buildings	Office equipment	Plant and machinery	Transportation equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2025							
Cost	285,045	45,831	199,678	4,736	55,713	5,224	596,227
Accumulated depreciation and impairment	(21,339)	(29,518)	(119,082)	(2,950)	(51,978)	–	(224,867)
Net carrying amount	263,706	16,313	80,596	1,786	3,735	5,224	371,360

	Buildings	Office equipment	Plant and machinery	Transportation equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At March 31, 2026							
At January 1,2026:							
Cost	285,045	45,831	199,678	4,736	55,713	5,224	596,227
Accumulated depreciation and impairment	(21,339)	(29,518)	(119,082)	(2,950)	(51,978)	–	(224,867)
Net carrying amount	263,706	16,313	80,596	1,786	3,735	5,224	371,360
At January 1, 2026, net of accumulated depreciation and impairment	263,706	16,313	80,596	1,786	3,735	5,224	371,360
Additions	–	745	9,127	–	–	7,273	17,145
Transfers	688	–	–	–	–	(688)	–
Depreciation provided during the year	(3,381)	(1,203)	(5,663)	(142)	(789)	–	(11,178)
Disposals	–	(61)	(324)	–	–	–	(385)
Exchange realignment	–	(106)	(154)	–	(2)	–	(262)
At March 31, 2026, net of accumulated depreciation and impairment	261,013	15,688	83,582	1,644	2,944	11,809	376,680
At March 31, 2026							
Cost	285,733	45,641	207,057	4,736	54,315	11,809	609,291
Accumulated depreciation and impairment	(24,720)	(29,953)	(123,475)	(3,092)	(51,371)	–	(232,611)
Net carrying amount	261,013	15,688	83,582	1,644	2,944	11,809	376,680

* At the end of each Relevant Periods, certain Group's buildings with net carrying amounts of approximately RMB14,538,000, RMB13,833,000, RMB222,295,000 and RMB220,198,000, respectively, were pledged to secure certain bank borrowings of the Group (Note 30).

The Company

	Office equipment	Plant and machinery	Transportation equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
December 31, 2023						
At January 1, 2023:						
Cost	11,725	47,182	1,276	16,130	773	77,086
Accumulated depreciation	(7,872)	(16,365)	(1,075)	(7,014)	–	(32,326)
Net carrying amount	3,853	30,817	201	9,116	773	44,760
At January 1, 2023, net of accumulated depreciation	3,853	30,817	201	9,116	773	44,760
Additions	7,583	4,778	1,137	138	1,470	15,106
Transfers	–	1,303	–	–	(1,303)	–
Depreciation provided during the year	(3,147)	(7,552)	(227)	(3,135)	–	(14,061)
Disposals	(147)	(692)	–	–	–	(839)
At December 31, 2023, net of accumulated depreciation	8,142	28,654	1,111	6,119	940	44,966
At December 31, 2023:						
Cost	18,345	52,435	2,413	16,268	940	90,401
Accumulated depreciation	(10,203)	(23,781)	(1,302)	(10,149)	–	(45,435)
Net carrying amount	8,142	28,654	1,111	6,119	940	44,966

	Office equipment	Plant and machinery	Transportation equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
December 31, 2024						
At January 1, 2024:						
Cost	18,345	52,435	2,413	16,268	940	90,401
Accumulated depreciation	(10,203)	(23,781)	(1,302)	(10,149)	–	(45,435)
Net carrying amount	8,142	28,654	1,111	6,119	940	44,966
At January 1, 2024, net of accumulated depreciation	8,142	28,654	1,111	6,119	940	44,966
Additions	6,152	11,977	–	–	–	18,129
Transfers	–	217	–	–	(217)	–
Depreciation provided during the year	(3,036)	(8,527)	(270)	(3,017)	–	(14,850)
Disposals	(222)	(880)	–	–	–	(1,102)
At December 31, 2024, net of accumulated depreciation	11,036	31,441	841	3,102	723	47,143
At December 31, 2024:						
Cost	24,086	62,528	2,413	16,268	723	106,018
Accumulated depreciation	(13,050)	(31,087)	(1,572)	(13,166)	–	(58,875)
Net carrying amount	11,036	31,441	841	3,102	723	47,143

	Office equipment	Plant and machinery	Transportation equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2025						
At January 1, 2025:						
Cost	24,086	62,528	2,413	16,268	723	106,018
Accumulated depreciation	(13,050)	(31,087)	(1,572)	(13,166)	–	(58,875)
Net carrying amount	11,036	31,441	841	3,102	723	47,143
At January 1, 2025, net of accumulated depreciation	11,036	31,441	841	3,102	723	47,143
Additions	2,088	8,355	–	105	87	10,635
Transfers	–	174	–	–	(174)	–
Depreciation provided during the year	(2,990)	(9,880)	(271)	(1,919)	–	(15,060)
Disposals	(53)	(480)	–	–	–	(533)
At December 31, 2025, net of accumulated depreciation	10,081	29,610	570	1,288	636	42,185
At December 31, 2025:						
Cost	25,657	69,595	2,413	16,373	636	114,674
Accumulated depreciation	(15,576)	(39,985)	(1,843)	(15,085)	–	(72,489)
Net carrying amount	10,081	29,610	570	1,288	636	42,185

	Office equipment	Plant and machinery	Transportation equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At March 31, 2026						
At January 1, 2026:						
Cost	25,657	69,595	2,413	16,373	636	114,674
Accumulated depreciation	(15,576)	(39,985)	(1,843)	(15,085)	–	(72,489)
Net carrying amount	10,081	29,610	570	1,288	636	42,185
At January 1, 2026, net of accumulated depreciation	10,081	29,610	570	1,288	636	42,185
Additions	266	1,495	–	–	–	1,761
Transfers	–	256	–	–	(256)	–
Depreciation provided during the year	(666)	(2,552)	(68)	(483)	–	(3,769)
Disposals	(8)	(140)	–	–	–	(148)
At March 31, 2026, net of accumulated depreciation	9,673	28,669	502	805	380	40,029
At March 31, 2026:						
Cost	25,860	71,113	2,413	16,373	380	116,139
Accumulated depreciation	(16,187)	(42,444)	(1,911)	(15,568)	–	(76,110)
Net carrying amount	9,673	28,669	502	805	380	40,029

15. INTANGIBLE ASSETS

The Group

	Patents	Software	Customer relationship	Brands	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
December 31, 2023					
At January 1, 2023:					
Cost	245,062	11,866	231,000	195,152	683,080
Accumulated amortisation and impairment	(43,075)	(4,435)	(17,325)	–	(64,835)
Net carrying amount	201,987	7,431	213,675	195,152	618,245
At January 1, 2023, net of accumulated amortisation and impairment	201,987	7,431	213,675	195,152	618,245
Additions	17,000	2,586	–	–	19,586
Disposals	–	(39)	–	–	(39)
Exchange realignment	3,363	–	–	5,176	8,539
Amortisation provided during the year	(22,159)	(3,641)	(23,100)	–	(48,900)
At December 31, 2023, net of accumulated amortisation and impairment	200,191	6,337	190,575	200,328	597,431
At December 31, 2023:					
Cost	265,944	14,353	231,000	200,328	711,625
Accumulated amortisation and impairment	(65,753)	(8,016)	(40,425)	–	(114,194)
Net carrying amount	200,191	6,337	190,575	200,328	597,431

	Patents	Software	Customer relationship	Brands	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
December 31, 2024					
At January 1, 2024:					
Cost	265,944	14,353	231,000	200,328	711,625
Accumulated amortisation and impairment	(65,753)	(8,016)	(40,425)	–	(114,194)
Net carrying amount	200,191	6,337	190,575	200,328	597,431
At January 1, 2024, net of accumulated amortisation and impairment	200,191	6,337	190,575	200,328	597,431
Additions	–	5,749	–	–	5,749
Disposals	(959)	–	–	–	(959)
Exchange realignment	201	(15)	–	284	470
Amortisation provided during the year	(24,300)	(5,122)	(23,100)	–	(52,522)

	Patents	Software	Customer relationship	Brands	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2024, net of accumulated amortisation and impairment	175,133	6,949	167,475	200,612	550,169
At December 31, 2024:					
Cost	265,254	20,701	231,000	200,612	717,567
Accumulated amortisation and impairment	(90,121)	(13,752)	(63,525)	–	(167,398)
Net carrying amount	175,133	6,949	167,475	200,612	550,169

	Patents	Software	Customer relationship	Brands	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2025					
At January 1, 2025:					
Cost	265,254	20,701	231,000	200,612	717,567
Accumulated depreciation and impairment	(90,121)	(13,752)	(63,525)	–	(167,398)
Net carrying amount	175,133	6,949	167,475	200,612	550,169
At January 1, 2025, net of accumulated depreciation and impairment	175,133	6,949	167,475	200,612	550,169
Additions	–	7,718	–	–	7,718
Acquisition of subsidiaries	2,900	2,672	–	–	5,572
Exchange realignment	1,522	114	–	2,865	4,501
Amortisation provided during the year	(24,736)	(4,980)	(23,100)	–	(52,816)
At December 31, 2025, net of accumulated depreciation and impairment	154,819	12,473	144,375	203,477	515,144
At December 31, 2025					
Cost	285,303	33,311	231,000	203,477	753,091
Accumulated depreciation and impairment	(130,484)	(20,838)	(86,625)	–	(237,947)
Net carrying amount	154,819	12,473	144,375	203,477	515,144

	Patents	Software	Customer relationship	Brands	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At March 31, 2026					
At January 1, 2026:					
Cost	285,303	33,311	231,000	203,477	753,091
Accumulated depreciation and impairment	(130,484)	(20,838)	(86,625)	–	(237,947)
Net carrying amount	154,819	12,473	144,375	203,477	515,144
At January 1, 2026, net of accumulated depreciation and impairment	154,819	12,473	144,375	203,477	515,144
Additions	–	1,424	–	–	1,424
Exchange realignment	(1,126)	(138)	–	(2,542)	(3,806)
Amortisation provided during the year	(6,298)	(1,406)	(5,775)	–	(13,479)
At March 31, 2026, net of accumulated depreciation and impairment	147,395	12,353	138,600	200,935	499,283
At March 31, 2026					
Cost	283,397	34,548	231,000	200,935	749,880
Accumulated depreciation and impairment	(136,002)	(22,195)	(92,400)	–	(250,597)
Net carrying amount	147,395	12,353	138,600	200,935	499,283

Customer relationship was identified in connection with our acquisition of Vedkang Medical, which is comprised of the long-term and robust cooperative partnerships with over 400 distributors. Customer relationship was recognized as an intangible asset on the basis that (i) they are separately identifiable as there were 1 to 5 years contractual distribution agreements between Vedkang Medical and distributors; (ii) economic benefits are more than likely to be generated from these distributors through stable revenue over an extended period, considering the high industry entry barriers, strong physician usage stickiness, and high switching costs for end-hospital procurement nature of the market; and (iii) fair value of the customer relationship was evaluated by an independent valuer using the income approach. The useful life of such customer relationships was determined to be ten years, taking into consideration a range of factors including the useful lives of similar intangible assets in comparable transactions, historical customer data, and the management's experience and understanding of the industry. These customer relationships represent a key component of Vedkang Medical's historical business foundation and are expected to continue contributing to our revenue generation.

Patents were identified through the acquisitions of Vedkang Medical, Penlon and Caring Medical. Given the continued contribution of these patents to our product R&D development, and their contribution to product commercialization that generates future economic benefits, we have classified them as intangible assets based on the fair value determined by an independent valuer using the income approach. The useful life of patents was determined by taking into consideration a range of factors, including the residual duration of patent right and the management's expectation of the economic benefits generating period.

Brands were identified from the acquisitions of Vedkang Medical and Penlon. The Group is unable to predict the useful life during which the Brands will bring economic benefits to the Group, and thus recognises Brands as an intangible asset with an indefinite useful life. For the years ended December 31, 2023, 2024, 2025 and three months ended March 31, 2026, the Group performed impairment tests over Brands based on whether the recoverable amount of the Group's Brands can be reliably estimated. The recoverable amount was determined based on the present value of expected future cash flows.

The carrying amount of brands with indefinite useful lives allocated to each of the CGUs is as follows:

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Vedkang Medical	128,000	128,000	128,000	128,000
Penlon	72,328	72,612	75,477	75,477
Total	200,328	200,612	203,477	203,477

For the Brand identified through acquiring Jiangsu Vedkang Medical Science & Technology Co., Ltd., the present value of the future cash flows was determined in accordance with a five-year forecast approved by the management. The pre-tax discount rates applied were 12.92%, 12.31%, 12.93% and 12.94% for the years ended December 31, 2023, 2024, 2025 and three months ended March 31, 2026, respectively, which has already reflected the specific risks of the relevant assets. Cash flows after the forecast period were extrapolated at a long-term average growth rate of 2%. As such, the headroom was RMB1,232,933,000, RMB1,411,148,000, RMB1,428,041,000 and RMB1,411,471,000 respectively, as at December 31, 2023, 2024, 2025 and March 31, 2026, and a decrease in the revenue growth rate by 69.4%, 74.0%, 67.6% and 67.2% would cause the carrying amount to exceed its recoverable amount for the years ended December 31, 2023, 2024, 2025 and three months ended March 31, 2026, respectively. Any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

For the Brand identified through acquiring Penlon, the present value of the future cash flows was determined in accordance with a five-year forecast approved by the management. The pre-tax discount rates applied were 13.25%, 13.54%, 14.15% and 14.39% for the years ended December 31, 2023, 2024, 2025 and three months ended March 31, 2026, respectively, which has already reflected the specific risks of the relevant assets. Cash flows after the forecast period were extrapolated at a long-term average growth rate of 2%. As such, the headroom was RMB54,446,000, RMB64,529,000, RMB54,729,000, and RMB49,958,000 respectively, as at December 31, 2023, 2024, 2025 and March 31, 2026, and a decrease in the revenue growth rate by 31.5%, 36.7%, 33.8% and 31.8% would cause the carrying amount to exceed its recoverable amount for the years ended December 31, 2023, 2024 and 2025 and three months ended March 31, 2026, respectively. Any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

For the years ended December 31, 2023, 2024, 2025 and three months ended March 31, 2026, the Group did not recognise any impairment losses for Brands as the recoverable amounts were greater than the carrying amounts.

The Company

	Patents	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
At December 31, 2023			
At January 1, 2023			
Cost	19	8,533	8,552
Accumulated amortisation	(19)	(3,425)	(3,444)
Net carrying amount	–	5,108	5,108
At January 1, 2023, net of accumulated amortisation	–	5,108	5,108
Additions	17,000	1,682	18,682
Amortisation provided during the year	–	(2,221)	(2,221)

	Patents	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
At December 31, 2023, net of accumulated amortisation	17,000	4,569	21,569
At December 31, 2023			
Cost	17,019	10,215	27,234
Accumulated amortisation	(19)	(5,646)	(5,665)
Net carrying amount	17,000	4,569	21,569

	Patents	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
At December 31, 2024			
At January 1, 2024			
Cost	17,019	10,215	27,234
Accumulated amortisation	(19)	(5,646)	(5,665)
Net carrying amount	17,000	4,569	21,569
At January 1, 2024, net of accumulated amortisation	17,000	4,569	21,569
Additions	–	3,069	3,069
Amortisation provided during the year	(2,007)	(3,376)	(5,383)
Disposals	(959)	–	(959)
At December 31, 2024, net of accumulated amortisation	14,034	4,262	18,296
At December 31, 2024			
Cost	16,060	13,284	29,344
Accumulated amortisation	(2,026)	(9,022)	(11,048)
Net carrying amount	14,034	4,262	18,296

	Patents	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
At December 31, 2025:			
At January 1, 2025:			
Cost	16,060	13,284	29,344
Accumulated depreciation	(2,026)	(9,022)	(11,048)
Net carrying amount	14,034	4,262	18,296
At January 1, 2025, net of accumulated depreciation	14,034	4,262	18,296
Additions	–	6,414	6,414
Amortisation provided during the year	(2,006)	(3,686)	(5,692)
At December 31, 2025, net of accumulated depreciation	12,028	6,990	19,018
At December 31, 2025			
Cost	16,060	19,698	35,758
Accumulated amortisation	(4,032)	(12,708)	(16,740)
Net carrying amount	12,028	6,990	19,018

	Patents	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
At March 31, 2026:			
At January 1, 2026:			
Cost	16,060	19,698	35,758
Accumulated depreciation	(4,032)	(12,708)	(16,740)
Net carrying amount	12,028	6,990	19,018
At January 1, 2026, net of accumulated depreciation	12,028	6,990	19,018
Additions	–	467	467
Amortisation provided during the year	(501)	(935)	(1,436)
At March 31, 2026, net of accumulated depreciation	11,527	6,522	18,049
At March 31, 2026			
Cost	16,060	20,166	36,226
Accumulated amortisation	(4,533)	(13,644)	(18,177)
Net carrying amount	11,527	6,522	18,049

16. LEASES

The Group as a lessee

The Group has lease contracts for various items of plant, offices and laboratory, and leasehold land. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of plant, offices and laboratories generally have lease term between 2 and 15 years.

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the reporting periods are as follows:

	Plant, offices and laboratories	Leasehold land	Total
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2023	77,734	62,818	140,552
Additions	7,764	–	7,764
Termination	(535)	–	(535)
Modification	46,284	–	46,284
Depreciation charge	(27,992)	(1,308)	(29,300)
Exchange realignment	2,160	–	2,160
At December 31, 2023	105,415	61,510	166,925
At January 1, 2024	105,415	61,510	166,925
Additions	5,279	–	5,279
Termination	(2,576)	–	(2,576)
Depreciation charge	(29,663)	(1,308)	(30,971)
Exchange realignment	145	–	145
At December 31, 2024	78,600	60,202	138,802
At January 1, 2025	78,600	60,202	138,802
Additions	57,505	–	57,505
Acquisition of subsidiaries	267	–	267
Termination	(3,743)	–	(3,743)
Depreciation charge	(27,344)	(1,308)	(28,652)
Exchange realignment	2,126	–	2,126
At December 31, 2025	107,411	58,894	166,305

	Plant, offices and laboratories	Leasehold land	Total
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2026	107,411	58,894	166,305
Additions	502	–	502
Depreciation charge	(7,262)	(408)	(7,670)
Exchange realignment	(1,650)	–	(1,650)
At March 31, 2026	99,001	58,486	157,487

* At the end of each Relevant Periods, certain Group's Leasehold land with net carrying amounts of approximately RMB49,306,000, RMB48,298,000, RMB47,290,000 and RMB47,038,000 respectively, were pledged to secure certain bank borrowings of the Group (Note 30).

(b) ***Lease liabilities***

The carrying amounts of lease liabilities and the movements during the reporting periods are as follows:

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at January 1	84,479	112,689	87,253	116,138
New leases	7,764	5,279	57,505	502
Acquisition of subsidiaries	–	–	283	–
Termination	(472)	(2,929)	(4,691)	–
Modification	46,284	–	–	–
Accretion of interest recognised during the year/period	4,800	5,508	5,154	1,366
Lease payments	(31,974)	(33,373)	(31,717)	(10,353)
Exchange realignment	1,808	79	2,351	(1,951)
Carrying amount at the end of the year/period	112,689	87,253	116,138	105,702
Analysed into:				
Current portion	26,946	19,974	22,897	18,616
Non-current portion	85,743	67,279	93,241	87,086
Total	112,689	87,253	116,138	105,702

The maturity analysis of lease liabilities is disclosed in Note 44 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Expenses relating to short-term leases	4,536	5,362	8,586	2,838	1,004
Interest on lease liabilities	4,800	5,508	5,154	1,130	1,366
Loss/(gains) on termination of lease	63	(353)	(948)	–	–

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Depreciation charge of right-of-use assets	29,300	30,971	28,652	6,561	7,670
Total amount recognised in profit or loss	38,699	41,488	41,444	10,529	10,040

(d) The total cash outflows for leases are disclosed in Note 38(c) to the Historical Financial Information.

The Company as a lessee

The Company has lease contracts for various items of factory, offices and laboratory. Leases of factory, offices and laboratory generally have lease term between 2 and 7 years.

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the reporting periods are as follows:

	Factory, offices and laboratory
	RMB'000
At January 1, 2023	37,123
Additions	3,407
Modification	(535)
Depreciation charge	(13,398)
At December 31, 2023	26,597
At January 1, 2024	26,597
Additions	1,477
Termination	(97)
Depreciation charge	(13,468)
At December 31, 2024	14,509
At January 1, 2025	14,509
Additions	25,339
Termination	(1,814)
Depreciation charge	(11,538)
At December 31, 2025	26,496
At January 1, 2026	26,496
Additions	502
Depreciation charge	(3,304)
At March 31, 2026	23,694

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the reporting periods are as follows:

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at January 1	40,737	30,033	16,946	27,915
New leases	3,407	1,477	25,339	502
Termination	(472)	(90)	(1,955)	–
Accretion of interest recognised during the year/period	2,252	1,296	1,018	249
Lease payments	(15,891)	(15,770)	(13,433)	(4,236)
Carrying amount at the end of the year/period	30,033	16,946	27,915	24,430
Analysed into:				
Current portion	13,863	9,580	11,429	9,008
Non-current portion	16,170	7,366	16,486	15,422
Total	30,033	16,946	27,915	24,430

17. GOODWILL

	RMB'000
At January 1, 2023	
Cost	988,087
Accumulated impairment	(83,430)
Net carrying amount	904,657
Cost at January 1, 2023, net of accumulated impairment	904,657
Exchange realignment	817
At December 31, 2023	905,474
At December 31, 2023 and January 1, 2024	
Cost	988,904
Accumulated impairment	(83,430)
Net carrying amount	905,474
Cost at January 1, 2024, net of accumulated impairment	905,474
Exchange realignment	43
At December 31, 2024	905,517
At December 31, 2024 and January 1, 2025	
Cost	988,947
Accumulated impairment	(83,430)
Net carrying amount	905,517
Cost at January 1, 2025, net of accumulated impairment	905,517
Addition	22,254
Exchange realignment	454
At December 31, 2025	928,225

	RMB'000
At December 31, 2025	
Cost	1,011,655
Accumulated impairment	(83,430)
Net carrying amount	928,225
Cost at January 1, 2026, net of accumulated impairment	928,225
Exchange realignment	(470)
At March 31, 2026	927,755
At March 31, 2026	
Cost	1,011,185
Accumulated impairment	(83,430)
Net carrying amount	927,755

Impairment testing of goodwill

Goodwill acquired through business combinations was allocated to the following cash-generating units ("CGUs") for impairment testing:

- Vedkang Medical cash-generating unit*
- Penlon cash-generating unit
- Vedefar cash-generating unit**

The carrying amounts of goodwill allocated to each of the CGUs are as follows:

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Vedkang Medical	894,049	894,049	914,429	914,429
Penlon	11,425	11,468	11,922	11,521
Vedefar	–	–	1,874	1,805
Total	905,474	905,517	928,225	927,755

Vedkang Medical cash-generating unit

The recoverable amount of the cash-generating unit named Vedkang Medical was determined based on a value-in-use calculation using cash flow projections based on financial forecasts covering a five-year period approved by senior management. The discount rates applied to the cash flow projections were 12.92%, 12.31%,12.93% and 12.94% for the years ended December 31, 2023, 2024, 2025, and three months ended March 31, 2026, respectively. The growth rate used to extrapolate the cash flows beyond the five-year period was 2% for the years ended December 31, 2023, 2024 ,2025 and three months ended March 31, 2026. The growth rate is based on management's expectations and does not exceed the long-term average growth rate for the industry relevant to the CGU.

* On September 23, 2025, the Group acquired 100.00% ownership of Suzhou Caring Medical Co., Ltd. ("Caring Medical") and goodwill identified was allocated to the Vedkang Medical cash-generating unit.

** On June 17, 2025, the Group acquired 100.00% ownership of Vedefar.

In the opinion of the Company's management, the headroom was RMB338,883,000, RMB517,099,000, RMB513,611,000, and RMB497,040,000, respectively, as at December 31, 2023, 2024 ,2025, and March 31, 2026, and a decrease in the revenue growth rate by 19.1%, 27.1%, 24.3% and 23.7% would cause the carrying amount of the cash-generating unit to exceed its recoverable amount for the years ended December 31, 2023, 2024, 2025, and three months ended March 31, 2026, respectively. Any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

Penlon cash-generating unit

The recoverable amount of the cash-generating unit named Penlon was determined based on a value-in-use calculation using cash flow projections based on financial forecasts covering a five-year period approved by senior management. The discount rates applied to the cash flow projections were 13.25%, 13.54%, 14.15% and 14.39% for the years ended December 31, 2023, 2024, 2025, and three months ended March 31, 2026, respectively. The growth rate used to extrapolate the cash flows beyond the five-year period was 2% for the years ended December 31, 2023, 2024, 2025, and three months ended March 31, 2026. The growth rate is based on management's expectations and does not exceed the long-term average growth rate for the industry relevant to the CGU.

In the opinion of the Company's management, the headroom was RMB43,021,000, RMB53,059,000, RMB42,807,000 and RMB38,437,000 respectively, as at December 31, 2023, 2024, 2025, and three months ended March 31, 2026, and a decrease in the revenue growth rate by 24.8%, 30.0%, 26.5% and 25.0% would cause the carrying amount of the cash-generating unit to exceed its recoverable amount for the years ended December 31, 2023, 2024, 2025 and three months ended March 31, 2026, respectively. Any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

Assumptions were used in the value in use calculation of the CGUs for the years ended December 31, 2023, 2024, 2025 and three months ended March 31, 2026. The following describes each key assumptions on which management has based its cash flow budgets to undertake impairment testing of goodwill:

- Budgeted revenue: the basis used to determine the budgeted revenue is based on management's expectation of the business and market development.

- Budgeted gross margins: the basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

- Discount rates: the discount rates used are before tax and reflect specific risks relating to the relevant units.

- Terminal growth rate: the budgeted terminal growth rate is based on management's expectations of the market development and does not exceed the long-term average growth rate for the industry relevant to the CGUs.

The values assigned to the key assumptions on market development of each of the CGUs, discount rates and terminal growth rate are consistent with external information sources.

18. INVESTMENT IN AN ASSOCIATE

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets	7,300	–	–	–

The Group's shareholdings in the associate held through a wholly-owned subsidiary of the Company.

It was fully disposed on March 2024.

The following table illustrates the financial information of the Group's associate that is not material:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Share of the associate's loss for the year	1,274	896	–	–	–
Share of the associate's total comprehensive loss	1,274	896	–	–	–
Aggregate carrying amount of the Group's investment in the associate	7,300	–	–	–	–

19. EQUITY INVESTMENTS DESIGNATED AT FVOCI

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unlisted equity investments, at fair value:				
Changzhou Medical Instrument Institute Co., Ltd.	645	645	645	645

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature. Management has assessed that the fair value is approximate to its carrying amounts. The related changes in fair values are reasonable and immaterial.

20. OTHER NON-CURRENT ASSETS

The Group

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments for property, plant and equipment	15,055	6,350	4,915	5,574
Deposits	9,058	7,947	8,249	8,955
Prepaid [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	24,444	18,263	13,164	14,529

The Company

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments for property, plant and equipment	5,839	4,945	2,478	4,014
Deposits	6,669	5,326	5,626	6,169
Prepaid [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	12,839	14,237	8,104	10,183

21. INVENTORIES

The Group

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	107,747	98,700	109,142	107,866
Work in progress	49,340	69,350	77,468	82,464
Finished goods	95,500	88,704	108,149	98,129
Subtotal	252,587	256,754	294,759	288,459
Impairment allowances on inventories	(15,630)	(26,542)	(31,321)	(34,641)
Total	236,957	230,212	263,438	253,818

The Company

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	24,955	30,674	34,655	34,294
Work in progress	23,023	41,237	39,417	43,453
Finished goods	22,805	37,421	36,605	37,538
Subtotal	70,783	109,332	110,677	115,285
Impairment allowances on inventories	(8,167)	(11,995)	(17,805)	(22,986)
Total	62,616	97,337	92,872	92,299

22. TRADE AND BILLS RECEIVABLES

The Group

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bills receivable*	90	819	110	47
Trade receivables	106,820	135,543	171,462	173,910
Subtotal	106,910	136,362	171,572	173,957
Impairment losses	(2,135)	(3,289)	(3,338)	(3,440)
Net carrying amount	104,775	133,073	168,234	170,517

* Bills receivable are subject to impairment under the general approach and the impairment is considered to be minimal.

The Company

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	11,618	5,410	41,090	14,277
Subtotal	11,618	5,410	41,090	14,277
Impairment losses	(204)	(315)	(986)	(880)
Net carrying amount	11,414	5,095	40,104	13,397

The Group's trade terms with its certain customers are on credit, except for most customers, where payment in advance is normally required. The credit period is generally 30 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade and bills receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the end of each of the reporting periods, based on the invoice date and net of loss allowance, is as follows:

The Group

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	100,881	128,422	163,164	165,922
1 to 2 years	3,586	4,039	4,024	3,645
2 to 3 years	308	612	1,046	950
Total	104,775	133,073	168,234	170,517

The Company

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	11,176	3,655	38,871	11,671
1 to 2 years	209	1,401	806	1,171
2 to 3 years	29	39	427	555
Total	11,414	5,095	40,104	13,397

The movements in the loss allowance for impairment of trade receivables are as follows:

The Group

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of year	1,867	2,135	3,289	3,338
Impairment losses	268	1,154	49	102
At end of year	2,135	3,289	3,338	3,440

The Company

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of year	116	204	315	986
Impairment losses	88	111	671	(106)
At end of year	204	315	986	880

An impairment analysis is performed at the end of each of the reporting periods using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of the reporting periods about past events, current conditions and forecasts of future economic conditions. The Company's management assessed the expected credit loss rate for trade receivables on a regular basis, and no significant changes were identified, primarily due to there is no significant changes in the actual loss rates of trade receivables, customer profile and forward-looking macroeconomic data during the Relevant Periods. Generally, trade receivables are written off if past due for more than three years and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

The Group

At December 31, 2023

	Aging on a collective basis				
	Less than 1 year	1-2 years	2-3 years	Over 3 years	Total
Expected credit loss rate	0.5-1%	10%	50%	100%	2.00%
Gross carrying amount (RMB'000)	101,604	3,984	615	617	106,820
Expected credit losses (RMB'000)	813	398	307	617	2,135

At December 31, 2024

	Aging on a collective basis				
	Less than 1 year	1-2 years	2-3 years	Over 3 years	Total
Expected credit loss rate	0.5-1%	10%	50%	100%	2.43%
Gross carrying amount (RMB'000)	128,121	4,488	2,095	839	135,543
Expected credit losses (RMB'000)	954	449	1,047	839	3,289

At December 31, 2025

	Aging on a collective basis				
	Less than 1 year	1-2 years	2-3 years	Over 3 years	Total
Expected credit loss rate	0.5-1%	10%	50%	100%	1.95%
Gross carrying amount (RMB'000)	164,451	4,469	2,092	450	171,462
Expected credit losses (RMB'000)	1,395	447	1,046	450	3,338

At March 31, 2026

	Aging on a collective basis				
	Less than 1 year	1-2 years	2-3 years	Over 3 years	Total
Expected credit loss rate	0.5-1%	10%	50%	100%	1.98%
Gross carrying amount (RMB'000)	167,579	4,049	1,899	383	173,910
Expected credit losses (RMB'000)	1,702	405	950	383	3,440

The Company

At December 31, 2023

	Aging on a collective basis				
	Less than 1 year	1-2 years	2-3 years	Over 3 years	Total
Expected credit loss rate	1%	10%	50%	100%	1.76%
Gross carrying amount (RMB'000)	11,289	232	59	38	11,618
Expected credit losses (RMB'000)	113	23	30	38	204

At December 31, 2024

	Aging on a collective basis				
	Less than 1 year	1-2 years	2-3 years	Over 3 years	Total
Expected credit loss rate	1%	10%	50%	100%	5.82%
Gross carrying amount (RMB'000)	3,692	1,557	79	82	5,410
Expected credit losses (RMB'000)	37	156	40	82	315

At December 31, 2025

	Aging on a collective basis				
	Less than 1 year	1-2 years	2-3 years	Over 3 years	Total
Expected credit loss rate	1%	10%	50%	100%	2.40%
Gross carrying amount (RMB'000)	39,263	896	854	77	41,090
Expected credit losses (RMB'000)	392	90	427	77	986

At March 31, 2026

	Aging on a collective basis				
	Less than 1 year	1-2 years	2-3 years	Over 3 years	Total
Expected credit loss rate	1%	10%	50%	100%	6.16%
Gross carrying amount (RMB'000)	11,789	1,302	1,109	77	14,277
Expected credit losses (RMB'000)	118	130	555	77	880

23. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments	24,287	28,168	24,755	35,767
VAT tax recoverable	7,743	10,482	15,608	7,259
Other receivables	4,828	4,423	11,080	12,234
Prepaid [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	36,858	43,073	57,437	59,534

The Company

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments	12,360	9,359	6,894	9,470
VAT tax recoverable	72	860	1,430	39
Other receivables	1,962	2,863	4,182	5,092
Prepaid [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	14,394	13,082	18,500	18,875

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Long ageing balances are reviewed regularly by senior management. In view of the fact that the Group's other receivables related to a large number of diversified counterparties, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its prepayments and other receivable balances.

Other receivables had no historical default. The financial assets included in the above balances relating to receivables were categorised in stage 1 at the end of each of the reporting periods. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking macroeconomic data. During the reporting periods, the Group estimated that the expected credit loss rate for other receivables is minimal.

24. FINANCIAL ASSETS AT FVTPL

The Group

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Wealth management products	156,106	132,488	145,219	157,381

The Company

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Wealth management products	–	–	30,134	30,251

The financial assets measured at FVTPL are wealth management products, denominated in RMB, with expected yield rates ranging from 1.20% to 2.90% per annum. These wealth management products were issued by banks in Chinese mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

25. FINANCIAL ASSETS AT FVOCI

The Group

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Certificates of deposit*	21,189	21,863	–	–

The Company

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Certificates of deposit*	21,189	21,863	–	–

* The financial assets measured at FVOCI are certificates of deposit, denominated in RMB, with expected yield rates ranging from 3.10% to 3.85% per annum. The certificates of deposit were issued by banks in Chinese mainland. They were mandatorily classified as financial assets at fair value through other comprehensive income as they were held for trading or until maturity.

26. CASH AND BANK BALANCES AND PLEDGED DEPOSITS

The Group

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	262,267	283,988	301,259	321,227
Pledged deposits*	3,937	4,135	654	2,535
Denominated in				
RMB	144,631	153,970	123,780	150,794
USD	84,694	99,576	132,009	132,841
EUR	19,879	12,284	11,679	16,960
Others	13,063	18,158	33,791	20,632
Total cash and bank balances and pledged deposits	266,204	288,123	301,913	323,762

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one month and three months depending on the immediate cash requirements of the Group and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

* It represents deposits pledged to secure the Group's certain construction in progress. None of these deposits are past due or impaired.

The Company

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	43,933	71,014	34,560	50,853
Denominated in				
RMB	37,378	67,412	26,907	44,748
USD	3,940	1,351	7,545	3,951
EUR	2,615	2,251	108	2,154
Total cash and bank balances	43,933	71,014	34,560	50,853

The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

27. TRADE PAYABLES

An ageing analysis of the trade payables at the end of each of the reporting periods, based on the invoice date, is as follows:

The Group

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 3 months	84,912	134,446	141,945	167,196
3 to 12 months	2,592	18,876	32,418	28,707
Over 1 year	1,410	867	817	1,764
Total	88,914	154,189	175,180	197,667

The Company

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 3 months	28,256	39,779	50,425	61,428
3 to 12 months	1,677	13,833	14,989	12,614
Over 1 year	289	–	38	6
Total	30,222	53,612	65,452	74,048

The trade payables are non-interest-bearing and are normally settled on terms of 1 to 3 months.

28. OTHER PAYABLES AND ACCRUALS

The Group

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payroll payable	97,849	96,487	111,549	67,950
Other payables	45,522	64,988	61,187	53,979
Payables for non-current assets	30,016	44,378	15,202	11,742
Other tax payables	15,096	11,390	17,359	17,513
Accrued [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	189,215	223,110	213,381	161,353

The Company

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payroll payable	59,738	56,016	61,702	39,174
Other payables	18,208	23,147	11,340	10,676
Other tax payables	4,863	3,038	4,321	4,146
Payables for non-current assets	900	–	–	–
Accrued [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	84,441	88,068	85,447	64,165

Other payables are non-interest-bearing and have no fixed terms of settlement.

29. CONTRACT LIABILITIES

The Group

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advances received from customers				
Sale of products	110,702	159,266	184,578	183,336
Analysed into:				
Current portion	50,726	61,654	77,947	79,624
Non-current portion	59,976	97,612	106,631	103,712
Total	110,702	159,266	184,578	183,336

The Company

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advances received from customers				
Sale of products	75,816	116,000	144,257	139,763
Analysed into:				
Current portion	15,840	18,388	37,626	36,051
Non-current portion	59,976	97,612	106,631	103,712
Total	75,816	116,000	144,257	139,763

Contract liabilities mainly include advances received to deliver products.

30. INTEREST-BEARING BANK BORROWINGS

The Group

	December 31, 2023			December 31, 2024			December 31, 2025			March 31, 2026		
	Effective Interest rate	Maturity		Effective Interest rate	Maturity		Effective Interest rate	Maturity		Effective Interest rate	Maturity	
	(%)		*RMB'000*	*(%)*		*RMB'000*	*(%)*		*RMB'000*	*(%)*		*RMB'000*
Current												
Secured bank loan*	LPR-80–LPR+210bp	2024	79,481	LPR-80–LPR-15bp	2025	49,341	LPR-80–LPR-5bp	2026	31,219	LPR-80–LPR-5bp	2027	76,600
Secured bank loan*	3.00-3.50	2024	34,928	2.50-3.10	2025	24,920	2.80	2026	7,906	2.60	2026	3,001
Unsecured bank loan	–	–	–	–	–	–	2.25	2026	45,000	2.25	2026	45,000
Subtotal			114,409			74,261			84,125			124,601
Non-current												
Secured bank loan*	LPR-80–LPR+210bp	2025 to 2029	321,654	LPR-80–LPR-15bp	2026 to 2029	270,309	LPR-80–LPR-5bp	2027 to 2029	207,925	LPR-80–LPR-5bp	2027 to 2029	205,516
Subtotal			321,654			270,309			207,925			205,516
Total			436,063			344,570			292,050			330,117

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analysed into:				
Bank borrowings repayable:				
Within one year or on demand	114,409	74,261	84,125	124,601
In the second year	79,000	60,931	88,838	74,652
In the third to fifth years, inclusive	202,754	209,378	119,087	130,864
Beyond five years	39,900	–	–	–
Total	436,063	344,570	292,050	330,117

The Company

	December 31, 2023			December 31, 2024			December 31, 2025			March 31, 2026		
	Effective Interest rate	Maturity		Effective Interest rate	Maturity		Effective Interest rate	Maturity		Effective Interest rate	Maturity	
	(%)		RMB'000	(%)		RMB'000	(%)		RMB'000	(%)		RMB'000
Current												
Secured bank loan*	LPR-80–LPR+210bp	2024	79,481	LPR-80–LPR-35bp	2025	49,258	LPR-80–LPR-5bp	2026	21,582	LPR-80–LPR-5bp	2027	34,785
Secured bank loan*	3.00	2024	30,028	–	2025	–	–	–	–	–	–	–
Subtotal			109,509			49,258			21,582			34,785
Non-current												
Secured bank loan*	LPR-80–LPR+210bp	2025 to 2029	300,900	LPR-80–LPR-35bp	2026 to 2029	186,900	LPR-80–LPR-5bp	2027 to 2029	145,470	LPR-80–LPR-5bp	2027 to 2029	180,017
Subtotal			300,900			186,900			145,470			180,017
Total			410,409			236,158			167,052			214,802

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Analysed into:				
Bank borrowings repayable:				
Within one year or on demand	109,509	49,258	21,582	34,785
In the second year	79,000	49,000	68,700	74,652
In the third to fifth years, inclusive	182,000	137,900	76,770	105,365
Beyond five years	39,900	–	–	–
Total	410,409	236,158	167,052	214,802

* Certain of the Group and the Company's bank borrowings are secured by mortgages over the Group's property, plant and equipment with net carrying values of approximately RMB14,538,000, RMB13,833,000, RMB222,295,000 and RMB220,198,000, respectively, as at December 31, 2023, 2024, 2025 and March 31, 2026. Certain of the Group and the Company's bank borrowings are secured by mortgages over the Group's land use right with net carrying values of approximately RMB49,306,000, RMB48,298,000, RMB47,290,000 and RMB47,038,000, respectively, as at December 31, 2023, 2024, 2025 and March 31, 2026. In addition, 100% of Vedkang Medical's share capital was pledged to secure certain bank borrowings up to RMB285,235,000, RMB236,158,000, RMB111,442,000 and RMB111,400,000 as at December 31, 2023, 2024, 2025 and March 31, 2026. Certain bank borrowings are subjected to loan covenants. The Group and the Company are in complying with these covenants as at December 31, 2023, 2024, 2025 and March 31, 2026.

All borrowings are denominated in RMB.

31. DEFERRED INCOME

The Group

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Government grants*	7,631	1,060	870	822
Analysed into:				
Current portion	331	261	223	223
Non-current portion	7,300	799	647	599
Total	7,631	1,060	870	822

The Company

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Government grants*	6,380	–	–	–
Analysed into:				
Current portion	140	–	–	–
Non-current portion	6,240	–	–	–
Total	6,380	–	–	–

* The government grants mainly represent subsidies received from the government that relate to both expenses and assets. Government grants were released to profit or loss either over the periods that the expenses for which it is intended to compensate are expensed, or over the expected useful life of the relevant asset, when all attaching conditions and requirements are complied with.

32. FINANCIAL LIABILITIES AT FVTPL

	Contingent consideration
	RMB'000
At January 1, 2023	17,309
Amounts utilised during the year	(1,872)
Changes in fair value	2,956
At December 31, 2023	18,393
Analysed into:	
Current portion	17,588
Non-current portion	805
At January 1, 2024	18,393
Amounts paid/utilised during the year	(19,018)
Changes in fair value	1,623
At December 31, 2024	998
Analysed into:	
Current portion	797
Non-current portion	201
At January 1, 2025	998
Amounts utilised during the year	(1,310)
Changes in fair value	472
At December 31, 2025	160
Analysed into:	
Current portion	160
Non-current portion	–
At January 1, 2026	160
Amounts utilised during the year	(347)
Changes in fair value	187
At March 31, 2026	–
Analysed into:	
Current portion	–
Non-current portion	–

The contingent consideration was recognised in relation to the acquisition of Penlon Group on January 19, 2022.

33. DEFERRED TAX

The movements in deferred tax assets and liabilities during the reporting periods are as follows:

Deferred tax assets

	Impairment of financial assets	Pre-tax deductible losses	Accrued expense	Leases liabilities	Impairment allowance for inventories	Government grants	Unrealised internal transactions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	85	10,849	2,492	11,609	425	–	106	25,566
(Debited)/credited to total comprehensive loss	(53)	836	(1,301)	6,475	126	105	416	6,604
Gross deferred tax assets At December 31, 2023	32	11,685	1,191	18,084	551	105	522	32,170
At December 31, 2023 and January 1, 2024	32	11,685	1,191	18,084	551	105	522	32,170
Credited/(debited) to total comprehensive loss	23	46	697	(3,847)	(35)	(105)	(522)	(3,743)
Gross deferred tax assets At December 31, 2024	55	11,731	1,888	14,237	516	–	–	28,427
At December 31, 2024 and January 1, 2025	55	11,731	1,888	14,237	516	–	–	28,427
Credited/(debited) to total comprehensive loss	26	463	572	10,143	(437)	–	–	10,767
Gross deferred tax assets At December 31, 2025	81	12,194	2,460	24,380	79	–	–	39,194
At December 31, 2025 and January 1, 2026	81	12,194	2,460	24,380	79	–	–	39,194
Credited/(debited) to total comprehensive loss	8	(411)	(441)	(874)	509	–	–	(1,209)
Gross deferred tax assets At March 31, 2026	89	11,783	2,019	23,506	588	–	–	37,985

Deferred tax liabilities

	Depreciation allowance in excess of related depreciation	Right-of-use assets	Fair value change of financial assets at FVTPL	Fair value adjustments arising from acquisition of subsidiaries	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	2,889	11,635	–	99,843	114,367
(Credited)/debited to total comprehensive loss	(71)	6,452	146	(5,711)	816
Gross deferred tax liabilities At December 31, 2023	2,818	18,087	146	94,132	115,183
At December 31, 2023 and January 1, 2024	2,818	18,087	146	94,132	115,183
(Credited)/debited to total comprehensive loss	(946)	(3,825)	208	(7,314)	(11,877)
Gross deferred tax liabilities At December 31, 2024	1,872	14,262	354	86,818	103,306

	Depreciation allowance in excess of related depreciation	Right-of-use assets	Fair value change of financial assets at FVTPL	Fair value adjustments arising from acquisition of subsidiaries	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2024 and January 1, 2025	1,872	14,262	354	86,818	103,306
Acquisition of subsidiaries	–	–	–	874	874
(Credited)/debited to comprehensive loss	(641)	10,158	(327)	(6,926)	2,264
Gross deferred tax liabilities At December 31, 2025	1,231	24,420	27	80,766	106,444
At December 31, 2025 and January 1, 2026	1,231	24,420	27	80,766	106,444
Acquisition of subsidiaries					
(Credited)/debited to comprehensive loss	(115)	(1,065)	9	(2,031)	(3,202)
Gross deferred tax liabilities At March 31, 2026	1,116	23,355	36	78,735	103,242

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statements of financial position	–	–	–	–
Net deferred tax liabilities recognised in the consolidated statements of financial position	(83,013)	(74,879)	(67,250)	(65,257)

Deferred tax assets have not been recognised in respect of the following items:

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tax losses	835,953	1,261,408	1,528,187	1,781,956
Deductible temporary differences	38,235	60,647	79,040	87,010
Total	874,188	1,322,055	1,607,227	1,868,966

Tax losses that are not recognised as deferred tax assets will expire in the following years:

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
2024	1,276	–	–	–
2025	5,215	5,215	–	–
2026	4,482	4,482	4,482	4,482

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
2027	4,699	4,699	4,699	4,699
2028 and later	820,281	1,247,012	1,519,006	1,607,239
Total	835,953	1,261,408	1,528,187	1,616,420

Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

The Group has tax losses arising in Hong Kong and the UK that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in Chinese mainland that will expire in one to ten years for offsetting against future taxable profits.

34. SHARE CAPITAL

The Group and the Company

	December 31, 2023	December 31, 2024	December 31, 2025	March 31, 2026
	Number of shares	*Number of shares*	*Number of shares*	*Number of shares*
Ordinary shares of RMB1 each	476,623,586	499,716,086	499,716,086	499,716,086

A summary of movements in the share capital is as follows:

	Number of shares in issue	Share capital
		RMB'000
At January 1, 2023	454,662,299	454,662
New issue of ordinary shares of RMB1 each*	21,961,287	21,962
At December 31, 2023	476,623,586	476,624
New issue of ordinary shares of RMB1 each**	23,092,500	23,092
At December 31, 2024, December 31, 2025, January 1, 2026 and March 31, 2026	499,716,086	499,716

* On June 26, 2023 and September 20, 2023, the Company issued 4,303,030 and 1,075,757 ordinary shares to external investors, respectively, with considerations of RMB71,000,000 and RMB17,750,000, respectively.

During 2023, the Company issued 16,582,500 ordinary shares to Zhuhai Hualong Kangzhong Investment Partnership Enterprise (Limited Partnership) with a consideration of RMB66,330,000.

** With the enforcement of the revised Company Law of the People's Republic of China with effect on July 1, 2024, 23,092,500 unpaid ordinary shares issued to Zhuhai Hualong Kangzhong Investment Partnership Enterprise (Limited Partnership) were deemed as the share capital of the Company, together with the shareholders' commitment to make its contribution by the end of December 2024. On September 9, 2024, 6,666,667 unpaid ordinary shares to Zhuhai Hualong Kangzhong Investment Partnership Enterprise (Limited Partnership) were transferred to a third party and the Company has received a total consideration of RMB26,666,664 on September 23, 2024.

Pursuant to the shareholders agreements entered into from February 2016 to March 2019 (collectively, the "Agreements"), the Company issued 140,800,000 ordinary shares to Series A Investments, Series B Investments and Series C Investments (collectively the "[**REDACTED**]") for a total net cash proceed of approximately RMB359,800,000 (collectively the "[**REDACTED**]"). Pursuant to the Agreements, the [**REDACTED**] were granted by the Company with special rights ("Special Rights") which included redemption rights, anti-dilution rights and liquidation rights.

There was no exercise of Special Rights granted by the Company throughout the Relevant Periods.

On June 26, 2025, the Company and the [**REDACTED**] subsequently entered into supplemental agreements, agreeing that certain of the Special Rights granted by the Company to [**REDACTED**], including redemption rights, liquidation rights and anti-dilution rights, have been irrecoverably terminated and shall be void ab initio. Taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplemental agreements, the directors considered that it is appropriate to present the [**REDACTED**] as equity throughout the Relevant Periods.

Had the Special Rights granted by the Company to the [**REDACTED**] been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the supplemental agreements, the redemption financial liabilities, total current liabilities, total non-current liabilities and net assets would have been:

	December 31,			As of March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Redemption financial liabilities	(512,713)	(545,877)	N/A *(note 1)*	(553,073)	N/A *(note 1)*
Total current liabilities	(1,009,499)	(1,088,545)		(1,182,007)	
Total non-current liabilities	(558,491)	(511,079)		(387,685)	
Net current liabilities	(187,410)	(239,713)		(334,809)	
Net assets	1,187,573	1,205,337		1,218,238	

The finance costs associated with the redemption financial liabilities, the net (losses)/profit for the years, basic and dilutive (losses)/earnings per share attributable to ordinary equity holders of the parent would have been:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Financial costs	(35,797)	(33,164)	(14,392)	(7,196)	N/A *(note 1)*
Total net (loss)/profit attributable to ordinary equity holders of the parent	(99,506)	(129,564)	34,494	(2,173)	
Basic and diluted (losses)/earnings per share	(0.21)	(0.26)	0.07	(0.01)	

Note:

(1) As the Relevant Special Rights were terminated on June 26, 2025, the relevant disclosure does not apply to the consolidated statement of financial position as at December 31, 2025 and March 31, 2026, as well as the consolidated statement of profit or loss and other comprehensive income for the three months ended March 31, 2026.

35. OTHER RESERVES

The Group

The amounts of the Group's other reserves and the movements therein for the Relevant Periods and three months ended March 31, 2025 are presented in the consolidated statements of changes in equity.

Share premium

The share premium of the Group represents the difference between the par value of the shares issued and the consideration received.

Share-based payment reserve

Share-based payment reserve represents the share-based compensation reserve arising from equity-settled share awards, details of which were set out in Note 37 to the Historical Financial Information.

Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations with functional currency other than RMB. The reserve is dealt with in accordance with the accounting policies set out in Note 2.3 to the Historical Financial Information.

Fair value reserve of equity investments designated at FVOCI

The fair value reserve of equity investments designated at FVOCI represents fair value changes of unlisted equity investments designated at FVOCI.

Fair value reserve of financial assets at FVOCI

The fair value reserve of financial assets at FVOCI represents fair value changes of certificates of deposit.

The Company

The amounts of the Company's other reserves and the movements therein for the Relevant Periods and three months ended March 31, 2025 are presented as follows:

Year ended December 31, 2023

	Share premium	Other reserve	Share-based payment reserve	Accumulated losses	Fair value reserve of financial assets at FVOCI	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	1,463,615	128,840	502,766	(903,929)	–	1,191,292
Loss for the year	–	–	–	(128,562)	–	(128,562)
Other comprehensive income for the year:						
Changes in fair value reserve of financial assets at FVOCI	–	–	–	–	145	145
Total comprehensive loss for the year	–	–	–	(128,562)	145	(128,417)
Issue of shares	133,118	–	–	–	–	133,118
Equity-settled share-based payments *(Note 37)*	–	–	64,119	–	–	64,119
At December 31, 2023	1,596,733	128,840	566,885	(1,032,491)	145	1,260,112

Year ended December 31, 2024

	Share premium	Other reserve	Share-based payment reserve	Accumulated losses	Fair value reserve of financial assets at FVOCI	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2024	1,596,733	128,840	566,885	(1,032,491)	145	1,260,112
Loss for the year	–	–	–	(244,067)	–	(244,067)
Other comprehensive income for the year:						
Changes in fair value reserve of financial assets at FVOCI	–	–	–	–	674	674
Total comprehensive loss for the year	–	–	–	(244,067)	674	(243,393)
Issue of shares	69,277	–	–	–	–	69,277
Equity-settled share-based payments *(Note 37)*	–	–	53,822	–	–	53,822
At December 31, 2024	1,666,010	128,840	620,707	(1,276,558)	819	1,139,818

Year ended December 31, 2025

	Share premium	Other reserve	Share-based payment reserve	Accumulated losses	Fair value reserve of financial assets at FVOCI	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2025	1,666,010	128,840	620,707	(1,276,558)	819	1,139,818
Profit for the year	–	–	–	164,113	–	164,113
Other comprehensive loss for the year:						
Changes in fair value reserve of financial assets at FVOCI	–	–	–	–	(819)	(819)
Total comprehensive income for the year	–	–	–	164,113	(819)	163,294
Equity-settled share-based payments *(Note 37)*	–	–	67,882	–	–	67,882
At December 31, 2025	1,666,010	128,840	688,589	(1,112,445)	–	1,370,994

Three months ended March 31, 2026

	Share premium	Other reserve	Share-based payment reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2026	1,666,010	128,840	688,589	(1,112,445)	1,370,994
Profit for the year	–	–	–	(45,609)	(45,609)
Total comprehensive income for the year	–	–	–	(45,609)	(45,609)
Equity-settled share-based payments *(note 37)*	–	–	25,065	–	25,065
At March 31, 2026	1,666,010	128,840	713,654	(1,158,054)	1,350,450

36. BUSINESS COMBINATION

Acquisition of Vedefar

In June, 2025, the Group completed the acquisition of 100% equity of Vedefar, which is a distributor of a range or medical devices including pharmaceuticals, intensive care devices, anaesthesia equipment, homecare and dental solutions in Europe. The acquisition was made as part of the Group's strategy to expand its market share of vertical integration in European. The fair value of the identifiable net assets acquired is RMB9,049,000 on the acquisition date.

Consideration

The cash purchase consideration for the acquisition was EUR1,300,000 (RMB10,923,000 equivalent) and was fully paid on June 6, 2025.

Acquisition of Caring Medical

In September, 2025, the Group completed the acquisition of 100% equity of Caring Medical, which is a medical device company focusing on the development, production and sales of intelligent endoscopic systems. The acquisition was expected to strengthen our market presence from flexible endoscopes to rigid endoscopes. The fair value of the identifiable net liabilities acquired is RMB20,380,000 on the acquisition date.

Consideration

The cash purchase consideration for the acquisition was RMB5 and was fully paid on September 19, 2025.

37. SHARE-BASED PAYMENTS

(a) Employee restricted share schemes

On March 10, 2016, the board of directors approved the share award scheme ("Scheme") for the purpose of providing restricted share incentive for certain directors, senior management members and employees contributing to the Group. The Group receives services from employees as consideration for equity instruments of the Company.

The restricted shares vest in tranches from the grant date over a certain service period. Once the vesting conditions of restricted shares are met, ordinary shares are considered duly and validly owned by the holders, and free on transfer.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these restricted shares. The Group accounts for the Scheme as an equity-settled plan.

Restricted shares issued by the Company

The Group has established the following employee share incentive platforms to provide certain employees, senior management and directors with restricted shares for their services, full time devotion and professional expertise.

Employee share incentive platforms	Number of restricted shares granted
Shenzhen Juxian Kangzhong Enterprise Management Partnership (Limited Partnership)	64,185,000
Zhuhai Jucai Kangzhong Investment Enterprise (Limited Partnership)	4,400,000
Shenzhen Ruisen Kangzhong Investment Enterprise (Limited Partnership)	9,350,000
Zhuhai Ruiyu Kangzhong Investment Enterprise (Limited Partnership)	3,300,000
Zhuhai Ruiqian Kangzhong Investment Enterprise (Limited Partnership)	4,400,000
Zhuhai Ruikun Kangzhong Investment Enterprise (Limited Partnership)	6,050,000
Shenzhen Ruixin Kangzhong Investment Enterprise (Limited Partnership)	1,928,812
Zhuhai Hualong Kangzhong Investment Partnership Enterprise (Limited Partnership)	40,000,000
Changzhou Zixi Investment Partnership Enterprise (Limited Partnership)	3,453,125
Changzhou Zijing Investment Partnership Enterprise (Limited Partnership)	3,453,125
Total	140,520,062

The following table summarises the Scheme's activities during the reporting periods:

	Number of restricted shares
At January 1, 2023	73,146,065
Granted during the year	1,930,792
Vested during the year	(46,798,791)
Forfeited during the year	(1,120,792)
At December 31, 2023	27,157,274
Granted during the year	4,080,646
Vested during the year	(1,797,646)
Forfeited during the year	(1,817,647)
At December 31, 2024	27,622,627
Granted during the year	2,172,974
Vested during the year	(2,242,975)
Forfeited during the year	(2,172,974)
At December 31, 2025	25,379,652
Granted during the year	6,000
Vested during the year	(6,000)
Forfeited during the year	(6,000)
At March 31, 2026	25,373,652

The vesting periods of the restricted shares outstanding at the end of each of the reporting periods are as follows:

At December 31, 2023 Number of restricted shares	Vesting periods
16,462,812	May 16, 2019 to [**REDACTED**]
4,086,000	December 6, 2024 to December 5, 2026
4,806,754	April 12, 2022 to March 19, 2027
782,708	April 12, 2022 to March 19, 2028
1,019,000	June 27, 2026 to June 26, 2028
27,157,274	

At December 31, 2024 Number of restricted shares	Vesting periods
15,549,812	May 16, 2019 to [**REDACTED**]
3,955,000	December 6, 2024 to December 5, 2026
4,369,357	April 12, 2022 to March 19, 2027
506,458	April 12, 2022 to March 19, 2028
959,000	June 27, 2026 to June 26, 2028
1,983,000	July 5,2027 to July 4, 2029
300,000	December 16, 2027 to December 15, 2029
27,622,627	

At December 31, 2025 Number of restricted shares	Vesting periods
14,470,312	May 16, 2019 to [**REDACTED**]
3,573,500	December 6, 2024 to December 5, 2026
3,954,982	April 12, 2022 to March 19, 2027
506,458	April 12, 2022 to March 19, 2028
875,400	June 27, 2026 to June 26, 2028
1,669,000	July 5,2027 to July 4, 2029
300,000	December 16, 2027 to December 15, 2029
30,000	December 31, 2028 to December 31, 2030
25,379,652	

At March 31, 2026 Number of restricted shares	Vesting periods
14,470,312	May 16, 2019 to [**REDACTED**]
3,573,500	December 6, 2024 to December 5, 2026
3,954,982	April 12, 2022 to March 19, 2027
506,458	April 12, 2022 to March 19, 2028
869,400	June 27, 2026 to June 26, 2028
1,669,000	July 5,2027 to July 4, 2029
300,000	December 16, 2027 to December 15, 2029
30,000	December 31, 2028 to December 31, 2030
25,373,652	

The fair value of restricted shares at the grant date was determined by reference to the fair value of the underlying ordinary shares of the Company on the respective dates of grant.

(b) Employee share option schemes

On December 16, 2024, the Company approved a share option plan ("2025 Share Option Plan") for the purpose of providing incentives for certain directors, senior management members and employees contributing to the Group. The Group receives services from employees as consideration for equity instruments of the Company.

On September 11, 2025, an aggregate of 25,000,000 share options were granted under the 2025 Share Option Plan with an exercise price of RMB4.00 per share.

Under the 2025 Share Option Plan, those granted options can be vested in several tranches with the following vesting schedule: five years with 20% of the share options vested on every anniversary since the vesting commencement date under the prerequisite of meeting performance conditions.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the Scheme as an equity-settled plan.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Scheme during the year:

	Weighted average exercise price	Number of options
	RMB per share	*'000*
At January 1, 2025	–	–
Granted during the year	4	25,000
Forfeited during the year	4	(128)
At December 31, 2025	4	24,872
Forfeited during the period	4	(325)
At March 31, 2026	4	24,547

No share options were exercised in reporting periods.

(c) Fair value of share options

The fair value of the share options granted during the year ended December 31, 2025 was RMB322,325,000 (RMB12.89 each), of which the Group recognised share option expenses of RMB19,948,000 during the period ended March 31, 2026 and RMB24,479,000 during the year ended December 31, 2025.

The fair value of equity-settled share options granted during the year was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used:

	2025
Dividend yield (%)	Nil
Expected volatility (%)	36.39–40.11
Risk-free interest rate (%)	1.41–1.62

(d) Expenses arising from Share-based payment transactions

The Group recognised share-based payment expenses of RMB64,119,000, RMB53,822,000, RMB67,882,000 and RMB25,065,000 during the years ended December 31, 2023, 2024, 2025 and three months ended March 31, 2026.

38. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods and three months ended March 31, 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB7,764,000, RMB5,279,000, RMB57,505,000, RMB502,000, and RMB1,465,000, respectively, in respect of lease arrangements for plant, office and laboratories.

(b) Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Interest bearing bank borrowings	Lease liabilities	Accrued [REDACTED] expense
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2023	415,072	84,479	**[REDACTED]**
Changes from financing cash flow	4,372	(31,974)	**[REDACTED]**
Changes from operating cash flow	–	–	**[REDACTED]**
Changes from modification/termination	–	45,812	**[REDACTED]**
Increase in [**REDACTED**] expenses	–	–	**[REDACTED]**
Increase in deferred [**REDACTED**] expenses	–	–	**[REDACTED]**
Foreign exchange movements	–	1,808	**[REDACTED]**
New lease arrangements	–	7,764	**[REDACTED]**
Accretion of interest	16,619	4,800	**[REDACTED]**
At December 31, 2023 and January 1, 2024	436,063	112,689	**[REDACTED]**
Changes from financing cash flow	(101,983)	(33,373)	**[REDACTED]**
Changes from operating cash flow	–	–	**[REDACTED]**
Changes from modification/termination	–	(2,929)	**[REDACTED]**
Increase in [**REDACTED**] expenses	–	–	**[REDACTED]**
Increase in deferred [**REDACTED**] expenses	–	–	**[REDACTED]**
Foreign exchange movements	–	79	**[REDACTED]**
New lease arrangements	–	5,279	**[REDACTED]**
Accretion of interest	10,490	5,508	**[REDACTED]**
At December 31, 2024 and January 1, 2025	344,570	87,253	**[REDACTED]**
Changes from financing cash flow	(65,697)	(31,717)	**[REDACTED]**
Changes from operating cash flow	–	–	**[REDACTED]**
Changes from modification/termination	–	(4,408)	**[REDACTED]**
Increase in [**REDACTED**] expenses	–	–	**[REDACTED]**
Increase in deferred [**REDACTED**] expenses	–	–	**[REDACTED]**
Foreign exchange movements	–	2,351	**[REDACTED]**
New lease arrangements	–	57,505	**[REDACTED]**
Accretion of interest	13,177	5,154	**[REDACTED]**
At December 31, 2025 and January 1, 2026	292,050	116,138	**[REDACTED]**
Changes from financing cash flow	35,894	(10,353)	**[REDACTED]**
Changes from operating cash flow	–	–	**[REDACTED]**
Increase in [**REDACTED**] expenses	–	–	**[REDACTED]**
Decrease in deferred [**REDACTED**] expenses	–	–	**[REDACTED]**
Foreign exchange movements	–	(1,951)	**[REDACTED]**
New lease arrangements	–	502	**[REDACTED]**
Accretion of interest	2,173	1,366	**[REDACTED]**
At March 31, 2026	330,117	105,702	**[REDACTED]**
At January 1, 2025	344,570	87,253	**[REDACTED]**
Changes from financing cash flow	40,028	(7,692)	**[REDACTED]**
Changes from operating cash flow	–	–	**[REDACTED]**
Increase in [**REDACTED**] expenses	–	–	**[REDACTED]**
Increase in deferred [**REDACTED**] expenses	–	–	**[REDACTED]**

	Interest bearing bank borrowings	Lease liabilities	Accrued [REDACTED] expense
	RMB'000	*RMB'000*	*RMB'000*
Foreign exchange movements	–	1,559	[REDACTED]
New lease arrangements	–	1,465	[REDACTED]
Accretion of interest	2,325	1,130	[REDACTED]
At March 31, 2025	386,923	83,715	[REDACTED]

(c) Total cash outflow for leases

The total cash outflow for leases included in the statements of cash flows is as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Within operating activities	4,536	5,362	8,586	2,838	1,004
Within financing activities	31,974	33,373	31,717	7,692	10,353
	36,510	38,735	40,303	10,530	11,357

39. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank borrowings are included in Note 30 to the Historical Financial Information.

40. COMMITMENTS

The Group had the following capital commitments at the end of each reporting periods.

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted, but not provided for items of property, plant and equipment	13,250	8,135	–	–

41. RELATED PARTY TRANSACTIONS

The Directors are of the view that the following companies are related parties that have material transactions or balances with the Group during the Relevant Periods and three months ended March 31, 2025.

(a) Name and relationships of the related parties

Name	Relationship
Pentax Jiangsu	Associate until March 27, 2024
Liu Jie	Executive director and chief executive

(b) The Group had the following transactions with related parties during the Relevant Periods and three months ended March 31, 2025:

	Notes	Year ended December 31,			Three months ended March 31,	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Sales of products:	*(i)*					
Pentax Jiangsu – trade. .		11,025	–	–	–	–

The sales to the associate were made according to the published prices and conditions offered to the major customers of the Group.

(c) Outstanding balances with related parties:

The Company

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts due from subsidiaries:				
Medcaptain Hong Kong	62,519	32,802	41,247	53,778
Medcaptain Life Science	47,746	67,771	67,721	65,626
Medcaptain Europe	10,968	10,260	17,023	13,561
Runpu Biotech	6,393	6,354	760	3,710
Mabsky	3,001	35	402	510
Medcaptain Indonesia.	486	298	95	874
Penlon	336	–	5,810	4,038
Runpu Biomedical.	130	–	–	–
Better Life Medical Technology Co., Ltd.	–	658	1,831	1,632
Medcaptain Jiangsu	–	–	10	10
Suzhou Caring Medical Co., Ltd. . .	–	–	5,000	–
	131,579	118,178	139,899	143,739
Amounts due to subsidiaries:				
Changzhou Jiuhong*	–	140,000	199,160	199,136
Vedkang Medical*.	–	30,000	13,293	13,076
Changzhou Fortunmed*	–	100,039	3,394	40
Medcaptain Software	–	–	450	450
Baiyou Biotechnology	–	–	27	8
Tuyun Medical	–	–	14	62
Hunan Vedkang	–	–	–	488
Penlon	–	471	–	–
	–	270,510	216,338	213,260

* These companies had inter-company borrowings within the Group to support their normal business operations with an annual interest rate between 2.5% to 2.85%. These borrowing are repayable on demand.

Other amounts due from/to subsidiaries are unsecured, interest free and repayable on demand.

(d) Compensation of key management personnel of the Group

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Salaries, bonuses, allowances and benefits in kind	6,452	7,383	8,198	1,777
Pension scheme contributions	149	138	209	58
Equity-settled share-based payments expenses	9,223	8,420	18,766	6,760
	15,824	15,941	27,173	8,595

Further details of directors' and the chief executive's remuneration are included in Note 9 to the Historical Financial Information.

(e) Redemption rights of the [REDACTED]

In respect of the Controlling Shareholders Redemption Rights, (i) there are no other side arrangements between the Company and the [**REDACTED**] or between the Company and the Controlling Shareholders regarding the Controlling Shareholders Redemption Rights; and (ii) the Company did not provide any form of guarantee on the Controlling Shareholders Redemption Rights in case of default or failure by the Controlling Shareholders (as applicable) to fulfil their obligations relating to the Controlling Shareholders Redemption Rights. Considering the foregoing and that the Company has no obligation to repurchase the Shares held by the [**REDACTED**] even though the Company is a party to the relevant agreements for the Controlling Shareholders Redemption Rights, no financial liability regarding the Controlling Shareholders Redemption Rights and no redemption liability was recorded during the Track Record Period.

42. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each reporting periods were as follows:

The Group

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at FVTPL:				
Wealth management products	156,106	132,488	145,219	157,381
Financial assets at FVOCI:				
Certificate of deposits	21,189	21,863	–	–
Unlisted equity investments	645	645	645	645
	21,834	22,508	645	645
Financial assets at amortised cost:				
Trade and bills receivables	104,775	133,073	168,234	170,517
Financial assets included in prepayments, other receivables and other assets	4,828	4,423	11,080	12,234
Financial assets included in other non-current assets	9,058	7,947	8,249	8,955
Pledged deposits	3,937	4,135	654	2,535
Cash and bank balances	262,267	283,988	301,259	321,227
	384,865	433,566	489,476	515,468

	December 31,			March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities				
Financial liabilities at FVTPL:				
Contingent consideration	18,393	998	160	–
Financial liabilities at amortised cost:				
Trade payables	88,914	154,189	175,180	197,667
Financial liabilities included in other payables and accruals	76,270	115,233	84,473	75,890
Interest-bearing bank borrowings	436,063	344,570	292,050	330,117
	601,247	613,992	551,703	603,674

For the details of [**REDACTED**], please refer to Note 34 to the Historical Financial Information.

43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair value hierarchy

Financial assets at FVTPL:

At December 31, 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Wealth management products	–	156,106	–	156,106

At December 31, 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Wealth management products	–	132,488	–	132,488

At December 31, 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Wealth management products	–	145,219	–	145,219

At March 31, 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Wealth management products	–	157,381	–	157,381

Financial instruments in Level 3

During the reporting periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

Financial assets at FVOCI:

At December 31, 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Certificate of deposit	–	21,189	–	21,189
Unlisted equity investments	–	–	645	645
	–	21,189	645	21,834

At December 31, 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Certificate of deposit	–	21,863	–	21,863
Unlisted equity investments	–	–	645	645
	–	21,863	645	22,508

At December 31, 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unlisted equity investments	–	–	645	645
	–	–	645	645

Financial assets at FVOCI:

At March 31, 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unlisted equity investments	–	–	645	645
	–	–	645	645

Financial liabilities at FVTPL:

At December 31, 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contingent consideration	–	18,393	–	18,393

At December 31, 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contingent consideration	–	998	–	998

At December 31, 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contingent consideration	–	160	–	160

Management has assessed that the fair values of cash and bank balances, pledged deposits, financial assets included in prepayments, other receivables and other assets, trade and bills receivables, trade payables, interest-bearing bank borrowings, and financial liabilities included in other payables and accruals, approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the reporting periods, the finance department analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation is reviewed and approved by the finance manager. The valuation process and results are discussed with the directors of the Company once a year for annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of financial assets included in other non-current assets, and interest-bearing bank borrowings approximate to their carrying amounts largely due to the fact that their interest rates and credit risk have not changed significantly.

The fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable and immaterial, and that they were the most appropriate values at the end of the reporting period.

The Group invests in an unlisted investment, which represents wealth management products issued by banks in Chinese mainland. The Group has estimated the fair value of these unlisted investments using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank borrowings, financial assets at fair value through profit or loss and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities which arise directly from its operations.

The main risks arising from the Group 's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with a floating interest rate.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. The Group's policy is to maintain certain of its interest-bearing bank borrowings at fixed interest rates. At the end of the Relevant Periods, approximately 7%, 7%, 18% and 15% of the Group's interest-bearing borrowings bore interest at fixed rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's loss/profit before tax and the Group's equity.

	Increase/(decrease) in basis points	Increase/(decrease) in loss/profit before tax	(Decrease)/increase in equity
		RMB'000	*RMB'000*
Year ended December 31, 2023			
RMB	50/(50)	2,025/(2,025)	(2,025)/2,025
Year ended December 31, 2024			
RMB	50/(50)	2,073/(2,073)	(2,073)/2,073
Year ended December 31, 2025			
RMB	50/(50)	1,776/(1,776)	(1,776)/1,776
Year ended March 31, 2026			
RMB	50/(50)	1,664/(1,664)	(1,664)/1,664

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations.

The following table demonstrates the sensitivity at the end of each of the reporting periods to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's loss/profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

	Increase/(decrease) in foreign exchange rate	Decrease/(increase) in loss/(profit) before tax	(Increase)/decrease in equity
	%	*RMB'000*	*RMB'000*
Year ended December 31, 2023			
If RMB weakens against the USD	5	5,506	(8,828)
If RMB strengthens against the USD	(5)	(5,506)	8,828
If RMB weakens against the EUR	5	1,671	(2,236)
If RMB strengthens against the EUR	(5)	(1,671)	2,236
Year ended December 31, 2024			
If RMB weakens against the USD	5	4,586	(6,855)
If RMB strengthens against the USD	(5)	(4,586)	6,855
If RMB weakens against the EUR	5	1,141	(1,692)
If RMB strengthens against the EUR	(5)	(1,141)	1,692
Year ended December 31, 2025			
If RMB weakens against the USD	5	7,409	(9,686)
If RMB strengthens against the USD	(5)	(7,409)	9,686
If RMB weakens against the EUR	5	2,266	(3,059)
If RMB strengthens against the EUR	(5)	(2,266)	3,059
Year ended March 31, 2026			
If RMB weakens against the USD	5	7,959	(11,327)
If RMB strengthens against the USD	(5)	(7,959)	11,327
If RMB weakens against the EUR	5	1,095	(2,231)
If RMB strengthens against the EUR	(5)	(1,095)	2,231

Credit risk

The Group trades only with recognised and creditworthy parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. The credit risk of the Group's other financial assets, which comprise cash and bank balance, pledged deposits, amounts due from a related party, financial assets included in prepayments, other receivables and other assets, and financial assets included in other non-current assets arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

For financial assets included in other non-current assets and prepayments, other receivables and other assets, management makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The directors believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the reporting periods.

The amounts presented are gross carrying amounts for financial assets.

At December 31, 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	–	–	–	106,910	106,910
Financial assets included in prepayments, other receivables and other assets**	4,828	–	–	–	4,828
Financial assets included in other non-current assets	9,058	–	–	–	9,058
Pledged deposits	3,937	–	–	–	3,937
Cash and bank balances	262,267	–	–	–	262,267
Total	280,090	–	–	106,910	387,000

At December 31, 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	–	–	–	136,362	136,362
Financial assets included in prepayments, other receivables and other assets**	4,423	–	–	–	4,423
Financial assets included in other non-current assets	7,947	–	–	–	7,947
Pledged deposits	4,135	–	–	–	4,135
Cash and bank balances	283,988	–	–	–	283,988
Total	300,493	–	–	136,362	436,855

At December 31, 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	–	–	–	171,572	171,572
Financial assets included in prepayments, other receivables and other assets**	11,080	–	–	–	11,080
Financial assets included in other non-current assets	8,249	–	–	–	8,249
Pledged deposits	654	–	–	–	654
Cash and bank balances	301,259	–	–	–	301,259
Total	321,242	–	–	171,572	492,814

At March 31, 2026

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	–	–	–	173,957	173,957
Financial assets included in prepayments, other receivables and other assets**	12,234	–	–	–	12,234
Financial assets included in other non-current assets	8,955	–	–	–	8,955
Pledged deposits	2,535	–	–	–	2,535
Cash and bank balances	321,227	–	–	–	321,227
Total	344,951	–	–	173,957	518,908

* For trade receivables at the end of each Relevant Periods, the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in Note 22 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade and bills receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings and lease liabilities.

The maturity profile of the Group's financial liabilities as at the end of each Relevant Periods, based on the contractual undiscounted payments, is as follows:

At December 31, 2023

	Less than 12 months or on demand	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	88,914	–	–	88,914
Interest-bearing bank borrowings	134,901	312,121	40,941	487,963
Financial liabilities included in other payables and accruals	76,270	–	–	76,270
Lease liabilities	31,182	55,361	63,322	149,865
Total	331,267	367,482	104,263	803,012

At December 31, 2024

	Less than 12 months or on demand	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	154,189	–	–	154,189
Interest-bearing bank borrowings	88,372	291,936	–	380,308
Financial liabilities included in other payables and accruals	115,233	–	–	115,233
Lease liabilities	25,653	32,228	61,001	118,882
Total	383,447	324,164	61,001	768,612

At December 31, 2025

	Less than 12 months or on demand	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	175,180	–	–	175,180
Interest-bearing bank borrowings	88,896	214,222	–	303,118
Financial liabilities included in other payables and accruals	84,473	–	–	84,473
Lease liabilities	29,197	67,603	53,554	150,354
Total	377,746	281,825	53,554	713,125

At March 31, 2026

	Less than 12 months or on demand	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	197,667	–	–	197,667
Interest-bearing bank borrowings	129,140	210,787	–	339,927
Financial liabilities included in other payables and accruals	75,890	–	–	75,890
Lease liabilities	26,755	68,520	51,989	147,264
Total	429,452	279,307	51,989	760,748

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may issue new shares or make borrowings to reduce debt. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using a gearing ratio, which is net debt divided by the total of capital and net debt. The Group's policy is to maintain the gearing ratio below 50%. Net debt includes interest-bearing bank borrowings, trade payables and other payables and accruals less cash and bank balances, pledged deposits, financial assets at FVTPL and certificate of deposits. Capital includes equity attributable to owners of the parent. The gearing ratios as at the end of each Reporting Periods were as follows:

	December 31,			March 31,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing bank borrowings	436,063	344,570	292,050	330,117
Lease liabilities	112,689	87,253	116,138	105,702
Trade payables	88,914	154,189	175,180	197,667
Other payables and accruals	189,215	223,110	213,381	161,353
Less: Cash and bank balances	262,267	283,988	301,259	321,227
Pledged deposits	3,937	4,135	654	2,535
Financial assets at FVTPL	156,106	132,488	145,219	157,381
Certificate of deposits	21,189	21,863	–	–
Net debt	383,382	366,648	349,617	313,696
Equity attributable to owners of the parent	1,705,807	1,753,532	1,876,438	1,891,861
Capital and net debt	2,089,189	2,120,180	2,226,055	2,205,557
Gearing ratio	18%	17%	16%	14%

45. SUBSEQUENT EVENTS

No significant events of the Group occurred after March 31, 2026.

46. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to March 31, 2026.